

**NOTICE OF A REGULAR MEETING
OF THE GOVERNING BODY
OF THE CITY OF MIDLOTHIAN, TEXAS**

Tuesday, July 13, 2010

Pursuant to the provisions of Chapter 551 VTCA Government Code, notice is hereby given of a Regular Meeting of the Midlothian City Council, to be held in the Council Chambers of City Hall, 104 West Avenue E, Midlothian, Texas

REGULAR AGENDA – 6:00 P.M.

Call to Order, Invocation and Pledge of Allegiance

2010-220 Announcements/Presentations

- a. Community Affairs calendar
- b. Proclamation recognizing the retirement of Police Officer Roger Smotts
- c. Administer Oath of Office for new police officers
- d. Administrative Announcements related to personnel

2010-221 Citizens to be heard

2010-222 Consider and act upon minutes from City Council meeting of June 22, 2010.

2010-223 Consider and act upon a request to establish development standards for the section of North 8th Street, between W. Avenue E and W. Avenue B and consider future adoption of such amendments to the City of Midlothian Zoning Ordinance 89-13, as amended.

2010-224 Consider and act upon awarding employee insurance contracts for medical, dental employee, accidental death and dismemberment, group life, and long term disability insurance coverage for Fiscal Year 2010-2011

EXECUTIVE SESSION

Executive Session items are discussed in closed session but any and all action is taken in regular open session. Executive Session is not open to the public because there is a compelling need of confidentiality (e.g., certain real estate, litigation, or personnel matters).

1. Section 551.071 Legal: Consultation with attorney regarding Cause No. 67202, Midlothian v. Texas Central Business Lines Corporation, et al, pursuant to attorney's ethical duty to advise City regarding such matters
2. Section 551.071 Legal: Consultation with attorney regarding Cause No. 75885, City of Midlothian v. Randall Denton and Musket Corporation, pursuant to attorney's ethical duty to advise City regarding such matters
3. Section 551.071 Legal: Consultation with attorney regarding Cause No. 3-07-CV-1351-N, Texas Central Business Lines Corporation v. City of Midlothian
4. Section 551.072 Real Estate: Deliberate and consider the acquisition of real property necessary for roadway and parks improvement projects
5. Section 551.074(a)1 Personnel Matters: to deliberate the Municipal Court Judge position
6. Section 551.087 Deliberation regarding economic development negotiations

REGULAR AGENDA

2010-225 Action resulting from Executive Session, Item #1: Cause No. 67202, TCBL

2010-226 Action resulting from Executive Session, Item #2: Cause No. 75885, Randall Denton

2010-227 Action resulting from Executive Session, Item #3: Cause No. 3-07-CV-1351-N, TCBL

2010-228 Action resulting from Executive Session, Item #4: Real Estate/Roadway and Parks

- 2010-229 Action resulting from Executive Session, Item #5: Personnel
2010-230 Action resulting from Executive Session, Item #6: Economic development negotiations
2010-231 Adjourn

I, Tammy Varner, Deputy City Secretary of the City of Midlothian, Texas, do hereby certify that this Notice of Meeting was posted on the front window of City Hall, 104 West Avenue E, Midlothian, Texas, at a place readily accessible to the general public at all times, no later than the 9th day of July, 2010 at or before 5:00 p.m.



Tammy Varner, Deputy City Secretary

**This facility is wheelchair accessible and accessible parking spaces are available.
Requests for reasonable accommodations must be made 48 hours prior to this meeting.
Please contact the City Secretary at 775-3481 for further information.**



AGENDA ITEM 2010-221

AGENDA CAPTION:

Citizens To Be Heard

ITEM SUMMARY/BACKGROUND:

Citizens that have registered with the City Secretary may address Council with comments and/or concerns.

SPECIAL CONSIDERATION:

N/A

FINANCIAL IMPACT/FUNDING SOURCE:

N/A

ATTACHMENTS:

N/A

ALTERNATIVES:

N/A

RECOMMENDATION:

N/A



AGENDA ITEM 2010-222

AGENDA CAPTION:

Consider and act upon minutes from City Council meeting of June 22, 2010

ITEM SUMMARY/BACKGROUND:

Minutes from the June 22 Council meeting are submitted for approval or correction

SPECIAL CONSIDERATION:

N/A

FINANCIAL IMPACT/FUNDING SOURCE:

N/A

ATTACHMENTS:

1. Minutes from Regular Meeting of June 22, 2010

ALTERNATIVES:

Approve or correct

RECOMMENDATION:

Approve as submitted

SUBMITTED, REVIEWED BY AND TO BE PRESENTED BY:

Lou Jameson, City Secretary, for the July 13, 2010 City Council Meeting



City Secretary

REVIEWED BY:



Tammy Varner, Deputy City Secretary

APPROVED BY:



Don Hastings, City Manager

**MINUTES
REGULAR COUNCIL MEETING
JUNE 22, 2010**

The City Council of the City of Midlothian convened in a Regular Meeting in the Council Chambers of City Hall, 104 West Avenue E, with the meeting having been open to the public and notice of said meeting having been posted as prescribed by V.T.C.A., Government Code, Chapter 551, with the following members present to-wit:

Boyce L. Whatley	§	Mayor
Jamie Wickliffe	§	Councilmember Place 1
Bill Houston	§	Councilmember Place 2
Jason Kyle	§	Councilmember Place 3
Joe Frizzell	§	Mayor Pro Tem Place 4
Steve Massey	§	Councilmember Place 6

Absent: Hank Miller – household emergency

REGULAR AGENDA – 6:00 P.M.

Mayor Whatley called the meeting to order at 6:00 p.m. with notice of the meeting duly posted and a quorum present. Mayor pro tem Frizzell gave the invocation and led in the pledges.

2010-203 ANNOUNCEMENTS/PRESENTATIONS

a. Community Affairs calendar

June 26 – Downtown Farmers Market; June 26 & 27 – Photo Expo at Conference Center; July 3 – downtown Fourth of July Parade, Independence Day Celebration at MISD Football Stadium.

b. Utility Advisory Board report

Chairman Wickliffe advised that discussion included the Rockett Water Supply contract, CCN boundary disparities and updated information regarding ongoing projects in the area.

c. Administrative Announcements related to personnel

None were received.

CONSENT AGENDA

2010-204 CONSIDER AND ACT UPON MINUTES FROM CITY COUNCIL MEETING OF JUNE 8, 2010.

2010-205 CONSIDER AND ACT UPON AN ORDINANCE ESTABLISHING COMMERCIAL FILMING GUIDELINES FOR THE CITY OF MIDLOTHIAN

2010-206 CONSIDER AND ACT UPON A CONTRACT WITH REYNOLDS ASPHALT AND CONSTRUCTION COMPANY FOR ASPHALT/PAVEMENT SCARIFYING AND REHABILITATION SERVICES THROUGHOUT THE CITY OF MIDLOTHIAN

Councilmember Houston moved to approve the Consent Agenda as presented. Motion was seconded by Councilmember Massey and carried unanimously (6-0).

PUBLIC HEARINGS

2010-207 CONSIDER AND ACT UPON AN ORDINANCE PROVIDING FOR A CURFEW FOR MINORS UNDER 17 YEARS OF AGE. THE ORDINANCE IS DESIGNED TO PROHIBIT THE UNSUPERVISED AND RANDOM MOVEMENT OF JUVENILES IN THE NIGHT TIME TO PREVENT HARM TO THE JUVENILE AS WELL AS DETER CRIMES OTHERWISE COMMITTED BY JUVENILES

Mayor Whatley opened the Item tabled at the May 25 meeting in order to gain public input. Chief Smith presented responses received – 78% in support, 22% against the curfew. Parental responsibility, private rights vs. government regulation, accountability, and officer training regarding enforcement were among topics discussed.

Councilmember Kyle moved to approve Item 2010-207 with one correction. Motion was seconded by Mayor pro tem Frizzell and carried by a vote of 5-1 with Councilmember Wickliffe opposed. Chief Smith was asked to provide feedback in six months as to contacts and effectiveness.

2010-208 CONDUCT A PUBLIC HEARING TO CONSIDER AND ACT UPON AN ORDINANCE AMENDING ORDINANCE NO. 2006-44, THE ORIGINAL PLANNED DEVELOPMENT ORDINANCE OF MIDTOWNE (PD-41), BY AMENDING SECTION 2, THE PLANNED DEVELOPMENT CONDITIONS OF USE, REVISING THE DESIGN BOOKLET TO BETTER CLARIFY ITS INTENT REGARDING THE DEVELOPMENT OF MIDTOWNE, AND ANY OTHER CORRESPONDING DELETIONS OR CHANGES TO VARIOUS SECTIONS AND SUBSECTIONS. PROPERTY CONTAINS ± 131.42 ACRES, IN THE W. HAWKINS SURVEY, ABSTRACT NO. 465 AND THE B.F. HAWKINS SURVEY, ABSTRACT NO. 464, AND IS GENERALLY LOCATED EAST OF FM 663 AND WEST OF SOUTH 14TH STREET, IN THE CITY OF MIDLOTHIAN, TEXAS. PRESERVING ALL OTHER PORTIONS OF ORDINANCE 2006-44; PROVIDING A CONFLICTS CLAUSE; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE

Mayor Whatley opened the Public Hearing and Mr. Garfield presented the request tabled on May 25 in order to bring the developer, residents, P&Z members and staff together for a meeting. The two resulting changes were incorporated into the Ordinance.

With no public input received, Mayor Whatley closed the public hearing and opened the floor for discussion and action.

Mayor pro tem Frizzell moved to approve Item 2010-208 with the two recommended changes. Motion was seconded by Councilmember Houston and carried unanimously (6-1).

REGULAR AGENDA

2010-209 CITIZENS TO BE HEARD

None were received.

2010-210 CONSIDER AND ACT UPON UPDATES TO THE CITY OF MIDLOTHIAN HUMAN RESOURCES POLICY MANUAL RELATED TO CHAPTER 14 COMPUTER AND CELL PHONE USAGE POLICY

Mr. Cates presented the updates and recommended including a reference to text messages in the portion addressing misuse of email systems.

Mayor pro tem Frizzell moved to approve Item 2010-210 with the recommended addition. Motion was seconded by Councilmember Kyle and carried unanimously (6-0).

2010-211 CONSIDER AND ACT UPON A RESOLUTION IN SUPPORT OF NORTH TEXAS 2050, A VISION DOCUMENT CREATED THROUGH COLLABORATION WITH RESIDENTS, EXPERTS AND REGIONAL LEADERS THAT DESCRIBES THE PREFERRED FUTURE FOR THE DALLAS-FT. WORTH REGION (CASE NO. RES14-2009-43)

Ryan Spencer presented the Item developed through a five-year process. The final product contained a set of twelve guiding principles for the region's growth and development, and identified tools and techniques that would be helpful toward achieving the preferred regional vision.

Mayor pro tem Frizzell move to approve Item 2010-211 as presented. Motion was seconded by Councilmember Houston and carried unanimously (6-0).

2010-212 CONSIDER AND ACT UPON A CONTRACT WITH CIRCLE H CONTRACTORS, L.P. OF MIDLOTHIAN, TEXAS, FOR THE 9TH STREET WATER LINE AND BOWIE-CROCKETT SANITARY SEWER PROJECT IN AN AMOUNT NOT TO EXCEED \$388,565

Mr. Mergener presented the Item funded in the adopted 2009-2010 FY budget.

Councilmember Kyle moved to approve Item 2010-212 as presented. Motion was seconded by Councilmember Wickliffe and carried unanimously (6-0).

With no updates to be received or discussed, Executive Session was cancelled.

EXECUTIVE SESSION

- 1. SECTION 551.071 LEGAL: CONSULTATION WITH ATTORNEY REGARDING CAUSE NO. 67202, MIDLOTHIAN V. TEXAS CENTRAL BUSINESS LINES CORPORATION, ET AL, PURSUANT TO ATTORNEY'S ETHICAL DUTY TO ADVISE CITY REGARDING SUCH MATTERS**
- 2. SECTION 551.071 LEGAL: CONSULTATION WITH ATTORNEY REGARDING CAUSE NO. 75885, CITY OF MIDLOTHIAN V. RANDALL DENTON AND MUSKET CORPORATION, PURSUANT TO ATTORNEY'S ETHICAL DUTY TO ADVISE CITY REGARDING SUCH MATTERS**
- 3. SECTION 551.071 LEGAL: CONSULTATION WITH ATTORNEY REGARDING CAUSE NO. 3-07-CV-1351-N, TEXAS CENTRAL BUSINESS LINES CORPORATION V. CITY OF MIDLOTHIAN**
- 4. SECTION 551.072 REAL ESTATE: DELIBERATE AND CONSIDER THE ACQUISITION OF REAL PROPERTY NECESSARY FOR ROADWAY AND PARKS IMPROVEMENT PROJECTS**
- 5. SECTION 551.074(A)1 PERSONNEL MATTERS: TO DELIBERATE THE MUNICIPAL COURT JUDGE POSITION**
- 6. SECTION 551.087 DELIBERATION REGARDING ECONOMIC DEVELOPMENT NEGOTIATIONS**

REGULAR AGENDA

2010-213 ACTION RESULTING FROM EXECUTIVE SESSION, ITEM #1: CAUSE NO. 67202, TCBL

Executive Session was not conducted.

2010-214 ACTION RESULTING FROM EXECUTIVE SESSION, ITEM #2: CAUSE NO. 75885, RANDALL DENTON

Executive Session was not conducted.

2010-215 ACTION RESULTING FROM EXECUTIVE SESSION, ITEM #3: CAUSE NO. 3-07-CV-1351-N, TCBL

Executive Session was not conducted.

2010-216 ACTION RESULTING FROM EXECUTIVE SESSION, ITEM #4: REAL ESTATE/ROADWAY AND PARKS

Executive Session was not conducted.

2010-217 ACTION RESULTING FROM EXECUTIVE SESSION, ITEM #5: PERSONNEL
Executive Session was not conducted.

2010-218 ACTION RESULTING FROM EXECUTIVE SESSION, ITEM #6: ECONOMIC DEVELOPMENT NEGOTIATIONS

Executive Session was not conducted.

2010-219 ADJOURN

With there being no further business to discuss, Mayor Whatley adjourned the meeting at 7:12 p.m.

ATTEST:

Boyce L. Whatley, Mayor

Lou Jameson, City Secretary

AGENDA ITEM 2010-223

AGENDA ITEM

Consider and act upon a request to establish development standards for the section of North 8th Street, between W. Avenue E and W. Avenue B and consider future adoption of such amendments to the City of Midlothian Zoning Ordinance 89-13, as amended

BACKGROUND INFORMATION

Proposed Request:

Staff, under the direction of the Planning and Zoning Commission has evaluated conflicts between zoning, land use, and consistent development standards for the section of 8th Street corridor located between W. Avenue E and the 8th Street bridge north of W. Avenue B. Staff has held two meetings with property owners within this area that included representatives from both the Planning and Zoning Commission and the Historical Advisory Board. In addition, staff has met individually with approximately 70% of the property owners to review proposed zoning changes and standards with unanimous support. Proposed changes would create a zoning district for this corridor that will provide consistent land uses, protect existing historic and future architectural and character, while establishing opportunities for reinvestment and development of this important gateway entrance to the City.

At the Planning and Zoning Commission's June 15, 2010 meeting, a Resolution of Intent (*see Attachment 1*) was presented and approved by the Commissioners, and staff was directed to forward to City Council.

ATTACHMENTS

1. Resolution from the Planning and Zoning Commission

RECOMMENDATION

Staff recommends that the City Council direct staff to prepare and process zoning ordinance amendments for the subject section of North 8th Street, consistent with the attached P&Z resolution.

SUBMITTED BY: Alberto Mares, AICP, Current Planning Manager
Tuesday, July 13, 2010, City Council Meeting



Alberto Mares, AICP
Current Planning Manager

REVIEWED AND PRESENTED BY: John A. Garfield, AICP, Director of Planning



John A. Garfield, AICP
Director of Planning

REVIEWED BY:



Tammy Varner, Deputy City Secretary

APPROVED BY:



Don Hastings, City Manager

RESOLUTION 2010-01

A Resolution of Intention to adopt amendments to the City of Midlothian Zoning Ordinance establishing development standards for North 8th Street

WHEREAS, most of residential properties along North 8th Street are currently zoned Commercial and have the potential to develop out as incompatible land uses that are not consistent with the adopted Comprehensive Plan; and,

WHEREAS, City staff have met with residents of North 8th Street on a one-on-one basis and they have given their input to determine the right set of development regulations for this area; and,

WHEREAS, based on resident input and general planning principals, City staff will prepare a set of draft development regulations and will present them to the residents prior to starting the public hearing process with the Planning & Zoning Commission and City Council to establish maximum support from them for these set of development regulations; and,

WHEREAS, these proposed development standards will improve the long-term outlook for North 8th Street as the northern gateway into the City and establish high quality standards for future development activities that are compatible with the surrounding neighborhood; and,

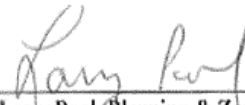
WHEREAS, these development regulations will form the basis for a potential new zoning district, tentatively called, "North 8th Street"; and,

WHEREAS, public hearing dates for the Planning & Zoning Commission and City Council will appear and be set in newspaper & property owner notifications to ensure additional input from the community at-large prior.

NOW, THEREFORE, BE IT RESOLVED THAT:

The Planning & Zoning Commission of the City of Midlothian, Texas fully supports drafting proposed development regulations for North 8th Street with resident input to establish compatible uses and architectural designs within the neighborhood, as stated in the Original Town Module of the adopted Comprehensive Plan and recommends to the City Council to do the same and establish a timeline to adopt the proposed development standards.

READ, PASSED, AND APPROVED ON THIS 15th DAY OF JUNE, 2010.



Larry Pool, Planning & Zoning Commission Chairman

ATTEST:



John Garfield, Director of Planning



AGENDA ITEM 2010-224

AGENDA CAPTION: Consider and act upon awarding employee insurance contracts for medical, dental, accidental death and dismemberment, group life, and long term disability insurance coverage for Fiscal Year 2010-2011.

ITEM SUMMARY/BACKGROUND: In Spring 2005, the Mayor and City Council approved Benefits Seminar Plus (BSP) to act as a consultant at no cost to the City during the request-for-proposal (RFP) project (Agenda Item 2005-180). Since that time, BSP has evaluated, researched, and compared all bid proposals from the various employee insurance carriers that bid on the City's medical, dental, long term disability (LTD), group life (Life), and accidental death and dismemberment (AD&D). Finally, BSP has routinely acted as an ombudsman for the City and its employees during coverage questions for employees and their dependants. BSP has once again assisted the Human Resources (HR) Department with writing and distributing the RFP to insurance carriers and third party administrators in the market place.

As of April 1, 2010, thanks in part to Council approved wellness and fitness programs, as an insured group the City has had a moderate medical claims history, or a medical claims utilization rate of approximately 75 percent for the preceding twelve months. There is also a decreasing payment trend for employees and dependants on the plan for that period. Typically when the medical claims utilization reaches 80% or more for an insured group, insurance carriers raise the next year's premiums. Due to federally mandated changes to health care plan designs and staff anticipating a corresponding rate increase, HR requested that BSP assist with sending bid proposals to prospective carriers. Bids were sent to 26 medical and dental insurance carriers and third party administrators, with only four carriers responding to the medical coverage bid, six carriers responding to the dental coverage bid, five carriers to the group insurance (AD&D & Life), and five carriers to the LTD.

Due to the aforementioned new health care plan legislation and, the low response rate on behalf of medical carriers, and tight budgetary conditions (third year in a row for no salary increases provided to employees), staff was faced with an even greater challenge of finding a cost sensitive solution to provide employee insurance using reputable carriers at an affordable price to both the City and the employees. Through extensive negotiations on behalf of BSP and City staff with insurance carriers, BSP has prepared the attached spreadsheets of recommended bid proposals for the medical and dental lines of employee insurance. BSP was extraordinarily instrumental in further clarifying and researching submitted medical carrier plan designs to ensure that these were similar to the City's current level of employee insurance.

SPECIAL CONSIDERATION: For FY 2010-2011, the cost to the City for medical premiums was initially submitted as a 15.67% increase, or over \$185,607. For the dental premiums, the annual cost to the City was initially submitted as an additional 8.2 % increase or over \$4,347. These amounts would have resulted in a combined annual increase of approximately \$189,954 for both the medical and dental coverages.

BSP and City staff were able to negotiate a smaller increase in medical premiums of only 3.56% by asking the City's current carrier, Blue Cross Blue Shield (BCBS), to continue to combine additional lines of coverage such as the dental, Life, and AD&D insurance. For the dental premiums, BSP and City staff were able to negotiate a zero dollar increase. Additionally, BSP and the City staff researched various medical insurance plan options that would offer a similar type of coverage to

employees and yet maintain affordability for both the City and employees as well. This was accomplished by increasing employee participation rates for office co-pays from \$25 to \$35 and increasing the annual out-of-pocket maximums and annual deductible amounts (out of network providers only), and increasing the employee co-pays for name brand, and non-formulary prescription drugs.

FINANCIAL IMPACT/FUNDING SOURCE: Proposed coverage and carriers will be effective on October 1, 2010 through September 30, 2011. For medical insurance, the total cost to the City will increase by 3.56% or approximately \$42,184 over current annual medical premiums. The dental insurance cost will not change. The rates for AD&D, Life, LTD, and flexible spending accounts insurance lines will not change for FY 2010-2011.

All insurance premiums costs will be submitted with the proposed draft FY 2010-2011 budget.


ATTACHMENTS: Due to the size and volume of each bid proposal, HR has attached a recommendation letter from BSP regarding proposals for each employee benefit. Attached is also a cost comparison sheet of the current and the proposed carriers.

ALTERNATIVES: Approve/deny/amend, or table

RECOMMENDATION: Staff recommends approval of the submitted bid proposals

SUBMITTED BY and TO BE PRESENTED BY:

Harold R. Cates, CPM, SPHR, Human Resources Director
For the July 13, 2010 Council meeting


Human Resources Director

REVIEWED BY:


Chris Dick, Finance Director


Tammy Varner, Deputy City Secretary

APPROVED BY:


Don Hastings, City Manager



July 1, 2010

Harold Cates
City of Midlothian
104 W. Avenue E
Midlothian, TX 76065

RE: Benefits Renewals 2010

Dear Harold,

Medical Coverage:

The City of Midlothian benefit Request for Proposal (RFP) was distributed to twenty-six (26) insurance carriers and third party administrators. Four (4) insurance carriers submitted proposals for medical coverage. Benefit Seminars Plus analyzed and compared the various plan designs and a spreadsheet of this analysis is attached. The Blue Cross Blue Shield of Texas (BC/BS) plan shown offers the most comprehensive solution for the City of Midlothian in terms of short term and long term costs, level of benefits, continuity, and network.

Since October 1, 2005, BC/BS has been the current carrier for the City of Midlothian. For the current plan year, the City has maintained a moderate medical claims history thanks in part to Council approved wellness and fitness programs. However, due to new federal required mandates, BC/BS initially increased their premiums by 15.67% or an increase of \$185,606.79. Through meetings and strong discussions among City staff, with BSP and BC/BS, plan design changes were negotiated and agreed to in efforts to reduce the premium increase to only 3.56%, or \$42,184.18.

The United Healthcare and Aetna's premium rates are higher than BC/BS. Mutual of Omaha, Cigna, Humana, Principle and Trustmark declined to quote. TML can not guarantee their rates due to new federal mandates. In light of the City's objective of maintaining the employees' current benefits level while entering the third year of no pay increases for employees due to extraordinary difficult economic conditions, our recommendation is to slightly change the current plan design by *increasing* the office visit co-pay, out of network deductible and coinsurance, plus the co-pays for medications that are brand name and non formulary. The recommended plan design change will reduce the renewal to changing the (1) office visit co-pay, (2) drug card co-pays and (3) out-of-network deductible/coinsurance shifts more cost to the "*using*" employee as opposed to an increase to all employees' portions of their dependent monthly premiums.

A detailed comparison of Blue Choice networks found that BC/BS puts a stronger emphasis on provider participation in rural Texas. Having increased access to rural doctors is a big plus for the City of Midlothian's employees. Time spent by employees traveling to Dallas will affect the City by reducing productivity. Staying with BC/BS allows employees to seek medical attention sooner and reduce the possibility of experiencing a costly claim for an illness that was allowed to go untreated.

One of the great advantages of the Blue Choice network is that it includes Charlton Methodist Hospital and Methodist Medical Center. This is important since these are the two closest major hospitals to Midlothian, and not having these two hospitals in the network results in hard dollar



costs to the City: lost productivity due to travel time, confusion on where to seek treatment and higher out-of-pocket (or out-of-network) cost to employees. Finally, the result could also be financially devastating to the employee. In conclusion, BC/BS offers the City a more comprehensive benefits level, a larger network of rural doctors, specialists, and hospitals in addition to lower premiums.

Dental Coverage:

RFP's for Dental Coverage were requested to the twenty-six (26) carriers and TPAs, and six (6) carriers responded. After negotiations, BC/BS came down to the current rates and the City's current plan design which is a much better plan design than what other carriers are proposing. Keeping the Dental Coverage with BC/BS also helped to reduce the Medical Coverage renewal rates through multiple lines of coverage.

Basic Life & Voluntary Life Coverage:

Blue Cross Blue Shield extended their coverage with no increase.

Long Term Disability Coverage:

RFPs for Long Term Disability Coverage were requested from twenty-six (26) carriers and TPA's, five (5) carriers responded. Lincoln Financial did not increase their rates. Hartford submitted the lowest quote, but did not match the current contract.

Flexible Spending Accounts

No additional quotes were received for the flexible spending account (FSA) coverage other than the City's current carrier, PayFlex. PayFlex submitted a no-increase proposal.

Recommendations and All Changes Combined

BSP recommends that the City stay with BC/BS using the proposed new Medical plan design and staying with the BC/BS Dental plan. The new Medical Coverage plan design and a no-increase on Dental coupled with tough negotiations will save the City over \$147,770 when compared to renewing the current medical and dental plan designs as initially presented by BC/BS.

Sincerely,

Marcia Zimmermann

Marcia Zimmermann, RHU

2010-2011 Health Insurance Comparison for City of Midlothian

Providers	Blue Cross Current	Blue Cross Renewal	Blue Cross Renewal 2	United Healthcare	United Healthcare	Aetna
A.M. Best Rating	A+	A+	A+	A+	A+	A+
Plan Type	PPO	PPO	PPO	Choice Plus	Choice Plus	PPO
Health Care Account (EE/Fam)	NA	NA	NA	NA	NA	NA
Maximum Benefit	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000
Deductible	\$500	\$500	\$500/1000	\$500/1,000	\$750/1,500	\$500
Family Deductible	3X	3X	3X	2X	2X	3X
Out of Pocket (Not including ded.)	\$2,500/5,000	\$2,500/5,000	\$3,000/6,000	\$3,000/6,000	\$2,250/3,250	\$2,500/5,000
Family Out of Pocket	3X	3X	3X	2X	2X	3X
Coinsurance	80/60%	80/60%	80/50%	80/60%	80/60%	80/60%
Office Visit Co-pay	\$25	\$25	\$35	\$30	\$25/50	\$20
Preventive Health Care	\$25/Ded+40%	\$25/Ded+40%	\$35/Ded+50%	\$30/Ded+40%	\$25 or 50/Ded+40%	\$20/Ded+40%
Adult Physical Max	None	None	None	None	None	None
Lab and X-ray	In Copay	In Copay	In Copay	Ded+20/40%	Ded+20/40%	In Copay
At Facility	\$0	\$0	\$0	Ded+20/40%	Ded+20/40%	\$0
Inpatient Hospital	Ded+20/40%	Ded+20/40%	Ded+20/40%	Ded+20/40%	Ded+20/40%	Ded+20/40%
Outpatient Services	Ded+20/40%	Ded+20/40%	Ded+20/40%	Ded+20/40%	Ded+20/40%	Ded+20/40%
Hospital Deductible Out of Network	\$250	\$250	\$250	None	None	\$250
Urgent Care	\$45	\$45	\$45	\$50	\$75	\$50
Emergency Room	\$100+20%	\$100+20%	\$200+20%	\$100	\$200	\$100
Prescription Drugs:						
Dispense as written	Yes	Yes	Yes	Yes	Yes	Yes
Generic	\$20	\$20	\$20	\$10	\$10	\$20
Name brand	\$35	\$35	\$40	\$35	\$35	\$30
Non-formulary	\$50	\$50	\$60	\$60	\$60	\$50
Mail order	\$60/105/150	\$60/105/150	\$60/120/180	\$25/87.50/150	\$25/87.50/150	\$40/60/100
Dependent Children	26	26	26	26	26	26
Network	BlueChoice	BlueChoice	BlueChoice	United Choice	United Choice	Aetna OAMC
Monthly Premium						
Employee 109	\$436.46	\$494.07	\$449.55	\$492.46	\$469.08	\$531.23
Employee and Spouse 14	\$1,189.41	\$1,346.41	\$1,225.09	\$1,339.49	\$1,275.89	\$1,447.56
Employee and Child(ren) 23	\$749.76	\$848.73	\$772.25	\$847.03	\$806.81	\$912.49
Employee and Family 29	\$1,231.31	\$1,393.84	\$1,268.25	\$1,388.74	\$1,322.80	\$1,498.56
Total Monthly Premium	\$117,178.29	\$132,645.52	\$120,693.64	\$132,186.15	\$125,910.01	\$142,615.42
Monthly Employee Deductions	\$18,473.26	\$18,473.26	\$18,473.26	\$18,473.26	\$18,473.26	\$18,473.26
Monthly Midlothian Cost	\$98,705.03	\$114,172.26	\$102,220.38	\$113,712.89	\$107,436.75	\$124,142.16
Annual Midlothian Cost	\$1,184,460.33	\$1,370,067.12	\$1,226,644.52	\$1,364,554.68	\$1,289,241.00	\$1,489,705.92
Annual Total Premium	\$1,406,139.45	\$1,591,746.24	\$1,448,323.64	\$1,586,233.80	\$1,510,920.12	\$1,711,385.04
Difference (in Midlothian Cost)		\$185,606.79	\$42,184.18	\$180,094.35	\$104,780.67	\$305,245.59
%Chg to Midlothian Cost		15.67%	3.56%	15.20%	8.85%	25.77%

City of Midlothian Dental Comparison 2010-11

	A	B	C	D	E	F
1	Provider	Blue Cross Current	Blue Cross Renewal	Blue Cross Renewal (Revised)	MetLife	Lincoln National
2	Plan	PPO	PPO	PPO	PPO	PPO
3	Maximum Annual Benefit	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500
4	Deductible	\$50	\$50	\$50	\$50	\$50
5	Family	\$150	\$150	\$150	\$150	\$150
6	Preventive	100%	100%	100%	100%	100%
7	Definition of Cleanings	2 per year	2 per year	2 per year	2 per year	2 per year
8	Cleanings	100%	100%	100%	100%	100%
9	Oral Evalutaion	100%	100%	100%	100%	100%
10	Basic	80%	80%	80%	80%	80%
11	Fillings	80%	80%	80%	80%	80%
12	Includes endo + perio	Yes	Yes	Yes	Yes	Yes
13	Major	50%	50%	50%	50%	50%
14	Crown	50%	50%	50%	50%	50%
15	Wait for timely new hires	None	None	None	None	None
16	Orthodontics	50%	50%	50%	50%	50%
17	Deductible	Combined	Combined	Combined	Combined	Combined
18	Adults covered	Yes	Yes	Yes	Yes	Yes
19	Child treatment	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500
20	Adult treatment	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500
21	Waiting period	None	None	None	None	12 months
22	Out of Network % of U&C	90%	90%	90%	80%	MAC
23	Network	Yes	Yes	Yes	Yes	Yes
24	Rate guarantee	To 10/1/10	12 months	12 months	12 months	12 months
25	Monthly Premium:					
26	Employee 175	\$25.19	\$27.26	\$25.19	\$29.54	\$26.61
27	Dependents 72	\$51.54	\$55.76	\$51.54	\$30.90	\$54.45
28	Monthly Employee Premium	\$4,408.25	\$4,770.50	\$4,408.25	\$5,169.50	\$4,656.75
29	Monthly Dependent Premium	\$3,710.88	\$4,014.72	\$3,710.88	\$2,224.80	\$3,920.40
30	Total Monthly Premium	\$8,119.13	\$8,785.22	\$8,119.13	\$7,394.30	\$8,577.15
31	Annual Midlothian Cost	\$52,899.00	\$57,246.00	\$52,899.00	\$62,034.00	\$55,881.00
32	Annual Dependent Cost	\$44,530.56	\$48,176.64	\$44,530.56	\$26,697.60	\$47,044.80
33	Annual Total Premium	\$97,429.56	\$105,422.64	\$97,429.56	\$88,731.60	\$102,925.80

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2010 Life Insurance Comparison for City of Midlothian

	A	B	C	D
1	Provider	Dearborn National Current	Dearborn National Renewal	Humana
2	A.M. Best Rating	A+	A+	A
3	BASIC LIFE:			
4	Premium Waiver	180 day elim	180 day elim	180 day elim
5		Under age 60	Under age 60	Under age 60
6	Conversion	Yes	Yes	Yes
7	Portable	Yes	Yes	No
8	Age Reduction Schedule	65% at 65, 50% at 70	65% at 65, 50% at 70	65% at 65, 50% at 70
9		35% at 75	35% at 75	35% at 75
10	Accelerated Benefit	75%	75%	50%
11	Seatbelt Benefit	100% to 25K	100% to 25K	10K
12	Education Benefit	<100% to 12K	<100% to 12K	No
13	Common Carrier	3X Included	3X Included	NA
14	Suicide Exclusion (Basic/AD&D)	None/Excluded	None/Excluded	None/Excluded
15	Basic Life Premium: (per \$1000)			
16	Life	\$0.100	\$0.100	\$0.100
17	AD&D	\$0.030	\$0.030	\$0.030
18	Volume (1X salary to \$100K) + \$10,000	\$9,421,000	\$9,421,000	\$9,421,000
19	Monthly Premium	\$1,225	\$1,225	\$1,225
20	Total Annual Premium:	\$14,697	\$14,697	\$14,697
21	Rate Guarantee	To 10/1/10	24 months	24 months
22	10K spouse/5K child option	\$2.68	\$2.68	Not quoted
23	5K spouse/2K child option	\$1.21	\$1.21	\$1.21
24	OPTIONAL LIFE:			
25	Employee Maximum	7X salary to 500K	7X salary to 500K	7X salary to 500K
26	Employee Guar. Amount:	100K under age 60	100K under age 60	100K under age 60
27	Spouse Maximum	50% to 250K	50% to 250K	50% to 250K
28	Spouse Guar. Amount	20K under age 70	20K under age 70	20K under age 70
29	Child coverage	5K or 10K	5K or 10K	5K or 10K
30	Portable	Yes	Yes	Yes
31	Optional Life Rates: (per \$1000)			
32	Up to 24	\$0.090	\$0.090	\$0.090
33	25-29	\$0.090	\$0.090	\$0.090
34	30-34	\$0.100	\$0.100	\$0.100
35	35-39	\$0.140	\$0.140	\$0.140
36	40-44	\$0.190	\$0.190	\$0.190
37	45-49	\$0.260	\$0.260	\$0.260
38	50-54	\$0.420	\$0.420	\$0.420
39	55-59	\$0.710	\$0.710	\$0.710
40	60-64	\$1.070	\$1.070	\$1.070
41	65-69	\$1.750	\$1.750	\$1.750
42	70 - 74	\$2.790	\$2.790	\$2.790
43	75 +	\$5.380	\$5.380	\$5.380
44	10 K child	\$2.00	\$2.00	\$2.00
45	5 K child	\$1.00	\$1.00	\$1.00
46	OPTIONAL AD&D:	Max 500/250/10%	Max 500/250/10%	Max 500/250/10%
47	Employee	\$0.035	\$0.035	\$0.035
48	Employee and Dependents	\$0.070	\$0.070	\$0.070

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2010 Long Term Disability Comparison for City of Midlothian

	A	B	C	D
1	Provider	Lincoln Financial	Lincoln Financial	Hartford
2	A.M. Best Rating	A+	A+	A+
3	Benefit %	60%	60%	60%
4	Max. Benefit	\$5K	\$5K	\$5K
5	Elimination Period	180 days	180 days	180 days
6	Benefit Period	SSNRA	SSNRA	SSNRA
7	Own Occupation	24 months	24 months	24 months
8	Vocational Rehab	Voluntary	Voluntary	Mandatory
9	Subrogation	Not included	Not included	Not included
10	Partial disability	80%	80%	85%
11	Mental Nervous Limit	24 months	24 months	24 months
12	Survivor Benefits	3 months	3 months	3 months
13	Pre-Existing	3/12	3/12	3/3/12
14	Rate (per \$100 covered pay)	\$0.23	\$0.23	\$0.20
15	Volume	\$645,235.00	\$645,235.00	\$645,235.00
16	Monthly Premium	\$1,484.04	\$1,484.04	\$1,290.47
17	Annual Premium	\$17,808.49	\$17,808.49	\$15,485.64
18	Rate Guarantee	To 10/1/10	24 months	36 months