



MINUTES OF WORK SESSION MEETING OF THE COMMON COUNCIL OF YOUNGTOWN, AZ
THURSDAY, February 16, 2012, TOWN CLUBHOUSE, 12033 CLUBHOUSE SQUARE

1. Call to Order Mayor LeVault called the meeting to order at 6:03 p.m.
2. Roll Call Council present: Mayor Michael LeVault, Vice Mayor Jacob Duran, Councilmembers Dorena Mello, Shirley Gustafson, Susan MacKay, and Judy Johnson and Margaret Chittenden
Staff present: Town Manager Lloyce Robinson, Town Attorney Michelle Swann, Finance Officer Jackie Hoffman, Programs Projects Grants Manager Mark Hannah, Public Works Manager/Building Official Jim Fox
Library Manager Heidi Speed, Town Deputy Clerk Diane Cordova.
3. Business
 - A. Discussion/Presentation Re: Metro Phoenix Municipalities Regional Employee Benefit Pool Feasibility Study
Finance Officer Hoffman (Report Attached)
 - I would like to introduce Erin Collins, representative for the Metro Phoenix Municipalities on regional employee benefit pooling. Mr. Collins is a consultant for the City of El Mirage. Being part of a larger group creates greater stability and better benefits at a lower cost.

Erin Collins, Consultant

 - Benefits Pooling is legal under A.R.S 11-952 and A.R.S. 11-952.01. There are three options in forming a pool; Options 1 – Pure Rating; Option 2 – Demographic Adjustment with no cap in rate –swing; Option 3 – Demographic Adjustment with a 5% cap on rate swing.
 - July 1, 2012 as an effective date. Youngtown is the only entity with less than 100 employees; cities of Apache Junction, El Mirage and Avondale are the other entities.
 - The pool is a public entity self-funded group that carries beneficiaries, trustees, staff, consultant or administrator following an actuary, third party administrator, reinsurance carrier and wellness program.
 - The pool pulls from a joint bank account. Claims go to reinsurance. \$75,000 in claims are paid from the pool. \$100,000 pools pay's all. There is an aggregate stop-loss. Second insurance protects the trust. If any cash runs short, each member entity remains liable for their pro-rata share of any deficits. Youngtown represents less than 2% of the projected starting budget.
 - If a municipality joins the pool, it will be a three year commitment. If a municipality leaves after the three years, they cannot re-enter until after three years.
 - Dental, Life and Vision Insurance will come in the second year. These benefits will continue to be provided by your current carrier.

Mayor LeVault

 - I am familiar with the concept; there is protection in an aggregate. This type of program builds a surplus of funds. Funding levels are conservative. \$.85 to .90 on every dollar to pay claims. This makes sense.

Councilmember Mello

 - This does make sense. I am aware of many small businesses pooling together.

Councilmember Chittenden

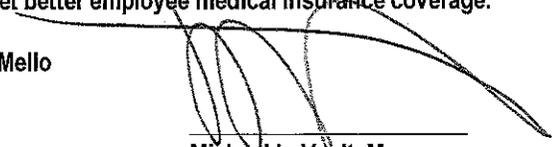
 - This program has no effect on Medicare?

Town Manager Robinson

 - I so appreciate our Finance Officer, Jackie Hoffman with her preservance on this. She has been involved since October with meetings, providing information and now Youngtown has a place at the table in this pool to save money and get better employee medical insurance coverage.

Adjournment.

Motion to adjourn – Councilmember Mello
Second – Vice Mayor Duran
Meeting adjourned at 6:40 p.m.


Michael LeVault, Mayor

Attest:


Diane Cordova, Deputy Town Clerk

Minutes approved at the March 1, 2012 Regular Meeting.