



# City of Rowlett

## Special Meeting Agenda

### City Council

4000 Main Street  
Rowlett, TX 75088  
www.rowlett.com

*City of Rowlett City Council meetings are available to all persons regardless of disability. If you require special assistance, please contact the City Secretary at 972-412-6115 or write 4000 Main Street, Rowlett, Texas, 75088, at least 48 hours in advance of the meeting.*

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Tuesday, July 8, 2014

6:00 P.M.

Annex Building – 4004 Main Street

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As authorized by Section 551.071 of the Texas Government Code, this meeting may be convened into closed Executive Session for the purpose of seeking confidential legal advice from the City Attorney on any agenda item herein.

The City of Rowlett reserves the right to reconvene, recess or realign the Regular Session or called Executive Session or order of business at any time prior to adjournment.

1. **CALL TO ORDER**
2. **EXECUTIVE SESSION (6:00 P.M.)\* Times listed are approximate**
  - 2A. The City Council shall convene into Executive Session pursuant to the Texas Government Code, §551.071 (Consultation with Attorney) to receive legal advice from the City Attorney and to discuss the lease agreement with American Golf Corporation and the Waterview Golf Course bonded indebtedness. (30 minutes)
  - 2B. The City Council shall convene into Executive Session pursuant to the Texas Government Code, §551.071 (Consultation with Attorney) to receive legal advice from the City Attorney and to discuss the Garland Public Shooting Range. (15 minutes)
  - 2C. The City Council shall convene into Executive Session pursuant to the Texas Government Code, §551.071 (Consultation with Attorney) to receive legal advice from the City Attorney and to discuss the Invocation Policy. (15 minutes)
3. **WORK SESSION (7:00 P.M.)\***
  - 3A. Update Council on Year Four of Employee Benefits Strategy to include Plan Performance Update, Wellness Update, Live Healthy America Challenge, Biometric Screening Results & Comparisons, and Year Four Strategies. (60 minutes)
  - 3B. Discuss a transition plan for the Rowlett Chamber of Commerce and building located at 3910 Main Street as it relates to the Village of Rowlett project. (60 minutes)

#### **TAKE ANY NECESSARY OR APPROPRIATE ACTION ON CLOSED/EXECUTIVE SESSION MATTERS**

4. **ADJOURNMENT**

*Laura Hallmark*

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Laura Hallmark, City Secretary

I certify that the above notice of meeting was posted on the bulletin boards located inside and outside the doors of the Municipal Center, 4000 Main Street, Rowlett, Texas, as well as on the City's website ([www.rowlett.com](http://www.rowlett.com)) on the 3<sup>rd</sup> day of July, 2014, by 5:00 p.m.



**City of Rowlett**  
**Staff Report**

4000 Main Street  
P.O. Box 99  
Rowlett, TX 75080-0099  
[www.rowlett.com](http://www.rowlett.com)

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**AGENDA DATE:** 07/08/14

**AGENDA ITEM:** 2A

**TITLE**

The City Council shall convene into Executive Session pursuant to the Texas Government Code, §551.071 (Consultation with Attorney) to receive legal advice from the City Attorney and to discuss the lease agreement with American Golf Corporation and the Waterview Golf Course bonded indebtedness. (30 minutes)



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**AGENDA DATE:** 07/08/14

**AGENDA ITEM:** 2B

**TITLE**

The City Council shall convene into Executive Session pursuant to the Texas Government Code, §551.071 (Consultation with Attorney) to receive legal advice from the City Attorney and to discuss the Garland Public Shooting Range. (15 minutes)



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**AGENDA DATE:** 07/08/14

**AGENDA ITEM:** 2C

**TITLE**

The City Council shall convene into Executive Session pursuant to the Texas Government Code, §551.071 (Consultation with Attorney) to receive legal advice from the City Attorney and to discuss the Invocation Policy. (15 minutes)



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**AGENDA DATE:** 07/08/14

**AGENDA ITEM:** 3A

**TITLE**

Update Council on Year Four of Employee Benefits Strategy to include Plan Performance Update, Wellness Update, Live Healthy America Challenge, Biometric Screening Results & Comparisons, and Year Four Strategies. (60 minutes)

**STAFF REPRESENTATIVE**

John Murray, Director of Human Resources & Risk Management

**BACKGROUND / HISTORY**

In Fiscal Year 2010 (FY2010), staff developed a five-year benefits strategy to begin to address the rising costs of employee healthcare from a long-term perspective. FY2014 represents the fourth year of that strategy.

This report and presentation will highlight many of the program successes the City has realized this past year.

**POLICY EXPLANATION**

In an effort to gain greater control of the increasing cost of healthcare, the City of Rowlett transitioned from a traditional fully-insured insurance approach to a partial self-funded insurance approach in FY2011. With the transition to partial self-funding, staff realized controlling the increasing cost of healthcare went beyond adjusting co-pays and deductibles as this philosophy just treats the short-term symptoms and does not solve the long-term problems. In addition, true cost containment is gained through effective monitoring of plan performance, developing a strong commitment to wellness and developing educated consumers of healthcare to reduce overutilization (i.e. not using network providers, unnecessary emergency room visits, etc).

The City of Rowlett is entering its fourth year since transitioning to a partial self-funded insurance approach. The transition to partial self-funding has resulted in increased employee education concerning their health care options, which, in turn, has resulted in commitment to keeping rising medical costs down. Of particular note is the fact that we have seen a six percent **decrease** in Per Capita (individual) Claims over the last 12 months ("LTM") and a five percent **decrease** in Per Capita (individual) Total Plan Cost. This is a reversal of last year's statistics, which actually reflected **increases** in both categories.

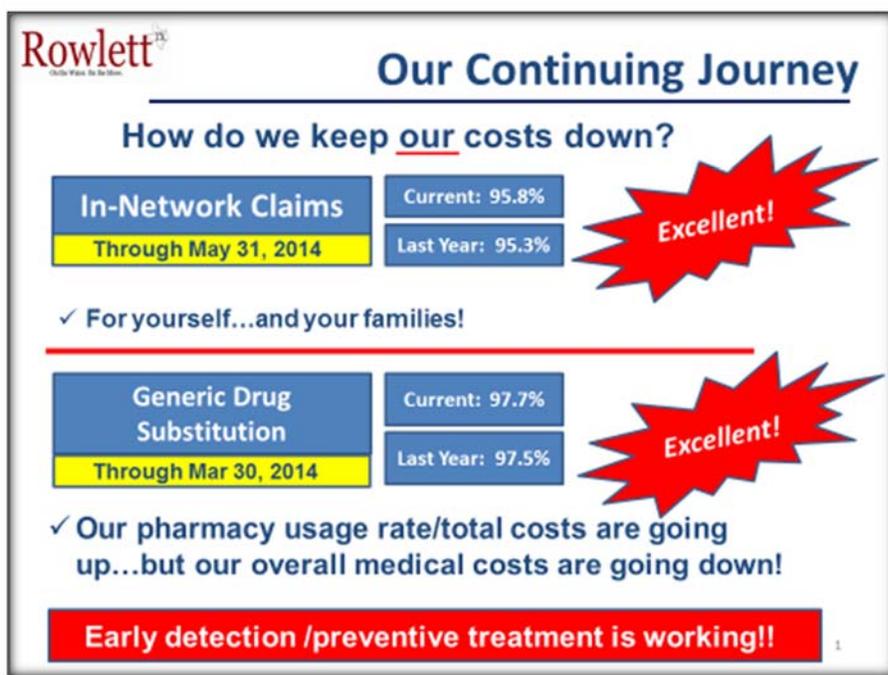
We are confident these successes are direct results of a combination of factors, not the least of which include:

- ✓ Increased employee education on fiscally responsible healthcare and pharmacy options

- ✓ Use of healthcare advisors with respect to procedures, hospital facilities and billing
- ✓ An active, effective and versatile Wellness Accountability Program
- ✓ An active, effective and deliberate Safety Program\*

\*Note: While safety/Workers' Compensation issues are not included in our core medical package, they do directly impact employee capabilities and absenteeism.

To this end, as an organization, we have significantly increased the amount of communication with employees regarding the importance of and benefits to being an educated consumer of our healthcare over the past three years. Our Mission is *Building a Culture of Wellness and Creating Educated Consumers of Healthcare*. As a result, we have experienced some very positive results. For example, by educating our employees, we continue to see high utilization of in-network office visits and generic drug substitutions totaling an impressive 95.8 percent participation of in-network office visits and an astounding 97.7 percent participation with generic pharmaceutical substitutions. This results in lower claims costs for both the City of Rowlett and its employees.



The City also continues to realize outstanding results in terms of both employee support and tangible cost savings through its partnership with Compass. Compass is an employee benefit advocacy firm that assists our employees and their dependents in understanding their benefits as well as assisting them in becoming educated consumers of our health plan. Since forging this partnership in October, 2012, the City and its employees have collectively saved over \$350,000—a number that continues to rise each month!




<b>Jan 1, 2014 – July 1, 2014</b>				
Employees	Solutions	Claim Cost Savings	Productivity Cost Savings	Total Savings
66	137	\$44,785	\$12,021	\$56,806

<b>October 1, 2012 – March 31, 2014 (Total since we partnered)</b>				
Employees	Solutions	Claim Cost Savings	Productivity Cost Savings	Total Savings
151	556	\$299,799	\$59,219	\$359,018

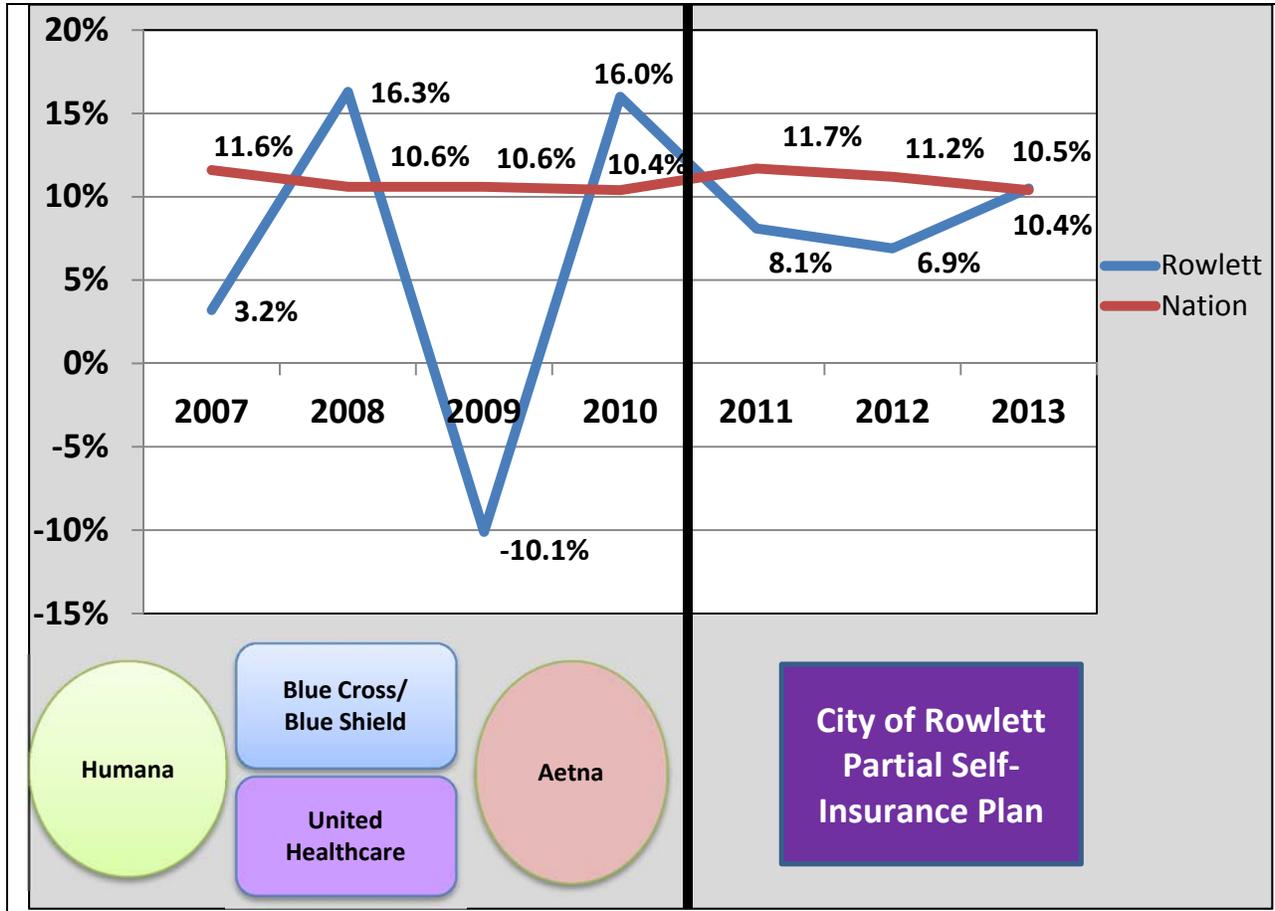
Compass works as a liaison between our employees and the medical community by advocating for the best and most cost effective services. The services provided by Compass include:

- Unbiased doctor recommendations based on employee's needs
- Hospital cost and quality information
- Medical bill review and reconciliation
- Cost information for various medical procedures
- Scheduling services for doctor's appointments; and
- Pharmaceutical substitutions and cost reduction information

The City's decision to become partially self-insured was intended to address spiraling health care costs and promote wellness. This strategy gives the City the ability to gain greater access to population-specific claim detail, which provides increased ability for medical case management and cost containment. This information plays an integral role in the development of a sound wellness program, which is essential to maintaining a healthy workforce, reducing absenteeism, and mitigating increasing health and prescription drug costs.

We're also confident that the successes we are seeing in our plan performance are directly tied to stability in our medical benefits providers. Past decisions to stabilize our annual rate and plan changes have dramatically reduced the turmoil associated with changing plans every year. As you can see from the chart below, since 2007, the City has been with Humana, Blue Cross/Blue Shield, United Healthcare and Aetna. This resulted in huge spreads between years and, in some cases, even bigger increases were proposed. However, the City made changes to its plans to reduce those proposed increases. Since the City moved to its own partial self-

insurance, the annual rate of increase has somewhat evened out and, in some cases, resulted in costs lower than that of national trends. As mentioned, we were able to slow the rate of increase this year to between eight and ten percent.



### Employee clinic

The City has seen excellent results from its efforts to activate the Employee Clinic. This construct enables our employees to get, in most instances, same-day treatment for a variety of acute illnesses. The pre-brokered cost of \$75 (employee share is \$10) represents a 25 percent reduction from the average DFW area doctor's office visit. When multiplying those savings times the number of visits through the end of January, 2014, we have saved over \$1,400. Lake Pointe Medical, with whom we have the Employee Clinic partnership, is still tabulating our usage rate for the past 6 months.

**Rowlett**  
Other Plans. In. Be. Here.

## Employee Clinic

**Eligibility**

- ✓ Employees (Aetna)
- ✓ Retirees (TMRS)

**Acute Care**

- ✓ Cold / Flu
- ✓ Sinus Infection
- ✓ Strep / Sore Throat
- ✓ Minor Infections
- ✓ Pink Eye
- ✓ Earache

- ✓ Lake Pointe Medical Partners
  - ✓ 5 local doctors
- ✓ Due to non-emergency nature of treatment, after hours not available
- ✓ Goal:
  - ✓ Same day appointments
  - ✓ In and out in 40 minutes

**Cost: \$75 (Local avg = \$100)**

Employee/Retiree:	\$10
City:	\$65

**57 Visits from Jul 1 2013 – Jan 31 2014**  
**\$1,425 saved / better access & less time from work**

15

### Strategy for Fiscal Year 2015

As indicated previously, our Mission is *Building a Culture of Wellness and Creating Educated Consumers of Healthcare*. For FY2014, this means continuing to evolve strategies around our wellness and plan performance objectives. This includes offering Biometric Screenings and annual physicals, and providing education and fitness classes, such as the *Live Healthy America Challenge* and *Step Into Summer* programs. These programs continue to pay off, and we continue to seek better ways to generate results.

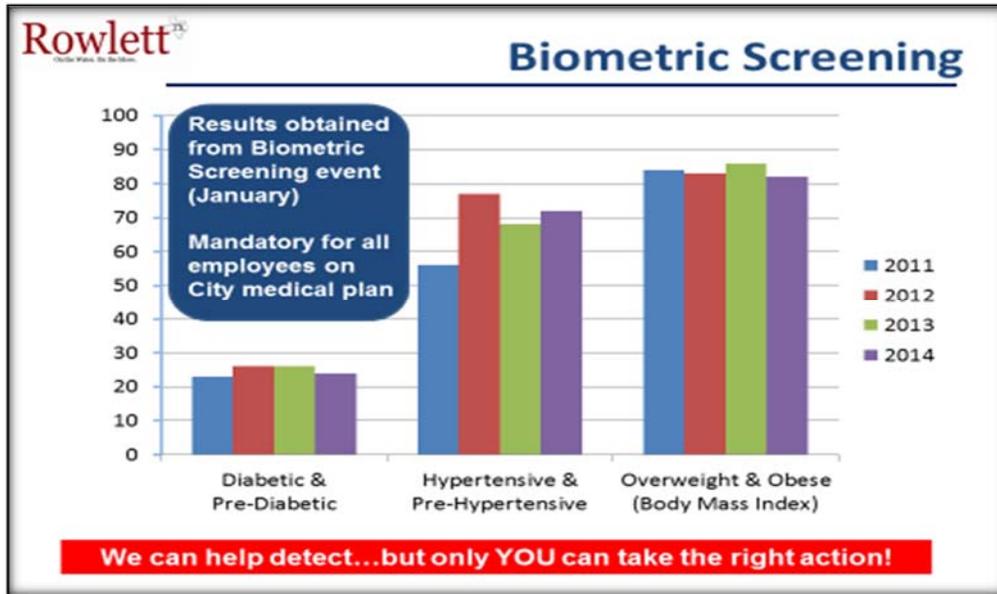
As you'll see in the slide below, City employees have lost over 3,300 pounds over the past 4 years through our 100-Day and Live Healthy Challenges.



In addition to this program, City employees participate in a variety of nutrition and weight loss programs ranging from 1-on-1 counseling sessions with our Wellness Coordinator to monthly “Weight Watchers” meetings.

Certainly, we have our challenges. High employee turnover rates (18 percent and 19 percent over the past two years) have made comparative measurement of employee health a moving target. Still, the cumulative data that we have received over the past four years with respect to levels of overweight/obesity, degrees of hypertension (blood pressure/stress), and high probability of diabetes provide us with strategic targets at which to focus many of our wellness initiatives.

The chart below illustrates the measurements we track in these categories. Note that we were able to reduce our “Overweight & Obese” rate by four percent, meeting our FY2014 goal. We also reduced our “Diabetic & Pre-Diabetic” rate by three percent. However, we did see an increase in our “Hypertensive & Pre-hypertensive” rate by seven percent. This increase suggests a need for additional stress management techniques in the work place and for leadership to pay close attention to stress-inducing factors such as hours worked, manning, operations tempo and family issues. While we do make completing Biometric Screening mandatory for all employees on the City’s medical plan, we do not receive individual scores.



Based in large part on these Biometric Screening results, the City established measurable objectives and strategies for FY2014. We will continue to expand those into FY2015.

Here is an example of the performance metrics we track:

<b>Wellness Accountability Program</b>			
<i>Mission: Building a culture of wellness and creating educated consumers of healthcare.</i>			
<b>Key Objective or Strategy</b>	<b>Key Output (Activity Level)</b>	<b>Target Outcome</b>	<b>Actual Outcome</b>
<b>Promote health and wellness in order to improve Employee performance and reduce absenteeism by encouraging fitness activities.</b>	<b>238/290</b> (# of employees identified as "Overweight" or "Obese")	<b>82%</b> (% of Employees identified as "Overweight" or "Obese" from 2014 biometric screenings)	<b>82%</b> (% of Employees identified as "Overweight" or "Obese" from 2014 biometric screenings)
	<b>209/290</b> (# of employees identified as "Hypertensive" or "Pre-hypertensive")	<b>65%</b> (% of Employees identified as "Hypertensive" or "Pre-hypertensive" from 2014 biometric screenings)	<b>72%</b> (% of Employees identified as "Hypertensive" or "Pre-hypertensive" from 2014 biometric screenings)
	<b>Increase employee education of health &amp; wellness by promoting healthier lifestyles/ preventive healthcare through at least 1 major event per Quarter</b>	<b>1</b> (major event per quarter)	<b>2</b> (major event per quarter)

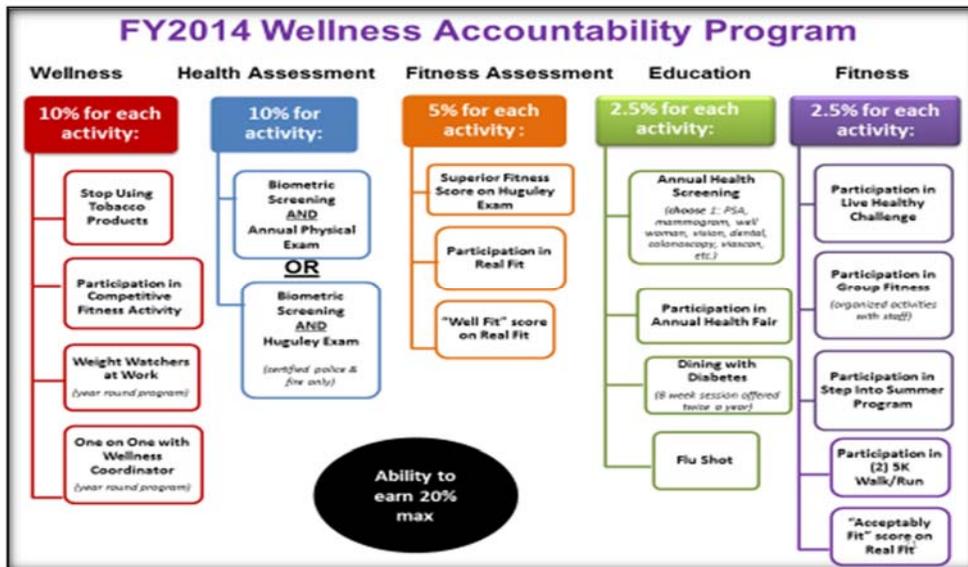
## Wellness Accountability Program

*Mission: Building a culture of wellness and creating educated consumers of healthcare.*

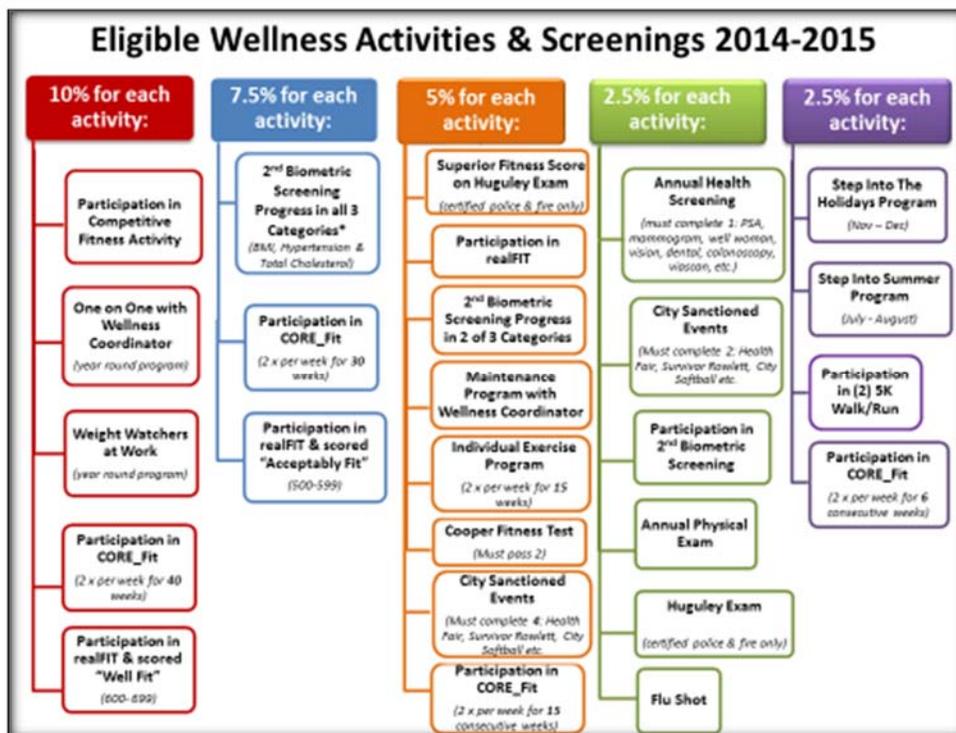
Key Objective or Strategy	Key Output (Activity Level)	Target Outcome	Actual Outcome
<p>Commentary:</p> <p>The City continues to operate a highly active and successful Wellness Accountability Program (WAP). All Employees covered under the City’s comprehensive medical plan (291) are required to complete varying activities contained under the WAP in order to attain 20 percentage points. The structure of the WAP allows for a variety of active/educational programs for all fitness levels. Employees can change their program elections throughout the year, provided they still attain the 20 percentage points.</p> <p>The City established, and met, its goal of 100% completion rate for biometric screening. This screening provides real-time information on critical health factors such as blood pressure, height/weight body mass index (BMI), and cholesterol levels. We had 290 complete the screening (1 employee was excused as she was on maternity leave. The City only receives aggregate numbers—employees receive their individual assessment scores from Quest Diagnostics, the company that conducts the screening.</p> <p>Results from the biometric screening are mixed. On the positive side, we met our FY2014 goal of reducing the number of employees identified from a BMI as being Overweight or Obese by four percent (there are four varying degrees of categories)--from 86 percent to 82 percent. We will set an even more aggressive reduction goal for next year.</p> <p>We are concerned, however, that the number of employees identified as being either Hypertensive or Pre-hypertensive (blood pressure) rose from 65 percent to 72 percent. We attribute this to heightened workloads throughout all departments, which is contributing to stress and poor nutrition. To address this, we will increase the frequency of our blood pressure testing, discuss stress management methods in the workplace in upcoming Employee Stakeholder meetings and will increase stress management-related activities in our WAP.</p>			

Based on a combination of Biometric Screening results (cumulative health and wellness data), the inputs of employees through their Department’s WAP representatives (employee desires), and as verified through participation levels in each event, the WAP Committee designed and implemented a dynamic program geared towards improving health and wellness, and facilitating lifestyle changes.

The City implemented its WAP at the beginning of FY2013. In FY2014, the plan was modified to allow more flexibility in choice of activities and to add/change programs throughout the year. In all, employees on the City’s medical plan were required to earn 20 percentage points to satisfy the full year requirement. Those who did not fulfill the requirement incurred higher medical premium costs (proportional to the amount of percentage points they did earn). The chart below illustrates the type and percent values of those programs.



Proposed changes to the FY2015 program, which will be presented to our employees via a series of Employee Stakeholder Meetings at the end of July 2014, capitalize on the successes of the existing program. We will still offer maximum flexibility to employees, and will offer even more choices of elective options which, incidentally, are "Low Cost/No Cost" events. The FY2015 program, however, will be more robust as new activities have been added that specifically target the Biometric Screening elements.



We are working diligently with our benefits advisors to consider program variations involving active employee versus retiree premium rates, to identify national/market trends in the full spectrum of our benefit package offerings, and to ensure we have budgeted accordingly. We will present those recommendations on July 15, 2014.

At this point of this update, with no program changes forecast, we anticipate receiving an overall increase of approximately **nine percent** over the FY2014 employee health insurance fund budget for next year's medical insurance. This increase includes expected claims, Third-Party Administration costs, Stop Loss Premiums, Wellness Initiatives and other medical plan specific line items. As we have done for the past four years, the City will share the renewal increase with employees. Therefore the City's rates will increase by approximately nine percent and the employees' rates will also increase by approximately nine percent.

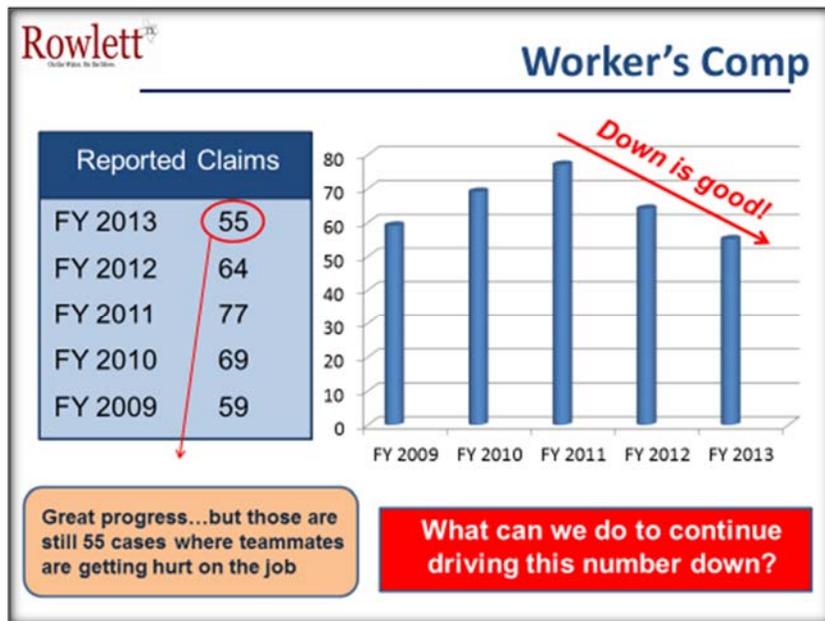
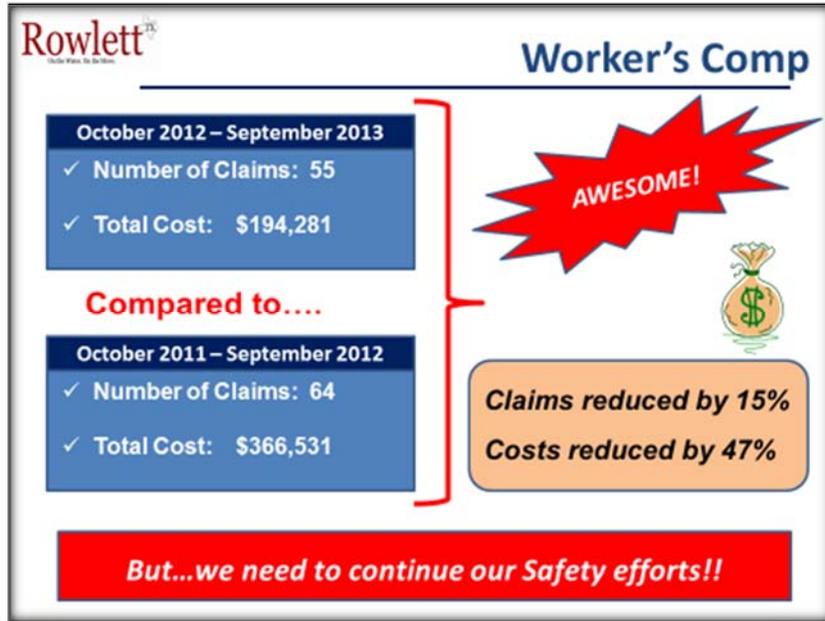
### **Safety and Workers' Compensation**

While on-the-job injuries that result in medical treatment or lost time are not contained under the fiscal year Medical Plan budget, they do contribute to many of the factors that raise stress levels, over-task the workforce, and reduce operational capabilities. In short, an employee who must miss work for seven days due to an injury levies the same amount of absentee impact as an employee who misses work for seven days due to chest pains or untreated illness—it's still seven days of that Department needing to work employees overtime, carry heavier workloads, or respond to more service calls than normal.

Because of this, the City has been very aggressive in changing the culture of its Safety posture. We activated a cross-departmental Safety Task Force, instituted more real-time safety topics in our training programs, and established the construct for a Post-Incident Review Team to review safety-related instances that result in employee injury, damage to City or citizen property, and to assess Departmental operating procedures.

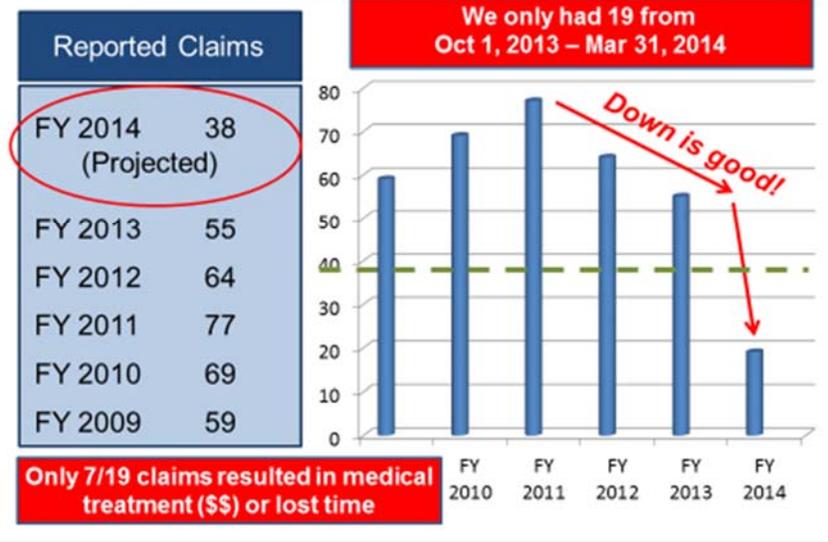
We presented a two-year look-back to our Stakeholders in October, 2013. In the attached chart, you'll see we made great strides in reducing both the number of Workers' Compensation claims (15%) and the amount paid by our insurance (Texas Municipal League) to cover surgeries and medications tied to those claims (47%).

Still, we worked to be even better...and we're having a fantastic year so far.



As of March 31, 2014, the City was on track to incur 38 claims for the year (19 after the first six months). Additionally, 12 of those 19 instances were “for reporting purposes only”—that is, no medical treatment or lost time was required. We’re confident these stats genuinely reflect the positive results that have come from this increased Safety posture and the focus leadership has placed on the safety and well-being of our employees.

## Worker's Comp



### FISCAL IMPACT

N/A

### STAFF RECOMMENDATION

For informational purposes only.



# City of Rowlett

## Staff Report

4000 Main Street  
P.O. Box 99  
Rowlett, TX 75080-0099  
www.rowlett.com

**AGENDA DATE:** 07/08/14

**AGENDA ITEM:** 3B

### **TITLE**

Discuss a transition plan for the Rowlett Chamber of Commerce and building located at 3910 Main Street as it relates to the Village of Rowlett project. (60 minutes)

### **STAFF REPRESENTATIVE**

Brian Funderburk, City Manager  
Jim Grabenhorst, Director of Economic Development  
Marc Kurbansade, Director of Development Services

### **SUMMARY**

The Village of Rowlett is a \$30 million project on approximately 12 acres of City-owned property in Downtown that will introduce a range of urban densities within modern housing concepts, local retail, commercial destinations and high quality pedestrian amenities. As part of this development and redevelopment, the existing structure that the City leases to the Rowlett Chamber of Commerce will need to be relocated or removed.

The purpose of this item is to discuss transition plan options outlined by staff as it relates to the existing structure and the Rowlett Chamber of Commerce and formalize a plan of action.

### **BACKGROUND INFORMATION**

The City of Rowlett and the Rowlett Chamber of Commerce have a longstanding strategic partnership in promoting a favorable business climate and Economic Development initiatives within Rowlett and the surrounding region. The Rowlett Chamber of Commerce has been focused on “promoting the business community, economic well-being, and quality of life” in Rowlett since 1974. The City of Rowlett and the Rowlett Chamber of Commerce entered into a lease agreement in 1998 for property located at 3910 Main Street in the old First Christian Church building.

In January, 2014, the City and Chamber entered into a Cooperation & Lease Addendum agreement and as a result of the City’s efforts to secure a development partner on specific City-owned properties within Downtown. This included the building and property currently leased by the Chamber. In this agreement, both parties acknowledged the need to provide for a termination clause in which the Chamber could be relocated to other City property should development or redevelopment occur on this site.

As a result of the Village of Rowlett project and the development and redevelopment of this property, the City needs to develop a transition plan for relocating the Rowlett Chamber of

Commerce office from the old First Christian Church building and discuss options associated with relocating the existing structure versus removing the structure.

## DISCUSSION

The purpose of this discussion item is to present City Council with background information and available options in order to make an informed decision regarding the existing Chamber of Commerce building as it relates to the pending Village of Rowlett development project.

The main decision point that is at the crux of this discussion is whether to preserve the building by relocation or to remove the building. It should be noted that although the existing building has “historic” value to the City of Rowlett, it is not eligible for inclusion on the National Register of Historic Places due to the structural alteration/addition to the rear of the building and the relocation of the building from its original location.

### Relocation

Should City Council wish to preserve the existing building, relocation will be necessary. It should be noted that City Council will need to determine whether to relocate the entire building as it currently exists or to exclude the “alteration/addition” portion of the building. If a portion of the building is excluded from the relocation, there will be costs associated returning the building to a habitable condition. City Staff has identified three potential locations where the building could be relocated:

- 1) Old Fire Station property located at 4500 Main Street adjacent to Herfurth Park.

*This choice is the only location staff has identified should City Council desire the building to continue to be used to house the Chamber of Commerce offices. This choice would require the demolition of the Old Fire Station as well as site preparation costs.*

- 2) Rowlett Community Centre – area adjacent to existing Coyle House.

*This choice would utilize the building for “historic” purposes and not house the Chamber of Commerce offices; therefore a permanent location for the Chamber of Commerce will need to be identified. There are significant challenges with access to this property due to existing grade differentials of the potential building location and access roads. In addition, there will most likely need to be clearing of some vegetation/trees to provide a suitable building pad location. Due to the amount of space between the land segregated for the Coyle House and the existing railroad right-of-way, it may not be possible to place the Chamber building on the east side of the Coyle House. Instead, the site may require a much larger setback.*

3) Rowlett Community Centre – area adjacent to Wet Zone.

*This choice would utilize the building for “historic” purposes and not house the Chamber of Commerce offices; therefore a permanent location for the Chamber of Commerce will need to be identified. This location would be in the vicinity of the previous location of the Kid’s Kingdom playground. The access to this site does not provide the same challenges as Site #2.*

Removal

The choice to remove the existing Chamber of Commerce building will involve two major costs—demolition costs as well as the relocation and housing of the Chamber of Commerce offices.

It should be noted that due to the age of the existing structure and the materials used throughout the construction of the building during its lifetime, an analysis of hazardous materials (e.g., lead, asbestos) will be part of the costs associated with either the relocation or removal options.

**FINANCIAL/BUDGET IMPLICATIONS**

This item is for discussion purposes. Upon direction from City Council, staff will formalize a transition plan and the associated fiscal impacts.

**RECOMMENDED ACTION**

This item is for discussion and to provide consensus and direction to City staff to formalize a transition plan.