



Corpus Christi

1201 Leopard Street
Corpus Christi, TX 78401
cctexas.com

Meeting Minutes

City Council Workshop Session

Thursday, May 11, 2017

3:00 PM

1201 Leopard Street
Basement Training Room

THE USE OF CELLULAR PHONES AND SOUND ACTIVATED PAGERS ARE PROHIBITED IN THE TRAINING ROOM DURING MEETINGS OF THE CITY COUNCIL.

A. Mayor Pro Tem Lucy Rubio to call the meeting to order.

Mayor Pro Tem Lucy Rubio called the meeting to order at 3:00 p.m.

B. City Secretary Rebecca L. Huerta to call the roll of the required Charter Officers.

Assistant City Secretary Paul Pierce called the roll and verified that a quorum of the City Council and the required Charter Officers were present to conduct the meeting.

Charter Officers:

City Manager Margie C. Rose, City Attorney Miles Risley, and City Secretary Rebecca L. Huerta.

Present 8 - Council Member Carolyn Vaughn, Council Member Lucy Rubio, Council Member Rudy Garza Jr., Council Member Michael Hunter, Council Member Greg Smith, Council Member Paulette Guajardo, Council Member Joe McComb, and Council Member Ben Molina

C. BRIEFINGS TO CITY COUNCIL:

1. Status of Fiscal 2017 Budget/Proposed FY 2018 Budget and Status of Fiscal 2017 Health Plans

Mayor Pro Tem Lucy Rubio referred to Item 1. City Manager Margie C. Rose provided opening remarks regarding the status of fiscal year 2017 budget/proposed fiscal year 2018 budget and the status of fiscal year 2017 health plans.

Director of the Office of Management and Budget Eddie Houlihan presented information on the following topics: types of operating funds; description of the General, Enterprise, Special Revenue, Internal Service, and Debt Service Funds; number of employees in the General Fund; projected change in the General Fund balance; revenue/general resources; General Fund revenues; total General Fund expenditures; General Fund available resources distributed over major spending areas; change in revenue; and General Fund projected obligations and consideration for FY 2018.

Director of Human Resources Steven Viera presented information on the

following topics: the expenditure budgets for the FY 2017 Citicare, Citicare Police and Citicare Fire budgets; the per-employee, per-month cost for each plan; cost factors impacting health plans; the number of claimants and cost per claimant of catastrophic cases, defined as \$50,000 or more; and proposed changes.

Council member and Director Viera discussed the following topics: the performance of the City's current contracted pharmacy benefit manager; proposed increases in premiums; a consumer-driven health plan to replace the current Citicare Plan; adding a wellness coordinator in-house versus under contract; renaming the current Citicare Plan the Premium Plan; eventually eliminating the Premium Plan; the City pays about 80% and the employee pays about 20% of civilian employee premiums; the City pays 100% of sworn police and fire employee premiums; the financial impact of catastrophic claims; the negative financial impact of the Affordable Care Act which resulted in higher deductibles for employees; the amount spent on healthcare from the General Fund; increases in cost of service being a reason for overall cost increases; an average cost of health care for each employee; sharp increases in public safety health care costs as compared to civilian employees; that an actuary, benefit consultant and plan administrator all advise the City on the health plan; evaluating the current self-funded versus a fully insured plan when plan administrator services are competitively procured next year; cost mitigation regarding prescription drugs; the cost of in- versus out-of-network services; wellness; preventive screening; employee participation in biometric screening to be eligible for a premium discount; incentivization; a description of and the costs associated with the "outside agencies" and "other activities" items in the General Fund; revising the cost sharing to incentivize employee use of in-network providers to reduce plan costs; providing employees with an insurance allowance, allowing employees to secure their own health insurance and the substantial penalties to the City associated with same as imposed by the Affordable Care Act; council members requesting staff provide a report detailing out-of-network costs; and the difference in the cost of the current wellness clinic versus completely privatized wellness clinic.

Director Houlihan presented information on budget challenges/issues and legislative issues.

Director of Finance Constance Sanchez presented information on the tax cap.

Council members and Director Houlihan discussed the following topics: sales tax trends; nondepartmental budget expenditures; the amount in reserve for unexpected contingencies and using those monies for priorities.

2.

Housing and Community Development/Affordable Housing

Director of Housing and Community Development Rudy Bentancourt presented information on the following topics: the consolidated action plan; entitlement programs received; the Community Development Block Grant (CDBG) Program's 10-year funding trend; CDBG eligibility; FY2016-2017 CDBG funded projects; the HOME Investments Partnerships Program's 10-year funding trend; and the HOME Program's eligibility and FY2016-2017 funded projects.

Council members and Director Bentancourt discussed the following topics: historical use of funds; whether funds carry over from year-to-year; types of projects funded through the HOME Program; the status of programs as

reported on the City's website; and prioritization of projects to be funded.

Director Bentancourt presented information on the following items: the Emergency Solutions Grant (ESG) Program's 10-year funding trend; ESG Program eligibility and FY2016-2017 funded projects; and Housing & Community Development programs.

In response to a council member, Director Bentancourt stated that the proceeds from loans come back to the City to use.

Director Benancourt presented information on the following topics: Local Funds - Type A; Homebuyer Assistance Program; the definition of affordable housing; current and future City affordable housing programs; and foreclosure properties.

Area Manager of Linbarger Goggan Blair & Sampson Marvin Leary addressed council members' questions regarding sheriff's sales, right to redemption and the City pro rate share of the proceeds from the sale of foreclosed properties.

Director Bentancourt presented information on the following topics: list of City-owned lots for affordable housing use; a summary of funding mechanisms; and proposed action.

Council members and Director Bentancourt discussed the following topics: program and entitlement income; proposed elimination of the CDBG and HOME Programs by the federal government in fiscal year 2018-2019; that the City manages loans; the City's success rate relating to re-payment of loans; there are 10 homes currently being re-built; that program income is used to replenish the CDBG programs; the need for these programs; the City's recourse in the event people to whom the City has loaned money do not re-pay the loans; the number of loans now considered delinquent; and the total number of loans the City has made.

D. ADJOURNMENT

The meeting was adjourned at 5:49 p.m.