



**NOTICE OF A SPECIAL MEETING
THE BRENHAM CITY COUNCIL
MONDAY SEPTEMBER 14, 2015 AT 8:00 A.M.
SECOND FLOOR CITY HALL
COUNCIL CHAMBERS
200 W. VULCAN
BRENHAM, TEXAS**

- 1. Call Meeting to Order**
- 2. Invocation and Pledges to the US and Texas Flags – Mayor Milton Y. Tate, Jr.**
- 3. Citizens Comments**

PUBLIC HEARING

- 4. Proposed Budget for Fiscal Year Beginning October 1, 2015 and Ending September 30, 2016** **Pages 1-2**

This budget will raise more total property taxes than last year's budget by an estimated \$207,149 (3.87%), and of that amount, \$75,540 is tax revenue to be raised from estimated new property added to the tax roll this year.

REGULAR AGENDA

- 5. Discuss and Possibly Act Upon Ratification of the Property Tax Increase Reflected in the Proposed Budget for Fiscal Year Beginning October 1, 2015 and Ending September 30, 2016, which Raises More Revenue from Property Taxes than the Previous Year's Budget** **Pages 3-4**
- 6. Discuss and Possibly Act Upon an Ordinance on Its First Reading Adopting the Budget for Fiscal Year Beginning October 1, 2015 and Ending September 30, 2016** **Pages 5-9**

7. **Discuss and Possibly Act Upon an Ordinance on Its First Reading Levying Taxes for the Tax Year 2016 for the City of Brenham at \$0.4731 per \$100 Valuation**
Pages 10-13
8. **Discuss and Possibly Act Upon Renewal with Texas Municipal League Intergovernmental Risk Pool for General Liability, Law Enforcement Liability, Public Officials Liability, Mobile Equipment, Airport Liability, Property, Auto Liability and Physical Damage, Crime, Animal Mortality and Theft and Workers' Compensation Coverage for the City of Brenham for Fiscal Year 2015-16 and Authorize the Mayor to Execute Any Necessary Documentation**
Pages 14-30
9. **Discuss and Possibly Act Upon the Renewal of City of Brenham Group Health Plan with TML Multistate Intergovernmental Employee Benefits Pool and Establishment of Funding Rates for Calendar Year 2016 and Authorize the Mayor to Execute Any Necessary Documentation**
Pages 31-34

Administrative/Elected Officials Reports: Reports from City Officials or City staff regarding items of community interest, including expression of thanks, congratulations or condolences; information regarding holiday schedules; honorary or salutory recognitions of public officials, public employees or other citizens; reminders about upcoming events organized or sponsored by the City; information regarding social, ceremonial, or community events organized or sponsored by a non-City entity that is scheduled to be attended by City officials or employees; and announcements involving imminent threats to the public health and safety of people in the City that have arisen after the posting of the agenda.

10. Administrative/Elected Officials Report

Adjourn

Executive Sessions: The City Council for the City of Brenham reserves the right to convene into executive session at any time during the course of this meeting to discuss any of the matters listed, as authorized by Texas Government Code, Chapter 551, including but not limited to §551.071 – Consultation with Attorney, §551.072 – Real Property, §551.073 – Prospective Gifts, §551.074 - Personnel Matters, §551.076 – Security Devices, §551.086 - Utility Competitive Matters, and §551.087 – Economic Development Negotiations.

CERTIFICATION

I certify that a copy of the September 14, 2015 agenda of items to be considered by the City of Brenham City Council was posted to the City Hall bulletin board at 200 W. Vulcan, Brenham, Texas on September 10, 2015 at **8:30 AM**.

Jeana Bellinger, TRMC

City Secretary

Disability Access Statement: This meeting is wheelchair accessible. The accessible entrance is located at the Vulcan Street entrance to the City Administration Building. Accessible parking spaces are located adjoining the entrance. Auxiliary aids and services are available upon request (interpreters for the deaf must be requested twenty-four (24) hours before the meeting) by calling (979) 337-7567 for assistance.

I certify that the attached notice and agenda of items to be considered by the City Council was removed by me from the City Hall bulletin board on the _____ day of _____, 2015 at _____ AM PM.

Signature

Title



AGENDA ITEM 4

DATE OF MEETING: September 14, 2015	DATE SUBMITTED: September 9, 2015	
DEPT. OF ORIGIN: Finance	SUBMITTED BY: Carolyn D. Miller	
MEETING TYPE: ☐ REGULAR ☒ SPECIAL ☐ EXECUTIVE SESSION	CLASSIFICATION: ☒ PUBLIC HEARING ☐ CONSENT ☐ REGULAR ☐ WORK SESSION	ORDINANCE: ☐ 1 ST READING ☐ 2 ND READING ☐ RESOLUTION
AGENDA ITEM DESCRIPTION: Proposed Budget for Fiscal Year Beginning October 1, 2015 and Ending September 30, 2016		
SUMMARY STATEMENT: See attached memo from Chief Financial Officer on this item.		
STAFF ANALYSIS (For Ordinances or Regular Agenda Items): A. PROS: B. CONS:		
ALTERNATIVES (In Suggested Order of Staff Preference):		
ATTACHMENTS: (1) Memo from ACM-CFO		
FUNDING SOURCE (Where Applicable):		
RECOMMENDED ACTION: None – Public Hearing Only		
APPROVALS: Terry K. Roberts		



MEMORANDUM

To: Mayor, Council and City Manager

From: Carolyn D. Miller
Assistant City Manager-Chief Financial Officer

Subject: Public Hearing on FY2015-16 Proposed Budget

Date: September 9, 2015

The FY2015-16 proposed budget is the result of numerous staff hours as well as two Council Budget Workshops. During these workshops, staff presented the proposed budget to Council and all Council directed changes have been made.

In compliance with the Local Government Code, the proposed budget has been filed with the City Secretary and all required notices have been published. Additionally, the Local Government Code requires a governing body to hold a Public Hearing to receive citizen comments on a proposed budget.



AGENDA ITEM 5

DATE OF MEETING: September 14, 2015	DATE SUBMITTED: September 9, 2015	
DEPT. OF ORIGIN: Finance	SUBMITTED BY: Carolyn D. Miller	
MEETING TYPE: ☐ REGULAR ☒ SPECIAL ☐ EXECUTIVE SESSION	CLASSIFICATION: ☐ PUBLIC HEARING ☐ CONSENT ☒ REGULAR ☐ WORK SESSION	ORDINANCE: ☐ 1 ST READING ☐ 2 ND READING ☐ RESOLUTION
AGENDA ITEM DESCRIPTION: Discuss and Possibly Act Upon Ratification of the Property Tax Increase Reflected in the Proposed Budget for Fiscal Year Beginning October 1, 2015 and Ending September 30, 2016, which Raises More Revenue from Property Taxes than the Previous Year's Budget		
SUMMARY STATEMENT: See attached memo from Chief Financial Officer on this item.		
STAFF ANALYSIS (For Ordinances or Regular Agenda Items): A. PROS: B. CONS:		
ALTERNATIVES (In Suggested Order of Staff Preference):		
ATTACHMENTS: (1) Memo from ACM-CFO		
FUNDING SOURCE (Where Applicable):		
RECOMMENDED ACTION: Move to ratify the property tax increase reflected in the proposed budget for the fiscal year beginning October 1, 2015 and ending September 30, 2016, which raises more revenue from property taxes than the previous year's budget		
APPROVALS: Terry K. Roberts		



MEMORANDUM

To: Mayor, Council and City Manager

From: Carolyn D. Miller
Assistant City Manager-Chief Financial Officer

Subject: Ratification of Property Tax Increase
Required for the Proposed FY2015-16 Budget

Date: September 9, 2015

In compliance with the Local Government Code, if a municipal budget raises more property taxes than in the previous year's budget, City Council must formally ratify a property tax increase. The FY2015-16 budget will raise more total property taxes than last year's budget by \$207,149 (3.87%), and of that amount \$75,540 is tax revenue to be raised from new property added to the tax roll this year. A vote must be taken to ratify the property tax increase reflected in the budget. ***This vote is in addition to and separate from the vote to adopt the budget or a vote to set the tax rate.***

The following motion should be made:

I move to ratify the property tax increase reflected in the proposed budget for the fiscal year beginning October 1, 2015 and ending September 30, 2016, which raises more revenue from property taxes than the previous year's budget.



AGENDA ITEM 6

DATE OF MEETING: September 14, 2015	DATE SUBMITTED: September 9, 2015	
DEPT. OF ORIGIN: Finance	SUBMITTED BY: Carolyn D. Miller	
MEETING TYPE: ☐ REGULAR ☒ SPECIAL ☐ EXECUTIVE SESSION	CLASSIFICATION: ☐ PUBLIC HEARING ☐ CONSENT ☒ REGULAR ☐ WORK SESSION	ORDINANCE: ☒ 1 ST READING ☐ 2 ND READING ☐ RESOLUTION
AGENDA ITEM DESCRIPTION: Discuss and Possibly Act Upon an Ordinance on its First Reading Adopting the Budget for Fiscal Year Beginning October 1, 2015 and Ending September 30, 2016		
SUMMARY STATEMENT: See attached memo from Chief Financial Officer on this item.		
STAFF ANALYSIS (For Ordinances or Regular Agenda Items): A. PROS: B. CONS:		
ALTERNATIVES (In Suggested Order of Staff Preference):		
ATTACHMENTS: (1) Memo from ACM-CFO; (2) Ordinance; and (3) Combined Fund Summary		
FUNDING SOURCE (Where Applicable):		
RECOMMENDED ACTION: Approve an Ordinance on its first reading adopting the budget for fiscal year beginning October 1, 2015 and ending September 30, 2016		
APPROVALS: Terry K. Roberts		



MEMORANDUM

To: Mayor, Council and City Manager

From: Carolyn D. Miller
Assistant City Manager-Chief Financial Officer

Subject: FY2015-16 Budget Adoption Ordinance

Date: September 9, 2015

The proposed FY2015-16 Budget has been developed in compliance with the property tax code, local government code, and City Charter. A property tax rate of \$0.4731 per \$100 valuation is necessary to fund the proposed budget. The proposed budget is on the City's website, on file with the City Secretary, and available at the Nancy Carol Roberts Memorial Library.

The Budget Ordinance is attached along with the Combined Fund Summary. This item is for the first reading of the Ordinance to adopt the proposed FY15-16 budget.

Local Government Code requires the city council's vote to adopt a budget be a record vote.

COUNCIL MUST TAKE A RECORD VOTE ON THIS ITEM

ORDINANCE NO. _____

AN ORDINANCE ADOPTING A BUDGET FOR THE CITY OF BRENHAM, TEXAS FOR THE FISCAL YEAR 2015-16; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Council of the City of Brenham, Texas, has prepared a budget for the fiscal year October 1, 2015 through September 30, 2016 and has filed same with the City Secretary and has held public hearings on same, all after due notice as required by statute.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BRENHAM, TEXAS:

SECTION I.

That the City Council of the City of Brenham, Texas does hereby adopt the Budget for the City of Brenham, Texas, for the fiscal year October 1, 2015 through September 30, 2016 as shown in the attached Exhibit "A", which is incorporated herein as though copied herein verbatim.

SECTION II.

That authority is hereby given to the City Manager to approve transfers of portions of any item of appropriation within the same department and transfers from one department to another department within the same fund.

SECTION III.

This Ordinance shall become effective as provided by the Charter of the City of Brenham, Texas.

PASSED AND APPROVED on its first reading this the 14th day of September, 2015.

PASSED AND ADOPTED on its second reading this the 17th day of September, 2015.

Milton Y. Tate, Jr., Mayor

ATTEST:

Jeana Bellinger, City Secretary

Cary Bovey, City Attorney

**CITY OF BRENHAM
COMBINED FUND SUMMARY
FY15-16 BUDGET**

EXHIBIT A

	GENERAL FUND									COMPONENT UNIT		SPECIAL REVENUE FUNDS			
	GENERAL	EMER MGMT	POLICE DEPT GRANTS	MOTOR/ PD EQUIP	PUBLIC SAFETY	DONA- TIONS	FIRE DEPT GRANTS	EQUIP- MENT	DEBT	BCDC	BCDC CAP PROJ	HOTEL/ MOTEL	HOTEL/ TAX CNTY	CRIM LAW ENFORCE	COURTS TECH
BEGINNING BALANCE	\$3,818,833	\$7,702	\$0	\$0	\$768	\$56,832	\$0	\$523,500	\$399,733	\$1,272,047	\$367,519	\$393,998	\$9,036	\$6,979	\$103,276
REVENUES															
AD VALOREM TAX	3,475,654								2,117,150						
SALES TAX	4,528,266									1,509,422					
FRANCHISE TAX	2,486,582														
OTHER TAX	372,000											597,000	95,000		
LICENSES AND PERMITS	94,000														
INTERGOVERNMENTAL (1)	332,712								161,700						
CHARGES FOR SERVICES	295,050														48,300
FINES AND FORFEITURES	835,452														
INTEREST/PENALTY	1,300								16,600	500		100		5	
CONTRIBUTIONS AND DONATIONS		1,000				111,500	1,000								
MISCELLANEOUS REVENUE	556,357		15,000	3,985	3,800					3,232				3,000	
TRANSFERS IN	3,269,626							150,000	3,141,886						
DEBT/LEASE PROCEEDS															
TOTAL OPERATING RESOURCES	\$16,246,999	\$1,000	\$15,000	\$3,985	\$3,800	\$111,500	\$1,000	\$150,000	\$5,437,336	\$1,513,154	\$0	\$597,100	\$95,000	\$3,005	\$48,300
DEPARTMENT EXPENDITURES															
ADMINISTRATION	879,847														
DEVELOPMENT SERVICES	423,526														
HUMAN RESOURCES	205,153														
MAIN STREET	114,125														
ENGINEERING SERVICES	197,636														
MAINTENANCE	714,846														
FINANCE	922,506														
PURCHASING/WAREHOUSE	265,441														
STREETS	1,274,548														
PARKS (1)	1,149,081														
LIBRARY (1)	426,568														
AIRPORT	82,950														
COMM PROGRAMS & MKTING	302,842														
AQUATIC CENTER	796,266														
CITY COMMUNICATIONS (1)	298,013														
POLICE (1)	3,908,195														
FIRE	1,721,321														
ANIMAL SHELTER/CONTROL	347,600														
MUNICIPAL COURT	450,224														
GENERAL GOVERNMENT SERVICES	294,479														
INFORMATION TECHNOLOGY (1)	669,137														
EMERGENCY MANAGEMENT		5,700													
POLICE DEPARTMENT GRANTS			15,000												
MOTORCYCLE/PD EQUIPMENT				3,985											
PUBLIC SAFETY TRAINING					3,300										
DONATIONS						32,350									
FIRE DEPARTMENT GRANTS							1,000								
EQUIPMENT								673,500							
BCDC										476,643					
BCDC CAPITAL PROJECT											297,000				
HOTEL/MOTEL												517,750	95,000		
CRIMINAL LAW ENFORCEMENT														0	
COURTS TECHNOLOGY/SECURITY															55,900
AIRPORT															
CAPITAL LEASES															
2014 CAPITAL PROJECTS															
PARKS SPECIAL REVENUE															
STREETS AND DRAINAGE															
US 290 PASS THRU FINANCE															
UTILITY CUSTOMER SERVICE															
PUBLIC UTILITIES															
ELECTRIC															
GAS															
WATER TREATMENT															
WATER CONSTRUCTION															
WATER BOND PROJECTS															
AMR METERS															
WASTEWATER CONSTRUCTION															
WASTEWATER TREATMENT															
TRANSFER STATION															
COLLECTION STATION															
RECYCLING CENTER															
RESIDENTIAL COLLECTION															
CENTRAL FLEET															
WORKERS' COMPENSATION															
MEDICAL INSURANCE															
SUBTOTAL DEPARTMENT	15,444,304	5,700	15,000	3,985	3,300	32,350	1,000	673,500	0	476,643	297,000	517,750	95,000	0	55,900
OTHER EXPENDITURES															
SOURCE COST															
FRANCHISE TAX									5,623,015						
DEBT SERVICE															
NON-DEPT AND MISC	802,695														
SUBTOTAL OTHER	802,695	0	0	0	0	0	0	0	5,623,015	0	0	0	0	0	0
TRANSFERS OUT	0	0	0	0	0	70,000	0	0	0	1,036,511	0	229,350	0	0	18,000
TOTAL EXPENDITURES	\$16,246,999	\$5,700	\$15,000	\$3,985	\$3,300	\$102,350	\$1,000	\$673,500	\$5,623,015	\$1,513,154	\$297,000	\$747,100	\$95,000	\$0	\$73,900
CHANGE IN FUND BALANCE	0	(4,700)	0	0	500	9,150	0	(523,500)	(185,679)	0	(297,000)	(150,000)	0	3,005	(25,600)
ENDING FUND BALANCE	\$3,818,833	\$3,002	\$0	\$0	\$1,268	\$75,982	\$0	\$0	\$214,054	\$1,272,047	\$70,519	\$243,998	\$9,036	\$9,984	\$77,676

(1) Intergovernmental includes inter-local agreements that are budgeted as contra-expenses in departments.

**CITY OF BRENHAM
COMBINED FUND SUMMARY
FY15-16 BUDGET**

EXHIBIT A

	CAPITAL PROJECT FUNDS						ENTERPRISE FUNDS					INTERNAL SERVICE FUNDS			TOTAL
	AIRPORT CAPITAL	CAPITAL LEASES	2014 CAP PROJ	PARKS CAP IMPROV	STREET DRAINAGE	290 PASS THRU	ELECTRIC	GAS	WATER	WASTE- WATER	SANI- TATION	CENTRAL FLEET	WORKERS' COMP	MEDICAL INS	
BEGINNING BALANCE	\$4,185	\$0	\$3,396,174	\$15,041	\$328,213	\$4,398,735	\$5,927,293	\$1,570,731	\$1,890,421	\$392,128	\$962,520	\$307,949	\$149,810	\$0	\$25,308,424
REVENUES															
AD VALOREM TAX															5,592,804
SALES TAX															6,037,688
FRANCHISE TAX															2,486,582
OTHER TAX															1,064,000
LICENSES AND PERMITS															94,000
INTERGOVERNMENTAL (1)															494,412
CHARGES FOR SERVICES							23,843,283	2,934,243	4,219,774	3,434,005	2,544,828	115,000	222,982		37,657,465
FINES AND FORFEITURES															835,452
INTEREST/PENALTY			1,000		400	3,002,400	12,477	600	1,100	1,617	400		100		3,038,599
CONTRIBUTIONS AND DONATIONS				6,100											119,600
MISCELLANEOUS REVENUE	0	0													585,374
TRANSFERS IN			70,000	337,025			588,277								7,556,814
DEBT/LEASE PROCEEDS		0													0
TOTAL OPERATING RESOURCES	\$0	\$0	\$71,000	\$343,125	\$400	\$3,002,400	\$24,444,037	\$2,934,843	\$4,220,874	\$3,435,622	\$2,545,228	\$115,000	\$223,082	\$0	\$65,562,790
DEPARTMENT EXPENDITURES															
ADMINISTRATION															879,847
DEVELOPMENT SERVICES															423,526
HUMAN RESOURCES															205,153
MAIN STREET															114,125
ENGINEERING SERVICES															197,636
MAINTENANCE															714,846
FINANCE															922,506
PURCHASING/WAREHOUSE															265,441
STREETS															1,274,548
PARKS (1)															1,149,081
LIBRARY (1)															426,568
AIRPORT															82,950
COMM PROGRAMS & MKTING															302,842
AQUATIC CENTER															796,266
CITY COMMUNICATIONS (1)															298,013
POLICE (1)															3,908,195
FIRE															1,721,321
ANIMAL SHELTER/CONTROL															347,600
MUNICIPAL COURT															450,224
GENERAL GOVERNMENT SERVICES															294,479
INFORMATION TECHNOLOGY (1)															669,137
EMERGENCY MANAGEMENT															5,700
POLICE DEPARTMENT GRANTS															15,000
MOTORCYCLE/PD EQUIPMENT															3,985
PUBLIC SAFETY TRAINING															3,300
DONATIONS															32,350
FIRE DEPARTMENT GRANTS															1,000
EQUIPMENT															673,500
BCDC															476,643
BCDC CAPITAL PROJECT															297,000
HOTEL/MOTEL															612,750
CRIMINAL LAW ENFORCEMENT															0
COURTS TECHNOLOGY/SECURITY															55,900
AIRPORT	0														0
CAPITAL LEASES		0													0
2014 CAPITAL PROJECTS			3,180,845												3,180,845
PARKS SPECIAL REVENUE				343,125											343,125
STREETS AND DRAINAGE					328,613										328,613
US 290 PASS THRU FINANCE						0									0
UTILITY CUSTOMER SERVICE							496,354								496,354
PUBLIC UTILITIES							904,408								904,408
ELECTRIC							2,110,047								2,110,047
GAS								730,719							730,719
WATER TREATMENT									1,792,415						1,792,415
WATER CONSTRUCTION									1,057,528						1,057,528
WATER BOND PROJECTS									0						0
AMR METERS															0
WASTEWATER CONSTRUCTION										307,889					307,889
WASTEWATER TREATMENT										1,184,104					1,184,104
TRANSFER STATION											843,425				843,425
COLLECTION STATION											424,484				424,484
RECYCLING CENTER											200,205				200,205
RESIDENTIAL COLLECTION											737,248				737,248
CENTRAL FLEET												63,350			63,350
WORKERS' COMPENSATION													166,000		166,000
MEDICAL INSURANCE														0	0
SUBTOTAL DEPARTMENT	0	0	3,180,845	343,125	328,613	0	3,510,809	730,719	2,849,943	1,491,993	2,205,362	63,350	166,000	0	32,492,191
OTHER EXPENDITURES															
SOURCE COST							17,449,025	1,443,399	296,100						19,188,524
FRANCHISE TAX							1,632,510	204,471	286,983	232,362	59,150				2,415,476
DEBT SERVICE							9,564	2,034	818,886	1,344,297	3,550				7,801,346
NON-DEPT AND MISC							107,400	6,000	13,000	9,000	7,800				945,895
SUBTOTAL OTHER	0	0	0	0	0	0	19,198,499	1,655,904	1,414,969	1,585,659	70,500	0	0	0	30,351,241
TRANSFERS OUT						2,575,000	1,730,857	537,553	603,854	362,206	393,483		0	0	7,556,814
TOTAL EXPENDITURES	\$0	\$0	\$3,180,845	\$343,125	\$328,613	\$2,575,000	\$24,440,165	\$2,924,176	\$4,868,766	\$3,439,858	\$2,669,345	\$63,350	\$166,000	\$0	\$70,400,245
CHANGE IN FUND BALANCE	0	0	(\$1,09,845)	0	(\$28,213)	427,400	3,872	10,667	(\$47,892)	(\$4,236)	(\$124,171)	\$1,650	\$7,082	0	(\$4,837,456)
ENDING FUND BALANCE	\$4,185	\$0	\$286,329	\$15,041	\$0	\$4,826,135	\$5,926,165	\$1,581,398	\$1,242,529	\$387,892	\$838,403	\$359,599	\$206,892	\$0	\$21,470,968



AGENDA ITEM 7

DATE OF MEETING: September 14, 2015	DATE SUBMITTED: September 9, 2015	
DEPT. OF ORIGIN: Finance	SUBMITTED BY: Carolyn D. Miller	
MEETING TYPE: ☐ REGULAR ☒ SPECIAL ☐ EXECUTIVE SESSION	CLASSIFICATION: ☐ PUBLIC HEARING ☐ CONSENT ☒ REGULAR ☐ WORK SESSION	ORDINANCE: ☒ 1 ST READING ☐ 2 ND READING ☐ RESOLUTION
AGENDA ITEM DESCRIPTION: Discuss and Possibly Act Upon an Ordinance on its First Reading Levying Taxes for the Tax Year 2016 for the City of Brenham at \$0.4731 per \$100 Valuation.		
SUMMARY STATEMENT: See attached memo from Chief Financial Officer on this item.		
STAFF ANALYSIS (For Ordinances or Regular Agenda Items): A. PROS: B. CONS:		
ALTERNATIVES (In Suggested Order of Staff Preference):		
ATTACHMENTS: (1) Memo from ACM-CFO and (2) Ordinance		
FUNDING SOURCE (Where Applicable):		
RECOMMENDED ACTION: Approve an Ordinance on its first reading levying taxes for the tax year 2016 for the City of Brenham at \$0.4731 per \$100 valuation.		
APPROVALS: Terry K. Roberts		



MEMORANDUM

To: Mayor, Council and City Manager

From: Carolyn D. Miller
Assistant City Manager-Chief Financial Officer

Subject: 2015 Tax Rate Ordinance

Date: September 9, 2015

The Proposed FY2015-16 Budget includes a tax rate of \$0.4731 per \$100 valuation which has two components: maintenance and operations (M&O) and interest and sinking (I&S). The proposed tax rate of \$0.4731 will allocate \$0.2950 to the General Fund for maintenance and operations and, the balance of \$0.1781 to the Debt Service Fund for interest and sinking.

The City has complied with all of the notices, publications, and public hearings as required by the Tax Code. The Tax Code does specify that the **motion** to adopt the tax rate be made in the following form:

“I move that property tax rate be increased by the adoption of a tax rate of \$0.4731 per \$100 valuation, which is effectively a 2.14% increase in the tax rate.”

COUNCIL MUST TAKE A RECORD VOTE ON THIS ITEM

ORDINANCE NO. _____

AN ORDINANCE LEVYING TAXES FOR THE TAX YEAR 2015 FOR THE CITY OF BRENHAM, TEXAS AND PROVIDING AN EFFECTIVE DATE.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BRENHAM, TEXAS:

SECTION I.

That there be and is hereby levied an ad valorem tax of \$0.2950 on each one hundred dollars worth of property owned and situated within the City Limits of the City of Brenham, Texas, both real and personal and mixed, for General Fund maintenance and operating purposes for the Tax Year 2015.

SECTION II.

That there be and is hereby levied for the use of the City of Brenham, for the Tax Year 2015, an ad valorem tax of \$0.1781 on each one hundred dollars worth of real, personal and mixed property owned and situated in the City Limits of the City of Brenham, Texas, for the payment of principal and interest on all outstanding bonds and lease payments, not otherwise provided for, of the City of Brenham.

SECTION III.

Wherefore, the combined tax rate in accordance with V.T.C.A. Tax Code Section 26.05 shall be \$0.4731 on each one hundred dollars worth of real, personal, and mixed property of owned and situated within the City Limits of the City of Brenham, Texas.

SECTION IV.

THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE.

SECTION V.

This Ordinance shall become effective as provided by the Charter of the City of Brenham, Texas.

PASSED AND APPROVED on its first reading this the 14th day of September, 2015.

PASSED AND ADOPTED on its second reading this the 17th day of September, 2015.

Milton Y. Tate, Jr., Mayor

ATTEST:

Jeana Bellinger, City Secretary

Cary Bovey, City Attorney



AGENDA ITEM 8

DATE OF MEETING: September 14, 2015	DATE SUBMITTED: September 8, 2015															
DEPT. OF ORIGIN: Finance	SUBMITTED BY: Janie Mehrens															
<table style="width: 100%; border: none;"> <tr> <td style="width: 33%; vertical-align: top;">MEETING TYPE:</td> <td style="width: 33%; vertical-align: top;">CLASSIFICATION:</td> <td style="width: 33%; vertical-align: top;">ORDINANCE:</td> </tr> <tr> <td>☒ REGULAR</td> <td>☐ PUBLIC HEARING</td> <td>☐ 1ST READING</td> </tr> <tr> <td>☐ SPECIAL</td> <td>☐ CONSENT</td> <td>☐ 2ND READING</td> </tr> <tr> <td>☐ EXECUTIVE SESSION</td> <td>☒ REGULAR</td> <td>☐ RESOLUTION</td> </tr> <tr> <td></td> <td>☐ WORK SESSION</td> <td></td> </tr> </table>		MEETING TYPE:	CLASSIFICATION:	ORDINANCE:	☒ REGULAR	☐ PUBLIC HEARING	☐ 1 ST READING	☐ SPECIAL	☐ CONSENT	☐ 2 ND READING	☐ EXECUTIVE SESSION	☒ REGULAR	☐ RESOLUTION		☐ WORK SESSION	
MEETING TYPE:	CLASSIFICATION:	ORDINANCE:														
☒ REGULAR	☐ PUBLIC HEARING	☐ 1 ST READING														
☐ SPECIAL	☐ CONSENT	☐ 2 ND READING														
☐ EXECUTIVE SESSION	☒ REGULAR	☐ RESOLUTION														
	☐ WORK SESSION															
AGENDA ITEM DESCRIPTION: Discuss and Possibly Act Upon Renewal with Texas Municipal League Intergovernmental Risk Pool for General Liability, Law Enforcement Liability, Public Officials Liability, Mobile Equipment, Airport Liability, Property, Auto Liability and Physical Damage, Crime, Animal Mortality and Theft and Workers' Compensation Coverage for the City of Brenham for Fiscal Year 2015-16 and Authorize the Mayor to Execute any Necessary Documentation																
SUMMARY STATEMENT: The renewal of all property and liability coverage for FY2016 is presented for council discussion and approval.																
STAFF ANALYSIS (For Ordinances or Regular Agenda Items): A. PROS: All coverage and claims processing provided by same vendor; 2% early pay discount allowed. B. CONS:																
ALTERNATIVES (In Suggested Order of Staff Preference):																
ATTACHMENTS: (1) Memo; (2) Schedule of recommended coverage and (3) Coverage declarations																
FUNDING SOURCE (Where Applicable): Sufficient funds have been budgeted in each departmental budget in the FY16 Budget to cover required contributions.																
RECOMMENDED ACTION: Approve the renewal with Texas Municipal League Intergovernmental Risk Pool for General Liability, Law Enforcement Liability, Public Officials Liability, Mobile Equipment, Airport Liability, Property, Auto Liability and Physical Damage, Crime, Animal Mortality and Theft and Workers' Compensation Coverage for the City of Brenham for fiscal year 2015-16 and authorize the Mayor to execute any necessary documentation																
APPROVALS: Terry K. Roberts																



TO: MAYOR AND CITY COUNCIL

FROM: JANE MEHRENS

DATE: SEPTEMBER 8, 2015

SUBJECT: RENEWAL OF PROPERTY AND LIABILITY COVERAGE WITH
TEXAS MUNICIPAL LEAGUE INTERGOVERNMENTAL RISK POOL

The renewal of various property and liability coverage with Texas Municipal League Intergovernmental Risk Pool for FY 2016 as shown on the attached spreadsheet shows a number of variations from FY15 contributions, the most significant in the Workers' Compensation contribution.

Several factors contributed to the changes in contribution amounts:

- General Liability
 - o -1.60% weighted average reduction of \$1 Million limit
 - o 15% reduction in rates in General Liability for Municipal Operations and Waterworks.
 - o 50% increase in General Liability rates for swimming pools
 - o 15% increase in General Liability rates for Streets
- Property
 - o No rate changes
 - o 1.25% adjustment factor applied annually to building values
- Automobile Liability
 - o 7% increase for non-Police vehicles
 - o 15% increase for Police Passenger vehicles
- Errors & Omissions Liability – No change in base rates
- Law Enforcement Liability – No change in base rates
- Workers' Compensation
 - o 14% increase in Animal Shelter, Electric Distribution, and Heavy Equipment Maintenance
 - o 11% increase in Building Operations (Facility Maintenance)
 - o 8% increase in rates for Waterworks and Police
 - o 3% increase for Library and Garage
 - o 52.8% increase in City's contribution because of change in Experience Modifier from .36 to .55
 - o Overall increase of 65.3% when all factors are included: increased payroll, increased rates, increased experience modifier

The City will receive a 2% reduction in contributions for early payment of the annual costs if paid by October 31 which will amount to \$ 8,699. In addition the City will realize an equity return of \$6,766 on liability contributions.

Preliminary rate and modifier changes provided by TML IRP were used to calculate property/liability and workers' compensation contributions for the FY16 budget to allow for adequate funding.

As shown on the attached schedule, the overall cost of the Property, Liability and Workers' Compensation coverage for the City of Brenham for FY16 will be increased by \$ 78,476 over FY15 before the early pay discount and equity return are applied. The most significant changes occurred in Automobile Liability and Physical Damage and Worker's Compensation as noted. The overall increase in coverage contributions including early pay discount and equity return is 22.4%.

City of Brenham

Texas Municipal Intergovernmental Risk Pool Renewal
FY 2016 Liability/Property/Workers' Compensation Contributions
Limits/Deductibles

	2015-16 Limits	2015-16 Deductible	2014-15 Contribution	2015-16 Contribution	Difference	Percent Change
General Liability	\$5M/\$10M	\$ 2,500	\$ 24,697	\$ 24,538	\$ (159)	-0.6%
Law Enforcement Liability	\$5M/\$10M	\$ 2,500	\$ 31,011	\$ 30,221	\$ (790)	-2.5%
Errors & Omissions Liability	\$5M/\$10M	\$ 2,500	\$ 51,956	\$ 51,529	\$ (427)	-0.8%
Automobile Liability	\$ 5,000,000	\$ -	\$ 28,107	\$ 34,547	\$ 6,440	22.9%
Automobile Physical Damage	ACV	\$ 500	\$ 39,938	\$ 44,279	\$ 4,341	10.9%
Aviation Liability	\$ 5,000,000	\$0/\$2,500/Aircraft	\$ 2,657	\$ 2,657	\$ -	0.0%
Real & Personal Property	\$ 55,893,872	\$ 2,500	\$ 55,218	\$ 55,813	\$ 595	1.1%
Mobile Equipment	\$ 4,689,312	\$ 1,000	\$ 16,321	\$ 18,021	\$ 1,700	10.4%
Boiler & Machinery	\$ 100,000	\$ 5,000	included	included		
Crime -Public Employee Dishonesty	\$ 50,000	\$ 1,000	\$ 1,504	\$ 1,504	\$ -	0.0%
Crime - Forgery & Alteration	\$ 250,000	\$ 1,000	\$ 343	\$ 341	\$ (2)	-0.6%
Crime - Computer Fraud	\$ 1,000,000	\$ 10,000	\$ 314	\$ 312	\$ (2)	-0.6%
Animal Mortality and Theft (Canine Unit)	\$12,000/\$5,000 Med	\$ 0/\$50	\$ 2,140	\$ 2,140	\$ -	0.0%
Workers' Compensation	Statutory	None	\$ 102,271	\$ 169,051	\$ 66,780	65.3%
Total			\$ 356,477.00	\$ 434,953.00	\$ 78,476.00	22.0%

Early Pay Discount 2%

\$ (7,130) \$ (8,699) \$ 1,570 22.0%

Equity Return - Liability Coverage

\$ (6,500) \$ (6,766) \$ 266 4.1%

\$ 342,848 \$ 419,488 \$ 76,640 22.4%

LIABILITY - SUMMARY OF EQUITY CREDIT

Member: Brenham
Member ID: 2777
Coverage Period: 10/1/2015 to 10/1/2016



Summary of Equity Credit

The Total Annual Contribution shown on your Declarations of Coverage has been reduced by the amount of your entity's 2013-2014 Members' Equity Return shown below.

<u>Coverage</u>	<u>Annual Contribution</u>
General Liability	\$ 24,538
Law Enforcement Liability	\$ 30,221
Errors & Omissions Liability	\$ 51,529
Automobile Liability	\$ 34,547
Aviation Liability	\$ 2,657
Total Annual Contribution	\$ 143,492
Member's Equity Return applied to Contribution	<u>6,766</u>
Remaining Amount Due	<u><u>\$ 136,726</u></u>

***This is not an invoice; please do not send payment at this time.
You will be billed for the "Remaining Amount Due".***

Entity Name Brenham
Entity ID 2777
Contract Type / ID . . LIAB / 14 10-01-15 to 10-01-16

LIABILITY DECLARATIONS OF COVERAGE

GENERAL LIABILITY		
Limits of Liability	: \$ 5,000,000	Each Occurrence
Sudden Events Involving Pollution	: \$ 2,000,000	Each Occurrence
	: \$ 10,000,000	Annual Aggregate
Deductible	: \$ 2,500	Each Occurrence
Annual Contribution	: \$ 24,538	Effective : 10-01-15
Billable Contribution	: \$ 24,538	Anniversary: 10-01-16
LAW ENFORCEMENT LIABILITY		
Limits of Liability	: \$ 5,000,000	Each Occurrence
	: \$ 10,000,000	Annual Aggregate
Deductible	: \$ 2,500	Each Occurrence
Annual Contribution	: \$ 30,321	Effective : 10-01-15
Billable Contribution	: \$ 30,321	Anniversary: 10-01-16
ERRORS & OMISSIONS LIABILITY		
Limits of Liability	: \$ 5,000,000	Each Wrongful Act
	: \$ 10,000,000	Annual Aggregate
Deductible	: \$ 2,500	Deductible Each Wrongful Act
Annual Contribution	: \$ 51,529	Effective : 10-01-15
Billable Contribution	: \$ 51,529	Anniversary: 10-01-16
		Retroactive Date: 10-01-98
TOTAL CONTRIBUTION		
Total Billable Contribution	: \$ 106,388	Contract Effective : 10-01-15
		Contract Anniversary: 10-01-16
Coverage is continuous until cancelled. Contributions are subject to adjustment each year on the anniversary date based on updated exposure information and changes in rating.		

ADOUCET Texas Municipal League Intergovernmental Risk Pool L201
8-25-15 9:42:05 3-11-04

Entity Name Brenham
Entity ID 2777
Contract Type / ID . . LIAB / 14 10-01-15 to 10-01-16

AUTOMOBILE DECLARATIONS OF COVERAGE

AUTOMOBILE LIABILITY			
Limit of Liability	: \$	5,000,000	Each Occurrence
Medical Payments Limit	: \$	25,000	Each Person
Deductible	: \$	0	Each Occurrence
Annual Contribution	: \$	34,547	Effective : 10-01-15
Billable Contribution	: \$	34,547	Anniversary: 10-01-16

AUTOMOBILE PHYSICAL DAMAGE			
Limit of Coverage	: Per Schedule and Endorsements		
Deductibles	: \$	500	Each Vehicle
	: \$	10,000	*Each Occurrence
Annual Contribution	: \$	44,279	Effective : 10-01-15
Billable Contribution	: \$	44,279	Anniversary: 10-01-16

AUTOMOBILE CATASTROPHE

* * * * Coverage Not Selected * * * *

TOTAL CONTRIBUTION			
Total Billable Contribution	: \$	78,826	Contract Effective: 10-01-15
			Contract Anniversary: 10-01-16

Coverage is continuous until cancelled. Contributions are subject to adjustment each year on the anniversary date based on updated exposure information and changes in rating.

* Automobile Physical Damage Each Occurrence Deductible does not apply to hail.

Member: Brenham
Member ID: 2777
Name of Airport: Brenham Municipal Airport



Airport Premises - Coverage A			Effective Date: 10/1/2015	Anniversary Date: 10/1/2016
Personal/Advertising Injury - Coverage B				
Limit of Liability*	\$5,000,000	Each Occurrence	Deductible:	\$0 Each Occurrence
Fire Damage	\$50,000	Any One Fire		

Products/Completed Operations - Coverage A			Effective Date: 10/1/2015	Anniversary Date: 10/1/2016
Limit of Liability	\$5,000,000	Annual Aggregate Limit	Deductible:	\$0 Each Occurrence

Hangarkeepers' Liability - Coverage C			Effective Date: 10/1/2015	Anniversary Date: 10/1/2016
Sublimit	\$500,000	Any One Aircraft	Deductible:	\$2,500 Each Aircraft
	\$1,000,000	Each Occurrence		

Non-Owned Aircraft - Coverage D	Effective Date:	Anniversary Date:
<u>Not Covered</u>		
Limit of Liability	Deductible:	Each Occurrence

Total Annual Contributions	\$2,657
Total Contribution Due	\$2,657

COVERAGE IS CONTINUOUS UNTIL CANCELLED. ANNUAL CONTRIBUTIONS ARE SUBJECT TO ADJUSTMENT EACH YEAR ON THE ANNIVERSARY DATE BASED ON UPDATED EXPOSURE INFORMATION AND CHANGES IN RATING.

8/25/2015

PO Box 149194 ♦ Austin, Texas 78714-9194
(512) 491-2300 ♦ (80) 537-6655

A401
Rev. 6/18/09

Schedule of Applicable Documents

Entity ID 2777
Entity Name Brenham
Contract type / ID . . LIAB / 14 10-01-15 to 10-01-16

ID	Document Name	Revision Date
-----	-----	-----
L200	Liability Coverage Document	10-01-14
A400	Aviation Coverage Document	11-11-98
L201	Liability Declarations of Coverage	3-11-04
L209	Automobile Declarations of Coverage	6-08-06
A401	Aviation Declarations of Coverage	6-18-09
L105	Liability Schedule	4-14-09
L102-1	Automobile Schedule	9-03-03
EL200	Lessor/Lienholder of Equipment	10-31-12
EL201-A	Covered Party-Owner, Lessor or Lienholder Loss Payable Clause - Automobile Physical Damage	6-02-06
EL205	Additional Covered Party-Non-Profit Organization	4-24-04
EL258	War, Hi-Jacking and Other Perils-Limited Coverage	5-20-02
EL217	Indemnification Under Contract	8-16-99
EL224	Fleet Automatic Coverage Basis	1-04-02
EL238	Prior Acts Coverage (Entities with previous coverage)	8-31-04
X150	Schedule of Applicable Documents	10-09-97

Texas Municipal League Intergovernmental Risk Pool X150
MRODRIG 5-05-15 15:06:09 10-09-97

PROPERTY DECLARATIONS OF COVERAGE
2015-2016 Fund Year



Member: Brenham
Member ID: 2777

Coverages Elected:	☒	Real and Personal Property	☒	Crime
	☒	Boiler and Machinery	☒	Animal Mortality
	☒	Mobile Equipment		

Real and Personal Property		Effective Date: 10/01/15	Anniversary Date: 10/01/16
Limit:	\$55,893,872	Deductible:	\$2,500
Coverage Basis:	Special Form	Flood and Earthquake	
Valuation Basis:	Replacement Cost	Deductible:	\$25,000
Transit Limit:	\$1,000,000		
Coverage Extensions:	As Scheduled		
Fine Arts:	Not Included		
Flood and Earthquake:	Included	Annual Contribution:	\$55,813
		Pro Rata Due:	\$55,813

Boiler and Machinery		Effective Date: 10/01/15	Anniversary Date: 10/01/16
Per Accident Limit:	\$100,000	Deductible:	\$5,000
Valuation Basis:	Replacement Cost	Annual Contribution:	Included
		Pro Rata Due:	Included

Mobile Equipment		Effective Date: 10/01/15	Anniversary Date: 10/01/16
Limit:	\$4,689,312	Deductible:	\$1,000
Reporting Basis:	Scheduled		
Valuation Basis:	Replacement Cost	Annual Contribution:	\$18,021
		Pro Rata Due:	\$18,021

PROPERTY DECLARATIONS OF COVERAGE
2015-2016 Fund Year

 Member: Brenham
Member ID: 2777



Crime

Public Employee Dishonesty		Effective Date: 10/01/15	Anniversary Date: 10/01/16
Limit:	\$50,000	Deductible:	\$1,000
Coverage Basis:	Per Employee	Annual Contribution:	\$1,504
		Pro Rata Due:	\$1,504

Forgery or Alteration		Effective Date: 10/01/15	Anniversary Date: 10/01/16
Limit:	\$250,000	Deductible:	\$1,000
Coverage Basis:	Per Occurrence	Annual Contribution:	\$341
		Pro Rata Due:	\$341

Computer Fraud		Effective Date: 10/01/15	Anniversary Date: 10/01/16
Limit:	\$1,000,000	Deductible:	\$10,000
Coverage Basis:	Per Occurrence	Annual Contribution:	\$312
		Pro Rata Due:	\$312

Animal Mortality and Theft		Effective Date: 10/01/15	Anniversary Date: 10/01/16
Animal Mortality and Theft			
Limit:	As Scheduled	Deductible:	\$0
		Annual Contribution:	\$2,140
		Pro Rata Due:	\$2,140
Optional Coverages:			
Loss of Use	As Scheduled		
Canine Veterinary Fee	As Scheduled		
Surgical	As Scheduled		

Total All Elected Property Coverages:	Annual Contribution:	\$78,131
	Pro Rata Due:	\$78,131

Coverage is continuous until cancelled. Annual contributions are subject to adjustment each year on the anniversary date based on updated exposure information and changes in rating.

PO Box 149194 ♦ Austin, Texas 78714-9194
(512) 491-2300 ♦ (800) 537-6655

 CP2777-2015-1
08/25/2015

P301
Rev. 04/25/11

Schedule of Applicable Documents

Member: Brenham

Member ID: 2777

Coverage Period: 10/01/2015 to 10/01/2016 Shown As of 08/25/2015



ID	Document Name	Revision Date
P300	Property Coverage Document	10/01/14
P301	Property Declarations of Coverage	04/25/11
X150	Schedule of Applicable Documents	06/01/08
P200	Real and Personal Property Schedule	04/26/10
P202	Mobile Equipment Schedule	06/01/08
P215	Coverage Extensions Schedule	07/14/08
P339	Animal Mortality and Theft Schedule	06/01/08
EP300	Loss Payable Clause - Real & Personal Property	05/20/02
EP301	Loss Payable Clause - Mobile Equipment	05/20/02
EP323	Faithful Performance of Duty	05/20/02

Member Name: Brenham

Member ID: 2777

ed ID No: 746000404

Effective Date: 10/01/2015

Anniversary Date: 10/01/2016



Workers' Compensation Coverage: This agreement applies to the Workers' Compensation laws of the State of Texas.

Coverage will be provided in accordance with the signed Workers' Compensation Interlocal Agreement on file with the Texas Municipal League Intergovernmental Risk Pool.

This contract includes these forms and schedules:

W133-Volunteer Endorsement to Interlocal Agreement

W102-Workers' Compensation Payroll Schedule

E107-Waiver of Subrogation

The contribution has been determined according to the Pool's manual of rules, classifications, rates and rating plans. Classifications and payrolls are subject to verification and change at audit.

Net Estimated Contribution:

\$169,051

Workers' Compensation
Payroll Schedule
2015-2016 Fund Year

Member Name: Brenham
Member ID: 2777
Effective Date: 10/01/2015
Anniversary Date: 10/01/2016
Date Generated: 08/25/2015



Location: Brenham

Classification	Description	Estimated Payroll	Rate	# of Emp.	Estimated Contribution
4511	Bldg Inspect; CADS; Water Lab	95,247	1.02	2	972
5190	Radio & Elect Instl; Trff Sgnl & Cnt	191,357	5.24	3	10,027
5191	Computer Device Installation, Inspection, Servicing or Repair	246,338	1.10	5	2,710
5506	Street and Road Repair	532,860	10.54	16	56,163
7502	Gas Distribution	271,220	2.49	4	6,753
7520	Wtrwrks Opr; Fld Cntl Sys Maint; Irr Cnt	474,579	5.42	11	25,722
7539	Electrical Distribution	640,449	2.43	15	15,563
7580	Sewage Treatment & Collection	423,932	3.56	11	15,092
7704	Firefighters - Paid	888,180	3.23	14	28,688
7720	Police Officers	2,134,591	4.15	32	88,586
8107	Heavy Equipment Maintenance	81,449	6.25	2	5,091
8292	Warehouse Operations	55,227	7.43	3	4,103
8601	Surveyors, Engineers & Architects	85,116	0.84	1	715
8810	Clerical - Office	3,469,251	0.45	73	15,612
8831	Animal Shelters	157,091	5.16	4	8,106
8838	Library & Museum - Professionals & Clerical	184,352	0.47	8	866
9015	Building Operations	240,621	5.52	6	13,282
9102	Parks & Recreation	783,959	4.21	84	33,005
9403	Refuse Collection & Disposal - Conventional	389,380	9.02	8	35,122
Subtotals		11,345,199			366,178

Volunteers and Elected Officials:

3724O	Outside Volunteers	No Exposure			Not Covered
7704V	Volunteer Firefighters	194,022	6.31	33	12,243
7720E	Volunteer Ambulance/EMS	No Exposure			Not Covered
7720V	Police Reserves	116,630	4.69	67	5,470
8742E	Elected/Apptd Officials-Governing Board Only	20,400	0.39	34	80
8742F	Elected/Apptd Officials-All Boards/Comms	No Exposure			Not Covered
8742I	Inside Volunteers	12,158	0.64	173	78

Workers' Compensation
Payroll Schedule
2015-2016 Fund Year

Member Name: Brenham
Member ID: 2777
Effective Date: 10/01/2015
Anniversary Date: 10/01/2016
Date Generated: 08/25/2015



8888V	Police Reserves-Motorcycle	No Exposure	Not Covered
	Subtotals	343,210	17,870
	Totals	11,688,410	384,048

Workers' Compensation
Payroll Schedule
2015-2016 Fund Year

Member Name: Brenham
Member ID: 2777
Effective Date: 10/01/2015
Anniversary Date: 10/01/2016
Date Generated: 08/25/2015



Total Manual Contribution	384,048
Experience Modifier	0.55
Total Standard Contribution	211,226
Fund Discount (0.20)	0.80
Discounted Standard Contribution	168,981
Deductible Credit	0
Net Contribution	168,981
Waiver of Subrogation	70
Total Contribution	169,051

VOLUNTEER ENDORSEMENT TO INTERLOCAL AGREEMENT

This endorsement forms a part of the Declarations to which attached, effective on the inception date of the coverage unless otherwise stated herein, and modifies such coverage as is afforded by the provisions of the coverage shown below.

WORKERS' COMPENSATION COVERAGE

Member Name: Brenham

Member ID: 2777

Effective Date: 10/01/2015

In consideration of the Employer Pool Member's request for payment of additional benefits and in further consideration of the Fund's agreement to pay such benefits, the Interlocal Agreement is amended by adding thereto the applicable coverages indicated below.

The Fund will pay on behalf of the Employer Pool Member if a volunteer employee in a classification for which coverage was accepted shall sustain injury, including death resulting therefrom, under circumstances which would have rendered the Employer Pool Member liable for compensation if the injured volunteer employee and the Employer Pool Member had been subject to the Texas Workers' Compensation Law with respect to such voluntary employment, an amount equal to the compensation and other benefits which would have been payable under such law had the injured volunteer and the Employer Pool Member been subject to such law with respect to such voluntary employment. The parties of this agreement do not by its use intend to make applicable to themselves any provision of the Texas Workers' Compensation Law not already in force and effect as to them. The reference to the Texas Workers' Compensation Law is intended as a measure and extent of benefits and the liability therefore and not an adoption of the law.

The Employer Pool Member agrees to pay the contribution for the volunteer employee classifications shown on the Payroll Schedule (W102). The information regarding coverages accepted or rejected has been derived from documentation on file including the signed acceptance executed by a representative of this entity duly authorized to accept or reject Workers' Compensation coverage for volunteers.

This agreement shall be subject to all the terms, provisions and conditions of the Interlocal Agreement, and nothing herein contained shall vary, alter or extend any term, provision or condition of the Interlocal Agreement except as herein specifically stated.

06/25/2015

Texas Municipal League Intergovernmental Risk Pool

W133
Rev. 08/30/2010



AGENDA ITEM 9

DATE OF MEETING: September 14, 2015	DATE SUBMITTED: September 8, 2015
DEPT. OF ORIGIN: Finance	SUBMITTED BY: Janie Mehrens
MEETING TYPE: ☒ REGULAR ☐ SPECIAL ☐ EXECUTIVE SESSION	CLASSIFICATION: ☐ PUBLIC HEARING ☐ CONSENT ☒ REGULAR ☐ WORK SESSION
ORDINANCE: ☐ 1 ST READING ☐ 2 ND READING ☐ RESOLUTION	
AGENDA ITEM DESCRIPTION: Discuss and Possibly Act Upon the Renewal of City of Brenham Group Health Plan with TML Multistate Intergovernmental Employee Benefits Pool and Establishment of Funding Rates for Calendar Year 2016 and Authorize the Mayor to Execute Any Necessary Documentation	
SUMMARY STATEMENT: Please see attached memo.	
STAFF ANALYSIS (For Ordinances or Regular Agenda Items): A. PROS: B. CONS:	
ALTERNATIVES (In Suggested Order of Staff Preference):	
ATTACHMENTS: (1) Memo and (2) Spreadsheet with Detailed Information	
FUNDING SOURCE (Where Applicable): Funds are budgeted in each department in FY16 Budget.	
RECOMMENDED ACTION: Approve the renewal of City of Brenham group health plan with TML Multistate Intergovernmental Employee Benefits Pool and establishment of funding rates for calendar year 2016	
APPROVALS: Terry K. Roberts	



MEMORANDUM

TO: MAYOR AND COUNCILMEMBERS

FROM: JANIE MEHRENS

DATE: SEPTEMBER 8, 2015

SUBJECT: RENEWAL OF FULLY-FUNDED GROUP MEDICAL PLAN WITH TML
MULTISTATE INTERGOVERNMENTAL EMPLOYEE BENEFITS POOL AND
APPROVAL OF FUNDING RATES FOR CALENDAR YEAR 2016

For the first time in quite a number of years, significant changes to the group medical plan are being made by the carrier, TML MultiState Intergovernmental Employee Benefits Pool, and are being recommended by City staff to reduce costs to employees and to the City of Brenham.

TML MIEBP plan changes include the following changes to the pool plan:

New Telemedicine Provider

“Healthiest You” can be accessed by members at \$40 per encounter with a co-pay of \$10 per call. Members can call the service 24 hours a day to discuss immediate health issues and physicians will be able to diagnose medical problems for appropriate levels of care and can prescribe certain medications.

Network Changes

- Accessing a Tier 1 provider will reduce the out of pocket costs to employees by an estimated 5% increase in payment to provider. Tier 1 providers are those who have a proven, performance-based, clinical outcome based on utilization review.
- Secondary networks are being deleted for out of network claims, currently paid at not more than 50%. Reference Based Pricing using Medicare 110% fee schedule for out of network claims will be utilized.

Medical Benefits

Preferred Lab benefits are being updated to comply with Affordable Care Act no-cost share benefits. Lab benefits will transition to accumulate to deductible/out of pocket for diagnostic lab work. Lab work for preventive care will still be paid at 100%.

City of Brenham recommended cost sharing changes:

- Premium changes will include a restructuring of the cost of dependent coverage to 70% paid by City and 30% paid by employee.
- Deductible will change from \$600 to \$1,200 for an individual and from \$1,200 to \$2,400 for employee and dependents.
- Single option plan which will not allow for a deductible discount for Health Fair Participation

The proposal from TML MIEBP for funding the \$1,200 individual deductible shows a decrease of 5.08 % from current \$600 individual deductible rates. The option for a \$1,000 deductible was also reviewed. Although the \$1,000 deductible plan showed a decrease of 2.7% from the current \$600 individual deductible rates, when compared to the preliminary rates used in the proposed FY16 budget, the monthly premium expense was higher.

Incorporating the \$1,200 individual deductible plan will allow the employee funding rate to remain at the current \$29.38 per month rather than increasing it to \$50 as proposed during budget workshops. The 70/30 dependent cost share will reduce both employee and city costs for child and family coverage. Rates for spouse coverage will rise significantly to reflect correct underwriting rates.

Analysis of the number of participants utilizing the full \$600 deductible showed that less than 15% of covered individuals actually met the deductible each year.

Employees will be encouraged to participate in TML IEBP's \$150 incentive per adult participant in the Healthy Initiatives program. Test results such as blood pressure, lipid profiles and other information along with an office visit, completion of the Health Power Assessment, and other health assessments are accumulated in the online program and the \$150 incentive is sent to participants if all items are completed.

City staff is recommending adoption of \$1,200 individual/\$2,400 family deductible, \$2,500 maximum individual out of pocket plan effective January 1, 2016 at the rates shown on the accompanying schedule. The office visit copay will remain at \$25, most generic drugs will remain at \$ 0 copay as will the cost share for other drug categories.

TML IEBP \$1200 DED PLAN

CURRENT PLAN

Tier	Premium	EO Portion	City EO Portion	Remaining	30%	70%	EE Total	City Total	Total
EMP ONLY	\$665.12	\$29.38	\$	635.74	\$0.00	\$	\$29.38	\$635.74	\$ 665.12
EMP & SP	\$1,710.24	\$29.38	\$	635.74	\$226.08		\$255.46	\$1,454.78	\$ 1,710.24
EMP & CHILD	\$1,175.30	\$29.38	\$	635.74	\$167.82		\$197.20	\$978.10	\$ 1,175.30
EMP & FAM	\$1,967.88	\$29.38	\$	635.74	\$393.90		\$423.28	\$1,544.60	\$ 1,967.88

RECOMMENDED FUNDING SCHEDULE EFF. JANUARY 1, 2016

Retain \$29.38 employee contribution with 70/30 % dependent cost ratio

Tier	Premium	EO Portion	City EO Portion	Remaining	30%	70%	EE Total	City Total	Total	Emp Change	City Change	Annual Emp. Change	Annual City Change
EMP ONLY	\$631.30	\$29.38	\$601.92	\$0.00	\$0.00	\$0.00	\$29.38	\$601.92	\$631.30	\$0.00	(\$33.82)	\$0.00	(\$405.84)
EMP & SP	\$1,515.00	\$29.38	\$601.92	\$883.70	\$265.11	\$618.59	\$294.49	\$1,220.51	\$1,515.00	\$39.03	(\$234.27)	\$468.36	(\$2,811.24)
EMP & CHILD	\$1,118.84	\$29.38	\$601.92	\$487.54	\$146.26	\$341.28	\$175.64	\$943.20	\$1,118.84	(\$21.56)	(\$34.90)	(\$258.70)	(\$418.82)
EMP & FAM	\$1,865.38	\$29.38	\$601.92	\$1,234.08	\$370.22	\$863.86	\$399.60	\$1,465.78	\$1,865.38	(\$23.68)	(\$78.82)	(\$284.11)	(\$945.89)

COBRA RATES

	Premium	2% Admin Fee	Total Premium
EMP ONLY	\$631.30	\$12.63	\$643.93
EMP & SP	\$1,515.00	\$30.30	\$1,545.30
EMP & CHILD	\$1,118.84	\$22.38	\$1,141.22
EMP & FAM	\$1,865.38	\$37.31	\$1,902.69

RETIREE RATES

	Premium	Subsidy	Net Premium
EMP ONLY	\$631.30	(\$100.00)	\$531.30
EMP & SP	\$1,515.00	(\$200.00)	\$1,315.00
EMP & CHILD	\$1,118.84	(\$200.00)	\$918.84
EMP & FAM	\$1,865.38	(\$200.00)	\$1,665.38