

William A. 'Bert' Miller, III
Mayor
Bernie Gessner
Mayor Pro-Tem
Josh M. Fultz Councilmember



James Harris
Councilmember
Pattie Pederson
Councilmember

**NOTICE OF MEETING OF THE GOVERNING BODY OF THE
CITY OF NAVASOTA, TEXAS
AUGUST 7, 2023**

Notice is hereby given that a Special Meeting of the governing body of the City of Navasota will be held on the 7th of August, 2023 at 6:00 PM at the City Hall in the City Council Chambers, Room No. 161, located at 200 E. McAlpine Street, Navasota, Texas 77868, at which time the following subjects will be considered, to wit:

To watch the City Council meeting live please visit the City of Navasota's Youtube here: <https://www.youtube.com/channel/UCltnx7BQt0TCiYJRiZ14g5w>

- 1 Call to Order.
- 2 Invocation
Pledge of Allegiance
- 3 Remarks of visitors: Any citizen may address the City Council on any matter. Registration forms are available on the podium and/or table in the back of the city council chambers. This form should be completed and delivered to the City Secretary by 5:45 p.m. Please limit remarks to three minutes. The City Council will receive the information, ask staff to look into the matter, or place the issue on a future agenda. Topics of operational concerns shall be directed to the City Manager.
- 4 Consideration and possible action on proposals for employee benefits for Fiscal Year 2023-2024. [Peggy Johnson, HR Director]
- 5 Consider and possible action on Resolution No. 747-23 authorizing the creation of an employee benefits trust; designating the City Manager, Chief Financial Officer, and Human Resources Director to be trustees of said trust; and authorizing the trust to purchase various forms of insurance for the benefit of city officers, employees, qualified retirees, and their dependents. [Jason Weeks, City Manager]
- 6 Consideration and possible action to authorize the City Manager to execute a contract with Hawes Hill & Associates LLP to perform certain professional services with respect to amending the (TIRZ1) Tax Increment Reinvestment Zone 1 boundaries in Navasota, Texas. [Jason Weeks, City Manager]
- 7 Consideration and possible action on the first reading of Ordinance No. 1027-23, authorizing the settlement of the proposed fuel reconciliation of Entergy Texas, Inc. [Jason Weeks, City Manager].

- 8 Consideration and possible action on authorization for the City of Navasota to issue Request for Proposals (RFP's) for grant administrative services and Request for Qualifications (RFQ's) for Hazard Mitigation Grant Program administered through the Texas Division of Emergency Management (TDEM). [Maribel Frank, Chief Financial Officer]
- 9 Consideration and possible action on the first reading of Ordinance No. 1028-23, amending Chapter 1, General Provisions, Article 1.04 Boards, Committees, and Commissions of the Code of Ordinances of the City of Navasota, Texas by adding Division 5 creating the Navasota Music Friendly committee. [Bobbie Lehrmann, Marketing & Communications Director]
- 10 Adjourn.

DATED THIS THE 3RD OF AUGUST, 2023

/JW/

BY: JASON WEEKS, CITY MANAGER

I, the undersigned authority, do hereby certify that the above notice of meeting of the governing body of the CITY OF NAVASOTA, is a true and correct copy of said notice and that I posted a true and correct copy of said notice in the glass bulletin board, in the foyer, on the south side of the Municipal Building as well as in the bulletin board on the north side of the Municipal Building of the City of Navasota, Texas, a place convenient and readily accessible to the general public at all times, and said notice was posted on the 3rd of August, 2023 at 03:59 PM and will remain posted continuously for at least 72 hours preceding the scheduled time of said meeting. Agendas may be viewed at www.navasotatx.gov.

The City Council reserves the right to convene in Executive Session at any time deemed necessary for the consideration of confidential matters under the Texas Government Code, Sections 551.071-551.089.

DATED THIS THE 3RD OF AUGUST, 2023

/SMH/

BY: SUSIE M. HOMEYER, CITY SECRETARY

THIS FACILITY IS WHEELCHAIR ACCESSIBLE AND ACCESSIBLE PARKING SPACES ARE AVAILABLE. REQUESTS FOR ACCOMMODATIONS OR INTERPRETIVE SERVICES MUST BE MADE 48 HOURS PRIOR TO THIS MEETING. PLEASE CONTACT THE CITY SECRETARY'S OFFICE AT (936) 825-6475 OR (936) 825-6408 OR BY FAX AT (936) 825-2403.



REQUEST FOR CITY COUNCIL AGENDA ITEM #4

Agenda Date Requested: <u>August 7, 2023</u>	Appropriation
Requested By: <u>Peggy Johnson, Director</u>	Source of Funds: <u>Multiple Funds</u>
Department: <u>Human Resources</u>	Account Number: <u>100/200/300/400</u>
<input checked="" type="radio"/> Report <input type="radio"/> Resolution <input type="radio"/> Ordinance	Amount Budgeted: <u>\$853,858</u>
	Amount Requested: <u>\$853,858</u>
	Budgeted Item: <input checked="" type="radio"/> Yes <input type="radio"/> No

Exhibits: Presentation for Employee benefits for FY 2023-2024

AGENDA ITEM #4

Consideration and possible action on proposals for employee benefits for Fiscal Year 2023-2024.

SUMMARY & RECOMMENDATION

To promote a healthy and wellness workforce, the City of Navasota provides medical insurance benefits to all full-time employees. Currently, the City is part of the Texas Municipal League Intergovernmental Risk Pool (TMLIRP), which pools multiple municipality workforces into a “pool” to reduce the cost of providing healthcare to their employees. Previously, the City contracted with Brinson Benefits to provide third-party consultation to assist the City of Navasota to administer these healthcare benefits.

Earlier this year, the City changed third-party healthcare consultants to HUB International (at the same cost to the City as Brinson Benefits), which is a much larger healthcare benefit consultant with many years of proven experience. Staff began working with the new consultant to analyze the healthcare needs of our workforce for the upcoming fiscal year (2023-2024). TMLIRP notified the City that there would be a 13% increase in our medical plan premiums; therefore, the City decided to go out for Request for Proposals (RFP) for employee benefits for FY 2023-2024.

Staff have been working with HUB International, who secured the proposals for the City. HUB informed staff that the City’s last 24-month premium versus claims experience with TML was a 53% loss ratio (very favorable), the ACA target loss ratio is 85%. HUB’s projection shows the City’s rates are +10-12% higher than needed based on their analysis.

Julian Fontana, the Senior Account Executive with HUB International will be presenting the RFP results for healthcare benefits for our workforce for the period beginning October

1, 2023 through September 30, 2024. The City received a favorable proposal from BCBS on medical benefits, which is who has Navasota's medical insurance this fiscal year. The City would save 11% on "Employee only" coverage"; a 4% decrease on "Employee + Spouse" coverage with the employee's contribution decreasing by 4.37%; a 3% decrease on Employee + Children" coverage with the employee's contribution decreasing by 5.14%; a 3% decrease on "Employee + Family" coverage with the employee's contribution decreasing 6.95%.

The City's dental benefits, currently with the Guardian, received a 9% increase. However, the proposal from Renaissance is currently a 14% increase over the current rates but the benefit maximum would increase from \$1,000 per year to \$2,000. The city contribution rate as well as the employee's contribution rate would both increase by 14%. Though this sounds like a large increase, that means an employee wishing to cover more than themselves would be an increase of \$6.37 per month.

The City's vision benefits are currently with TML EyeMed. HUB International is recommending changing to Renaissance/VSP, which would result in a 15% increase in premiums for both the City and the employees. The employees' costs would range from \$1.99 to \$2.67 more per month depending on the family coverage they select. Also, the benefits will increase with Renaissance/VSP. The City received a favorable proposal from Renaissance as well for Life Insurance and AD&D benefits. This would result in a 23% decrease in premiums for the City.

Staff has included the HUB International presentation that will be reviewed during the meeting. This document provides a more detail description of each benefit offered to city employees along with the coverages and premiums as well as multiple voluntary benefits that will be offered. Staff has assembled the FY 2023-24 Proposed Budget using the new insurance premium amounts, which equates to nearly \$860,000 citywide. Staff recommends City Council accept the bids submitted for employee healthcare benefits as well as the recommendations of HUB International and authorize the City Manager to sign and execute all necessary contracts and agreements for the FY 2023-24 healthcare benefits including, but not limited to medical, dental, vision, life insurance, AD&D, and long/short-term disability benefits.

ACTION REQUIRED BY CITY COUNCIL

Accept the bids submitted for employee healthcare benefits as well as the recommendations of HUB International and authorize the City Manager to sign and execute all necessary contracts and agreements for the FY 2023-24 City of Navasota employee healthcare benefits including, but not limited to medical, dental, vision, life insurance, AD&D, and long/short-term disability benefits.

Approved for the City Council meeting agenda.

Jason Weeks

Jason B. Weeks, City Manager

8/3/23

Date



City of Navasota 2023-2024 Employee Benefits Summary & Recommendations

Julian Fontana – Senior Account Executive

Caroline Smith – Marketing Specialist

Agenda

- 1 | Overview
- 2 | Medical, Dental & Vision Benefits Summary
- 3 | Life AD&D, Voluntary Life AD&D, Long Term and Short Term Disability Benefits Summary
- 4 | Voluntary Worksite Plan Benefits Summary
 - Accident
 - Cancer (new)
 - Critical Illness
 - Hospital Indemnity
 - Permanent Life (new)
- 5 | Recommendations



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Overview

Overview



This presentation summarizes the results of an RFP conducted by the City of Navasota with HUB International to assess vendors to administer the following employee benefits effective October 1, 2023:

- Medical
- Dental
- Vision
- Basic Life AD&D and Voluntary Life AD&D
- Long Term Disability and Short Term Disability
- Voluntary Worksite benefits including Accident, Cancer, Critical Illness, and Permanent Life Insurance

The RFP was conducted with the following objectives in mind:

- Aligns with the City of Navasota's objectives and is supported by management and Council;
- Demonstrated superior member service and claims processing;
- Ability to proactively meet the City of Navasota's service needs;
- Willingness, experience and capability to effectively administer the programs;
- Support during the implementation process;

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Medical, Dental and Vision Benefits Summary

Medical Plan Benefits – Current / Proposed

MEDICAL		TML	TML	BCBSTX
		Current	Renewal	Proposed
NETWORK		BlueChoice PPO	BlueChoice PPO	BlueChoice PPO
Plan Name		Copay 2500	Copay 2500	MTBCP023
Deductible (Indiv / Family)				
In-Network		\$2,500 Ind. / \$5,000 Fam.	\$2,500 Ind. / \$5,000 Fam.	\$2,500 Ind. / \$7,500 Fam.
Out Of Pocket Max (Indiv / Family)		Includes Deductible, Copay, Coinsurance	Includes Deductible, Copay, Coinsurance	Includes Deductible, Copay, Coinsurance
In-Network		\$4,000 Ind. / \$8,000 Fam.	\$4,000 Ind. / \$8,000 Fam.	\$5,500 Ind. / \$14,700 Fam.
Coinsurance				
In-Network		20%	20%	20%
Telemedicine		No Charge	No Charge	No Charge
Physician Office Visit				
In-Network		\$30	\$30	\$30
Specialist Office Visit				
In-Network		\$60	\$60	\$60
Preventive Care				
In-Network		0%	0%	0%
Urgent Care				
In-Network		\$75	\$75	\$75
Emergency Room				
In-Network		\$500 + Ded. + Coinsurance	\$500 + Ded. + Coinsurance	\$500 + Ded. + Coinsurance
Non-Network		\$500 + Ded. + Coinsurance	\$500 + Ded. + Coinsurance	\$500 + Ded. + Coinsurance
Diagnostic Lab & X-Ray				
In-Network		Covered in OV Copay	Covered in OV Copay	Covered in OV Copay
In-Patient Hospital				
In-Network		Ded. / 20%	Ded. / 20%	Ded. / 20%
Prescriptions - Retail 30 day				
Preferred Generic - Tier 1		\$0	\$0	\$0
Preferred Brand - Tier 2		\$10	\$10	\$10
Non-Preferred Brand - Tier 3		\$45	\$45	\$50
Tier 4				\$100
Preferred Specialty Drugs - Tier 5-6		\$90	\$90	\$150

Medical Premiums – Current / Proposed

MEDICAL		TML	TML	BCBSTX
		Current	Renewal	Proposed
FINANCIALS		Copay 2500	Copay 2500	MTBCP023
COVERAGE LEVEL	FTE			
Employee Only	61	\$524.56	\$592.76	\$465.55
Employee & Spouse	7	\$1,064.84	\$1,203.28	\$1,017.96
Employee & Child(ren)	11	\$923.24	\$1,043.28	\$885.62
Employee & Family	16	\$1,547.44	\$1,748.62	\$1,438.02
Monthly Premium	95	\$74,367	\$84,035	\$68,274
Annual Premium		\$892,401	\$1,008,424	\$819,293
\$ Change			\$116,023	(\$73,108)
% Change			13%	-8%

BCBS Notes and Value Add Programs

Virtual Visits Powered By MDLive - For all of our Mid-Market Plans that offer copay coverage at the doctor's office MDLive virtual visits are offered at no charge to the member. ***Virtual Visits - \$0 Copay**

ComPsych GuidanceResources - 5 EAP visits included under Medical PPO plans at NO COST to member.

Member Rewards - included for Medical PPO plans

PREFERRED PHARMACIES:

Walgreen's, Wal-Mart, Sam's Club, HEB, Brookshires, Albertson's, Tom Thumb, Market Street, Randall's, United Supermarkets and many more independent pharmacies in Texas.

CVS & CVS Target Pharmacy are OUT OF NETWORK.

Catapult Virtual Checkups Adult members on PPO Plans are eligible for virtual checkups at no cost.

Digital Wellness Benefits – BCBSTX offers the programs below at **no cost** to Members.

Livongo - diabetes management

Omada- diabetes prevention

Wondr- weight loss

Hinge Health- chronic pain management

Medical Contributions – Current / Proposed

2022 - 2023 MEDICAL PREMIUMS & CONTRIBUTIONS - TML

ENROLLMENT		UNIT RATES			
CITY ACTIVE	Full Time Employees	Medical Rate	City Contribution (\$)	City Contribution (%)	Employee Contribution (\$)
Employee	61	\$524.56	\$524.56	100.0%	\$0.00
Employee + Spouse	7	\$1,064.84	\$676.31	63.5%	\$388.53
Employee + Children	11	\$923.24	\$559.13	60.6%	\$364.11
Employee + Family	16	\$1,547.44	\$1,119.35	72.3%	\$428.09
Premium Contributions	95	\$892,401	\$729,508	81.7%	\$162,892

TOTAL ALL PLANS	Full Time Employees	Total Medical Cost	City Contribution (\$)	City Contribution (%)	Employee Contribution (\$)
Total Contributions	95	\$892,401	\$729,508	81.7%	\$162,892

2023 – 2024 (PROPOSED) MEDICAL PREMIUMS & CONTRIBUTIONS - BCBS

ENROLLMENT		UNIT RATES				(\$) Change	% Change
CITY ACTIVE	Full Time Employees	Medical Rate	City Contribution (\$)	City Contribution (%)	Employee Contribution (\$)		
Employee	61	\$465.55	\$465.55	100.0%	\$0.00	\$0.00	0.00%
Employee + Spouse	7	\$1,017.96	\$646.40	63.5%	\$371.56	(\$16.97)	-4.37%
Employee + Children	11	\$885.62	\$540.23	61.0%	\$345.39	(\$18.72)	-5.14%
Employee + Family	16	\$1,438.02	\$1,039.69	72.3%	\$398.33	(\$29.76)	-6.95%
Premium Contributions	95	\$819,293	\$666,011	81.3%	\$153,282		

TOTAL	Full Time Employees	Total Medical Cost	City Contribution (\$)	City Contribution (%)	Employee Contribution (\$)
Total Contributions	95	\$819,293	\$666,011	81.3%	\$153,282
\$ Change from Current		(\$73,108)	(\$63,497)		(\$9,610)
% Change from Current		-8.2%	-8.7%		-5.9%

Dental Plan Benefits – Current / Proposed



DENTAL BENEFITS	Guardian		Renaissance	
	Current		Proposed	Proposed
	NAP Plan	Value Plan	Basic Flex	Flex Plus
Type I – Preventive Services				
Deductible	\$50	\$50	100%	100%
Oral Exams -	No cost	No cost	No cost	No cost
Fluoride treatments-children	No cost	No cost	No cost	No cost
(2) Cleanings per calendar year	No cost	No cost	No cost	No cost
Sealants for children	No cost	No cost	No cost	No cost
Full mouth X-ray	No cost	No cost	No cost	No cost
Periapical and Intraoral X-rays	No cost	No cost	No cost	No cost
Bitewings X-rays once per calendar year	No cost	No cost	No cost	No cost
Type II – Basic Services				
Coinsurance	80%	100%	80%	100%
Emergency Exams	80%	100%	80%	100%
Non-preventive X-rays	80%	100%	80%	100%
Amalgam and resin-based composite fillings	80%	100%	80%	100%
Stainless Steel Crowns	80%	100%	80%	100%
Extractions	80%	100%	80%	100%
Anesthesia	80%	100%	80%	100%
Periodontics	80%	100%	80%	100%
Oral Surgery	80%	100%	80%	100%
Type III – Major Services				
Coinsurance	50%	60%	50%	60%
Replacement of Crowns	50%	60%	50%	60%
Removable / fixed bridge-work	50%	60%	50%	60%
Partial or complete dentures	50%	60%	50%	60%
Type IV – Orthodontia				
Coinsurance	50%	50%	50%	50%
Orthodontia Eligibility	Child only	Child only	Child only	Child only
Orthodontia Lifetime Maximum	\$1,000	\$1,000	\$2,000	\$2,000
Calendar Year Deductible				
Individual	\$50	\$50	\$50	\$50
Family	\$150	\$150	\$150	\$150
Maximums and UCR Info				
Dental Annual Maximum	\$1,000	\$1,000	\$2,000	\$2,000
UCR Out of Network Percentile	90th	MAC	90th	MAC

Dental Plan Premiums Current / Proposed

DENTAL BENEFITS			Guardian		Guardian		Renaissance	
			Current		Renewal		Proposed	Proposed
			NAP Plan	Value Plan	NAP Plan	Value Plan	Basic Flex	Flex Plus
FINANCIAL COST BY TIER	NAP	VALUE						
COVERAGE LEVEL	FTE	FTE						
Employee Only	10	48	\$23.22	\$23.22	\$25.31	\$25.31	\$26.37	\$26.37
Employee & Spouse								
Employee & Child(ren)								
Employee & Family	6	31	\$71.86	\$71.86	\$78.33	\$78.33	\$81.60	\$81.60
Monthly Premium	16	79	\$663	\$3,342	\$723	\$3,643	\$4,549	
Annual Premium			\$48,067		\$52,394		\$54,584	
\$ Change					\$4,327		\$6,517	
% Change					9%		14%	

Premiums based on
\$1,000 benefit maximum

Premiums based on
\$2,000 benefit maximum

Dental Plan Contributions – Current / Proposed



Current Guardian Premiums based on \$1,000 benefit maximum

ENROLLMENT		UNIT RATES			
CITY ACTIVE	Full Time Employees	Dental Rate	City Contribution (\$)	City Contribution (%)	Employee Contribution (\$)
Employee	58	\$23.22	\$23.22	100.0%	\$0.00
Employee + Family	37	\$71.86	\$24.87	34.6%	\$47.00
Premium Contributions	95	\$48,067	\$27,201	56.6%	\$20,866
TOTAL		Total Dental Cost	City Contribution (\$)	City Contribution (%)	Employee Contribution (\$)
Total Contributions		\$48,067	\$27,201	56.6%	\$20,866

Proposed Renaissance Premiums based on \$2,000 benefit maximum

ENROLLMENT		UNIT RATES				(\$)	%
CITY ACTIVE	Full Time Employees	Dental Rate	City Contribution (\$)	City Contribution (%)	Employee Contribution (\$)	Change	Change
Employee	58	\$26.37	\$26.37	100.0%	\$0.00	\$0.00	0.00%
Employee + Family	37	\$81.60	\$28.23	34.6%	\$53.37	\$6.37	13.56%
Premium Contributions	95	\$54,584	\$30,889	56.6%	\$23,695		
TOTAL		Total Dental Cost	City Contribution (\$)	City Contribution (%)	Employee Contribution (\$)		
Total Contributions		\$54,584	\$30,889	56.6%	\$23,695		
\$ Change from Current		\$6,517	\$3,688		\$2,829		
% Change from Current		13.6%	13.6%		13.6%		

Vision Plan Benefits – Current / Proposed

VISION BENEFITS			TML - EYEMED	Renaissance / VSP
			Current	Proposed
Eye Exam	Network		\$65 Allowance	Covered in full
	Non-Network		\$65 Allowance	Up to \$35
Frames/ Lenses, and/or Contacts				
Single Vision	Network		\$10 copay	\$10 copay
	Non-Network		\$40 Allowance	\$30 Allowance
Bifocal Lenses	Network		\$25 copay	\$10 copay
	Non-Network		\$65 Allowance	\$50 Allowance
Trifocal Lenses	Network		\$25 copay	\$10 copay
	Non-Network		\$75 Allowance	\$65 Allowance
Progressive Lenses	Network		\$25 copay	\$10 Copay
	Non-Network		\$100 Allowance	\$50 Allowance
Frames	Network		\$25 Copay/ \$150 Allowance	\$180 Allowance + 20% off
	Non-Network		\$83 Allowance	\$70 Allowance
CONTACTS				
Medically Necessary Contacts	Network		\$0 copay	\$0 copay
	Non-Network		\$175 Allowance	\$210 Allowance
Elective Contact	Network		\$0 copay/ \$150 Allowance	\$0 copay/ \$180 Allowance
	Non-Network		\$150 Allowance	\$105 Allowance
Exam Frequency			12	12
Lens Frequency			12	12
Contacts Frequency			12	12
Network			EyeMed Standard	VSP
FINANCIAL COST BY TIER				
COVERAGE LEVEL		FTE		
Employee Only		64	\$6.16	\$7.21
Employee & Spouse		9	\$11.70	\$13.69
Employee & Child(ren)		11	\$12.32	\$14.42
Employee & Family		11	\$15.71	\$18.38
Monthly Premium			\$808	\$945
Annual Premium			\$9,694	\$11,345
\$ Change				\$1,651
% Change				17%

Vision Plan Contributions – Current / Proposed

Current EyeMed Premiums

ENROLLMENT		UNIT RATES			
CITY ACTIVE	Full Time Employees	Vision Rate	City Contribution (\$)	City Contribution (%)	Employee Contribution (\$)
Employee	64	\$6.16	\$6.16	100.0%	\$0.00
Employee + Spouse	9	\$11.70	\$0.00	0.0%	\$11.70
Employee + Children	11	\$12.32	\$0.00	0.0%	\$12.32
Employee + Family	11	\$15.71	\$0.00	0.0%	\$15.71
Premium Contributions	95	\$9,694	\$4,731	48.8%	\$4,964

TOTAL	Full Time Employees	Total Vision Cost	City Contribution (\$)	City Contribution (%)	Employee Contribution (\$)
Total Contributions	95	\$9,694	\$4,731	48.8%	\$4,964

Proposed VSP Premiums

ENROLLMENT		UNIT RATES					
CITY ACTIVE	Full Time Employees	Vision Rate	City Contribution (\$)	City Contribution (%)	Employee Contribution (\$)	(\$)	%
Employee	64	\$7.21	\$7.21	100.0%	\$0.00	Change	Change
Employee + Spouse	9	\$13.69	\$0.00	0.0%	\$13.69	\$0.00	0.0%
Employee + Children	11	\$14.42	\$0.00	0.0%	\$14.42	\$1.99	17.0%
Employee + Family	11	\$18.38	\$0.00	0.0%	\$18.38	\$2.10	17.0%
Premium Contributions	95	\$11,345	\$5,537	48.8%	\$5,808	\$2.67	17.0%

TOTAL	Full Time Employees	Total Vision Cost	City Contribution (\$)	City Contribution (%)	Employee Contribution (\$)
Total Contributions	95	\$11,345	\$5,537	48.8%	\$5,808
\$ Change from Current		\$1,651	\$806		\$845
% Change from Current		17.0%	17.0%		17.0%

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Group Life AD&D, Long Term and Short Term Disability Benefits Summary

Group Life AD&D



BASIC LIFE BENEFITS	SunLife	Renaissance
	Current	Proposed
Class Description	All Eligible	All Eligible
Definition of Earnings	BAE	BAE
Basic Life Schedule - Employee	\$30,000	\$30,000
Basic Life - Spouse Benefit	\$5,000	\$5,000
Basic Life - Child Benefit	\$2,000	\$2,000
Maximum Benefit	\$30,000	\$30,000
Guarantee Issue Amount	\$30,000	\$30,000
Age Reduction Schedule	65% @ 65. 43% @ 70 & 30% @ 75	None
Terminates at Retirement	Yes	Yes
Waiver of Premium	Included	Included
Waiver of Premium Trigger	Employer Responsibility	Employer Responsibility
Accelerated Death Benefit	80%	75%
Conversion	Included	Included
Portability	Included	Included
FINANCIALS		
Volume	\$2,100,900	\$2,100,900
EE Rate (per \$1,000) - Life	\$0.245	\$0.191
EE Rate (per \$1,000) - AD&D	\$0.029	\$0.021
Monthly Premium	\$576	\$445
Annual Premium	\$6,908	\$5,345
\$ change		-\$1,563
% change		-23%
OTHER INFO		
Participation Requirement	100%	100%
Actively at Work	Yes	Yes
Actively at Work Takeover Provision	Yes	Yes
Rate Guarantee		3 years
Effective Date		10/1/2023

Voluntary Life AD&D



VOLUNTARY LIFE & AD&D BENEFITS	SunLife	Renaissance
	Current	Proposed
Class Description	All Eligible	All Eligible
Definition of Earnings	BAE	BAE
Employee Life Schedule	Increments of \$10,000	Increments of \$10,000
Employee Maximum Benefit	Up to \$500,000	Up to \$500,000
Employee Guarantee Issue Amount	\$100,000	\$100,000
Age Reduction Schedule	67% @70 & 50% @75	67% @70 & 50% @75
Waiver of Premium	Included	Included
Accelerated Death Benefit	80% up to \$400,000	75% up to \$500,000
Spouse Life Schedule	Increments of \$5,000	Increments of \$10,000
Spouse Age Reduction Schedule	67% @70 & 50% @75	NONE
Spouse Maximum Benefit	\$30,000	\$150,000
Spouse Guarantee Issue Amount	Yes	\$30,000
Child(ren) Life Schedule	\$2,500	\$2,500 to \$10,000
Conversion	Included	Included
Portability	Included	Included
Suicide Clause	2 Years	Included
FINANCIALS (per \$10,000)		
Age		
<25	\$0.094	\$0.065
25-29	\$0.113	\$0.065
30 – 34	\$0.150	\$0.086
35 – 39	\$0.169	\$0.097
40 – 44	\$0.189	\$0.119
45 – 49	\$0.282	\$0.184
50 – 54	\$0.433	\$0.292
55 – 59	\$0.808	\$0.453
60 – 64	\$1.240	\$0.680
65 – 69	\$2.388	\$1.306
70-74	\$3.873	\$2.202
75+	\$6.230	\$2.202
Children	\$0.200	\$0.260
AD&D	\$0.030	\$0.030

Voluntary Long Term Disability

Long Term Disability Benefits	SunLife	Renaissance
	Current	Proposed
Class Description	All eligible	All eligible
Definition of Earnings	BAE	BAE
Monthly Percentage	60%	60%
Monthly Maximum	\$5,000	\$6,000
Guarantee Issue	\$5,000	\$6,000
Minimum Benefit	\$100	\$100
Elimination Period	90 days	90 days
Maximum Benefit Duration	SSNRA	SSNRA
Definition of Own Occ/Any Occ	2 Years	2 Years
Pre-existing Limitations	3/12	3/12
FINANCIALS		
Volume	Rate per \$100	Rate per \$100
< 25	\$0.318	\$0.194
25-29	\$0.401	\$0.245
30-34	\$0.856	\$0.524
35-39	\$0.826	\$0.505
40-44	\$1.541	\$0.942
45-49	\$1.712	\$1.047
50-54	\$1.335	\$0.816
55-59	\$2.027	\$1.240
60-64	\$3.654	\$2.235
65-69	\$2.888	\$1.766
70 and over	\$0.334	\$0.204

Voluntary Short Term Disability

Shor Term Disability Benefits	SunLife	Renaissance
	Current	Proposed
Class Description	All Eligible	All Eligible
Definition of Earnings	BAE	BAE
Weekly Percentage	60%	60%
Weekly Maximum	\$1,200	\$1,500
Minimum Weekly	\$25	\$25
Accident Benefits Begin Day	8	8
Sickness Benefits Begin Day	8	8
Maximum Duration from Date of Disability	12 weeks	12 weeks
Definition of Disability	Loss of Duties & Earnings	Loss of Duties & Earnings
FINANCIALS		
Volume	Rate per \$10	Rate per \$10
< 25	\$0.421	\$0.41
25-29	\$0.464	\$0.45
30-34	\$0.424	\$0.41
35-35	\$0.374	\$0.36
40-44	\$0.348	\$0.34
45-49	\$0.324	\$0.32
50-54	\$0.435	\$0.42
55-59	\$0.584	\$0.57
60-64	\$0.755	\$0.74
65-69	\$0.782	\$0.76
70 and over	\$0.400	\$0.39

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Voluntary Worksite Benefits Summary

Accident Plan Current / New

Accident	Current Plan: Sunlife		Proposed Plan: Aetna	
	Low Plan	High Plan	One Plan Option	
<i>Concussion</i>	\$50	\$100	\$200	
<i>Ambulance: ground/air</i>	\$300/\$1,000	\$400/\$2,000	\$300/\$1,500	
<i>Emergency Room Treatment</i>	\$150	\$200	\$200	
<i>Hospital Admission</i>	\$1,500	\$2,000	\$1,500	
<i>Intensive Care Admission</i>	\$2,500	\$3,000	\$3,000	
<i>Hospital Confinement</i>	\$300	\$400	\$300	
<i>Doctor's Office Follow-Up Visit</i>	\$75	\$100	\$50	
<i>Wellness Benefit</i>	\$50	\$50	\$50	
<i>Monthly Premium Rates</i>	Low Plan	High Plan	One Plan	
<i>Employee rates</i>	\$10.31	\$13.82	\$7.32	
<i>Employee/Spouse rates</i>	\$15.73	\$22.33	\$14.64	
<i>Employee/Children rates</i>	\$17.73	\$25.86	\$15.38	
<i>Family rates</i>	\$23.15	\$34.37	\$22.70	

Critical Illness Plan Current / New



Critical Illness		Current Plan: Sunlife			Proposed Plan: Aetna		
Benefit Amount		\$5,000-\$20,000-employee and spouse, \$2,500-\$10,000-child(ren)			\$10,000 or \$20,000, spouse is 50%, child is 50%		
Coverage Conditions		heart attack, end-stage kidney disease, occupational HIV, major organ failure, stroke, coronary artery bypass (25%), angioplasty (25%), invasive cancer, noninvasive cancer (25%), skin cancer (5%), complete blindness, complete loss of speech, benign brain tumor, coma, severe burns, ALS, Parkinson's, Alzheimer's, paralysis			heart attack, coronary artery bypass (25%), sudden cardiac arrest (25%), cancer, non-invasive cancer (25%), skin cancer (\$1,000), end-stage renal failure, loss of hearing, sight, speech, major organ failure, muscular dystrophy (25%), paralysis, third degree burns, ALS (25%), Alzheimer's (25%), brain tumor, coma, Parkinson's (25%), stroke, TIA (25%), primary sclerosing cholangitis (25%), Lupus (25%), MS (25%)		
Wellness Benefit		\$50			\$50		
Portability		Yes			Yes		
Reduction Schedule		Unknown			None		
Pre-existing Provision		12/12			None		
Guaranteed Issue		NA			All amounts are guaranteed each year.		
Monthly Premium Rates Shown for Employee Only		\$5,000	\$10,000	\$20,000	\$10,000	\$20,000	
<25		\$3.25	\$6.50	\$13.00	\$2.41	\$3.82	
25-29		\$3.45	\$6.90	\$13.80	\$2.89	\$4.74	
30-34		\$4.10	\$8.20	\$16.40	\$3.75	\$6.42	
35-39		\$5.50	\$11.00	\$22.00	\$4.94	\$8.77	
40-44		\$7.60	\$15.20	\$30.40	\$6.80	\$12.44	
45-49		\$10.45	\$20.90	\$41.80	\$8.91	\$16.61	
50-54		\$15.15	\$30.30	\$60.60	\$12.71	\$24.13	
55-59		\$19.85	\$39.70	\$79.40	\$17.72	\$34.03	
60-64		\$23.70	\$47.40	\$94.80	\$25.80	\$50.01	
65-69		\$31.00	\$62.00	\$124	\$35.74	\$69.69	
70-74		\$41.25	\$82.50	\$165	\$51.75	\$101.49	
75+		\$56.30	\$112.60	\$224.20	\$51.75	\$101.49	

Cancer Plan / New



Cancer		Proposed Plan: American Fidelity	
	Plan Design	Basic	Enhanced Plus
	Cancer Screening/Wellness Benefit	\$25	\$75
	First Occurrence Benefit/Initial Diagnosis	\$2,500	\$5,000
	Radiation/Chemotherapy Benefit	\$10,000	\$15,000
	Surgery Benefit	\$2,000	\$4,000
	Hospital Confinement Benefit (Daily Benefit)	\$100 (1-30) \$200 (31+)	\$300 (1-30) \$600 (31+)
	ICU Benefit (Daily Benefit)	\$600/day, max of 30 days	
	Heart Attack or Stroke Diagnosis	N/A	\$5,000
	Guaranteed Issue	Yes, each year including new hires	
	Portability	Yes	
	Monthly Premium Rates	Basic	Enhanced Plus
	Employee rates	\$15.80	\$31.60
	Employee/Spouse rates	\$26.86	\$53.80
	Employee/Children rates	\$26.86	\$53.80
	Family rates	\$26.86	\$53.80

Hospital Indemnity Plan Current / Proposed

<i>Hospital Indemnity</i>	Current Plan: Sunlife		Proposed Plan: Aetna
	Low Plan	High Plan	One Plan
<i>Hospital Admission</i>	\$1,000	\$2,000	\$1,000
<i>Hospital Daily Stay</i>	\$100	\$200	\$100
<i>Intensive Care Admission</i>	\$1,000	\$2,000	\$1,000
<i>Intensive Care Daily Stay</i>	\$100	\$200	\$200
<i>Newborn Routine Care</i>	None	None	\$100
<i>Observation Unity</i>	None	None	\$100
<i>Substance and Mental Disorder Stay</i>	None	None	\$100
<i>Wellness Benefit</i>	\$50.00	\$50.00	
<i>Pre-existing Provision</i>	12/12	12/12	None, all guaranteed issue as well.
<i>Monthly Premium Rates</i>	Low Plan	High Plan	One Plan
<i>Employee rates</i>	\$31.02	\$53.31	\$14.91
<i>Employee/Spouse rates</i>	\$58.94	\$105.76	\$33.13
<i>Employee/Children rates</i>	\$49.39	\$87.40	\$25.40
<i>Family rates</i>	\$77.31	\$139.85	\$42.03

Permanent Life Plan / New



Permanent Life		Proposed with Texas Life		
	Guaranteed Period	Guaranteed Death Benefit to 121		
	Portability	Take it with you when you leave the city.		
	Coverage Maximums	\$300,000 employee options, \$50,000 spouse, child and grandchild options		
	Monthly Premium Rates: Shown non-tobacco (See rate chart for all options at all ages)	\$25,000	\$50,000	\$75,000
	Age 30	\$15.25	\$28.25	\$41.25
	Age 35	\$18.55	\$18.55	\$51.15
	Age 40	\$23.50	\$44.75	\$66.00
	Age 45	\$33.40	\$64.55	\$95.70
	Age 50	\$44.68	\$87.10	\$129.53

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2023-2024 Benefit Plan Recommendations

Recommendations



MEDICAL

HUB recommends moving from TML Health to BCBS with a 8.2% decrease (\$73,108) in premiums effective 10/1/2023 with a 1-year rate guarantee.

DENTAL

HUB recommends moving from Guardian to Renaissance with a 13.6% increase (\$6,517) in premiums for the \$2,000 annual maximum benefit plan effective 10/1/2023 with a 2-year rate guarantee.

VISION

HUB recommends moving from EyeMed to VSP with a 17% increase (\$1,651) in premiums effective 10/1/2023 with a 3-year rate guarantee.

LIFE AD&D, VOLUNTARY LIFE AD&D, VOLUNTARY LONG TERM AND SHORT TERM DISABILITY

HUB recommends moving from SunLife to Renaissance 23% decrease (\$1,563) in premiums effective 10/1/2023 with a 3-year rate guarantee on Life and 2-year rate guarantee on LTD and STD.

VOLUNTARY WORKSITE BENEFITS

HUB recommends moving from SunLife to FFGA for the following plans – Accident, Critical Illness and Hospital Indemnity. FFGA will also offer the following new plan benefits – Cancer, Permanent Life.



Thank you!



REQUEST FOR CITY COUNCIL AGENDA ITEM #5

Agenda Date Requested: <u>August 7, 2023</u>	Appropriation	
Requested By: <u>Jason Weeks, City Manager</u>	Source of Funds:	<u>N/A</u>
Department: <u>Administration</u>	Account Number:	<u>N/A</u>
<input type="radio"/> Report <input checked="" type="radio"/> Resolution <input type="radio"/> Ordinance	Amount Budgeted:	<u>N/A</u>
	Amount Requested:	<u>N/A</u>
	Budgeted Item:	<input checked="" type="radio"/> Yes <input type="radio"/> No

Exhibits: Employee Trust Declaration & Resolution 747-23

AGENDA ITEM #5

Consider and possible action on Resolution No. 747-23 authorizing the creation of an employee benefits trust; designating the City Manager, Chief Financial Officer, and Human Resources Director to be trustees of said trust; and authorizing the trust to purchase various forms of insurance for the benefit of city officers, employees, qualified retirees, and their dependents.

SUMMARY & RECOMMENDATION

Insurance companies are assessed with a tax on premiums collected from their insured block of business. The obligation for the tax is that of the insurance company, unlike a sales tax in which the obligation is that of the purchaser; therefore, as insurance companies are building their rates, they include the premium taxes along with their administrative cost and the expected claims costs.

The Insurance Code allows insurance companies to exclude certain collected premiums from the gross collected premiums in calculating the tax they owe. One of the exclusions allowed is premiums collected from a trust established by a city. The Comptroller of Public Accounts, who administers the tax rules, has determined that the trusts must exist for the sole purpose of administering the city's health, life, and accident insurance needs. Further, the trusts must only insure the city's employees, retirees, and their dependents. Lastly, for premiums to be excluded either the premiums collected must be directly from the trust's bank account or the policy must be issued to the trust. The premium tax rate is 1.75%. This tax is embedded in the rates charged by insurance companies.

Currently, the City participates in the Texas Municipal League Intergovernmental Risk Pool ("TMLIRP"), which has selected the City's insurance providers as Blue Cross & Blue Shield (BCBS) for medical, Navitus for prescriptions, Guardian for dental, and EyeMed for vision. For the City of Navasota to take advantage of the exclusion of the gross

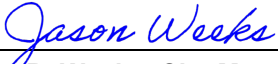
premium tax the City would need to create a “Single Non-Profit Trust” (SNPT) and name the trustees. Upon approval, a trust agreement would be prepared between the City and the trustees. The City Council would need to approve the SNPT agreement.

If the City Council approves the creation of the “SNPT, staff will open a separate Citizens State Bank account specifically for the SNPT (Navasota City Employee Benefit Trust account) with a beginning balance of \$10 (Exhibit A). As premiums become due, staff will issue premium payments directly from the newly created SNPT bank account, whereby transferring operating funds when needed from the Citizens State Bank Operating account to the Navasota City Employee Benefit Trust account to fund these disbursements. The City has already budgeted the costs for insurance premiums; therefore, any refunds received will reduce the costs associated with the insurance premiums. Staff recommends that the City Council approve the resolution establishing the City of Navasota Employee Insurance Trust Fund, authorizing the Trust Agreement and appointing Trustees for the City of Navasota, Texas.

ACTION REQUIRED BY CITY COUNCIL

Approve or deny Resolution No. 747-23 authorizing the creation of an employee benefits trust; designating the City Manager, Chief Financial Officer, and Human Resources Director to be trustees of said trust; and authorizing the trust to purchase various forms of insurance for the benefit of city officers, employees, qualified retirees, and their dependents.

Approved for the City Council meeting agenda.



Jason B. Weeks, City Manager

8/3/23

Date

RESOLUTION NO. 747-23

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NAVASOTA, TEXAS, AUTHORIZING CREATION OF AN EMPLOYEE BENEFITS TRUST; DESIGNATING THE CITY MANAGER, CHIEF FINANCIAL OFFICER, AND HUMAN RESOURCES DIRECTOR TO BE TRUSTEES OF SAID TRUST; AND AUTHORIZING THE TRUST TO PURCHASE VARIOUS FORMS OF INSURANCE FOR THE BENEFIT OF CITY OFFICERS, EMPLOYEES, QUALIFIED RETIREES, AND THEIR DEPENDENTS.

DECLARATION OF TRUST

The City of Navasota (the "City"), as settlor, designates the City Manager, Chief Financial Officer and Human Resources Director of the City of Navasota to be Trustee(s) and declares that the Trustee(s) holds in trust the funds described in **Exhibit A** (attached hereto and incorporated by reference), which is the property of the City, and all substitutions and additions to such funds, for the purpose of providing life, disability, sick, accident, and other health benefits to the City's officers, employees, and their eligible dependents. This document, together with any exhibits or attachments hereto, shall be referenced as the "Declaration" in the provisions below.

RECITALS

WHEREAS, the City has heretofore adopted one or more insured employee welfare benefit plans (collectively, the "Plan"), the sole purpose of which is to provide group health, accident, and/or life benefits solely for the employees of the City and their eligible dependents covered by the Plan; and

WHEREAS, the City is the Plan Administrator appointed to administer the Plan and the claims thereunder; and

WHEREAS, the Plan, as and when issued in the name of the Trustee(s), will continue in trust to be held for the benefit of the officers, employees and their eligible dependents under and in accordance with the Plan, which may from time to time include new and different employee welfare benefit plans and/or insurance policies; and

WHEREAS, the City desires the Trustee(s) to hold and administer the funding for the Plan under the trust created by this Declaration, which shall be titled the Navasota City Employee Benefit Trust (the "EBT"), which shall be a nonprofit trust, and the Trustee(s) are willing to hold and administer such EBT, pursuant to the terms of this Declaration;

NOW THEREFORE, to accomplish its objectives and provide for administration of the EBT, the City declares that the following terms shall define its duties and powers as well as those of the Trustee(s) unless otherwise required by law:

ARTICLE I – GENERAL PROVISIONS

1.1 Overview. The Trustee(s) may pay premium payments for the Plan, and any other insurance policies acquired to replace or supplement the Plan, using funds held in trust for the City officials, employees, and their qualifying dependents. It is the City's intent that the EBT function as a nonprofit trust qualifying for the tax exemption provided by Texas Insurance Code § 222.002(c)(5). The recitals above are incorporated into this Declaration as if set forth herein in full, with the numbered paragraphs below controlling over said recitals in the event of any conflict. This Declaration constitutes a legally enforceable agreement between the City and the Trustee(s).

1.2 Trust Property. The initial property of the EBT shall consist of the assets described by Exhibit A and \$10.00 (ten dollars and zero cents), which shall be transferred to the EBT for the benefit of the EBT beneficiaries. Said assets are referenced herein as the "EBT Fund."

1.3 Trust Purpose. The sole purpose of the EBT Fund shall be to pay premiums and otherwise provide for group health, accident, and life policies such as those within the Plan. Unless otherwise required by Texas law, disability insurance shall be considered as a type of accident and/or health coverage.

1.4 EBT Beneficiaries. The beneficiaries of the EBT are the City officers, employees, and eligible dependents who are covered by a life, disability, sick, accident, or other health benefits plan purchased or adopted by the City or the EBT and other such policies that are or become part of the Plan. Beneficiaries may make contributions to the EBT Fund, either directly or through the City, for use in fulfilling the purposes of the EBT. No beneficiary shall have any claim against the funds or any other property held by the EBT. The rights and interests of the beneficiaries are limited to the insurance or health benefits specified in the Plan or other policies or plans adopted by the Trustee(s). No other beneficiary rights or interests shall be implied from the terms of this Declaration unless expressly set forth herein or required by law. The Plan Administrator has the authority to expand or limit classification of the EBT beneficiaries as necessary to ensure that the EBT remains eligible for the maximum insurance premium tax exclusion available under Texas law. In the event that exercising this authority shall require the exclusion of City retirees or dependents of City employees (to the extent any such persons are covered by any part of the Plan) from having their respective insurance premiums paid by the EBT, the Plan Administrator shall advise the Trustee(s) of the details of that exclusion such that insurance premium payments might be made from outside the EBT without resulting in any lapse of coverage.

1.5 Trustee(s). The Trustee(s) are the City Manager, Chief Financial Officer and Human Resources Director as Trustee(s). Each subsequent Trustee(s) shall sign a written acceptance of the position of Trustee(s) of the EBT. The Trustee(s), whether one or more, shall be referenced in this Declaration as the "Trustee(s)."

1.6 Duration. The EBT shall continue until terminated by operation of law or by majority vote of the City Council.

ARTICLE II – CONTRIBUTIONS TO THE EBT FUND

2.1 Receipt of Contributions. The Trustee(s) shall receive any contributions paid in cash or in the form of such property as it may from time to time deem acceptable and which shall have been delivered to it. All contributions so received, together with the income therefrom and any other increment thereon shall be held, invested, reinvested and administered by the Trustee(s) pursuant to the terms of this Declaration without distinction between principal and income. The Trustee(s) shall not be responsible for the calculation or collection of any contribution under the Plan but shall be responsible only for property received by it pursuant to this Declaration.

2.2 Premiums. Premiums to keep the Plan in force shall be contributed by the City or by its employees or by a combination thereof.

ARTICLE III -- PAYMENTS FROM THE EBT FUND

3.1 Payments Directed by Plan Administrator. The Trustee(s) shall from time to time at the Plan Administrator's direction make payments out of the EBT Fund to the persons or entities to whom such monies are to be paid in such amounts and for such purposes as may be specified in the Plan Administrator's directions. To the extent permitted by law, the Trustee(s) shall be under no liability for any payment made pursuant to the direction of the Plan Administrator. Any direction of the Plan Administrator shall constitute a certification that the distribution or payment so directed is one which the Plan Administrator is authorized to direct.

3.2 Impossibility of Diversion. It shall be impossible at any time for any part of the EBT to be used for, or diverted to, purposes other than to provide the benefits contemplated under the Plan for the exclusive benefit of the beneficiaries.

ARTICLE IV -- INVESTMENTS

4.1 Powers. The Trustee(s) is/are a nondiscretionary Trustee(s) not possessing discretion or authority with respect to the investment or administration of the EBT. The Trustee(s) will act solely as a directed Trustee(s) of the Plan and any other funds contributed to the EBT Fund; provided, however, that the contributions of any other such funds shall be consistent with the purpose of the EBT as described in this Declaration. The Plan Administrator shall have the sole authority to direct the Trustee(s) with respect to the exercise of its powers under this Declaration. Subject to the provisions of this Declaration, the Trustee(s) shall have all those powers provided under common law and Texas law, except as modified in the following terms, which shall supersede any duplicative or conflicting statutory provisions to the extent permissible by law:

- (a) To purchase, or subscribe for, any securities or other property and to retain the same in trust; provided however, that the Trustee(s) is prohibited from selling or purchasing stock options using EBT assets;
- (b) To sell, exchange, convey, transfer, grant options to purchase, or otherwise dispose of any securities or other property held by the Trustee(s), by private contract or at public auction, and any sale may be made for cash or upon credit, or partly for cash and partly for credit. No person dealing with the Trustee(s) shall be bound to see to the application of the purchase money or to inquire into the validity, expediency or propriety of any such sale or other disposition;
- (c) To vote upon any stocks, bonds, or other securities; to give general or special proxies or powers of attorney with or without power of substitution; to exercise any conversion privileges, subscription rights, or other similar rights, and to make any payments incidental thereto; to oppose, or consent to, or otherwise participate in, corporate reorganizations or other changes affecting corporate securities, and to delegate discretionary powers, and to pay assessments or charges in connection therewith; and generally to exercise any powers of an owner with respect to stock, bonds, securities or other property held as part of the EBT Fund;
- (d) To cause any securities or other property held as part of the EBT Fund to be registered in the Trustee(s)'s own name or in the name of one or more of the Trustee(s)'s nominees, and to hold any investments in bearer form, but the books and records of the Trustee(s) shall at all times show that all such investments are part of the EBT Fund;
- (e) To borrow or raise money for the purpose of the EBT in such amount, and upon such terms and conditions, as the Trustee(s) shall deem advisable; and for any sum so borrowed, to issue a promissory note as Trustee(s), and to secure the repayment thereof by pledging all, or any part, of the EBT Fund; and no person lending money to

the Trustee(s) shall be bound to see the application of the money lent or inquire into the validity, expediency, or propriety of any borrowing;

(f) To keep such portion of the EBT Fund in cash or balances as may be in the best interests of the trust created hereby, without liability for interest thereon;

(g) To accept and retain for such time as it may deem advisable any securities or other property received or acquired by it as Trustee(s) hereunder, whether or not such securities or other property would normally be purchased as investments hereunder;

(h) To make, execute, acknowledge, and deliver any and all documents of transfer and conveyance and any and all other instruments that may be necessary or appropriate to carry out the powers herein granted;

(i) To settle, compromise, or submit to arbitration any claims, debt, or damages to or owing to or from the EBT, to commence or defend suits or legal or administrative proceedings, and to represent the EBT in all suits and legal administrative proceedings;

(j) To invest EBT Fund assets in night deposits or savings accounts bearing a reasonable rate of interest in a bank subject to supervision by state or federal authorities;

(k) To invest in Treasury Bills and other forms of United States government obligations;

(l) To deposit monies in federally insured savings accounts or certificates of deposit in banks or savings and loan associations;

(m) To purchase insurance of any nature, form, or amount to protect the EBT assets and the Trustee(s); and

(n) To do all such acts, take all such proceedings, and exercise all such rights and privileges, although not specifically mentioned herein, as the Trustee(s) may deem necessary to administer the EBT Fund, and to carry out the purpose of the EBT.

4.2 More Than One Trustee. If there shall be more than one Trustee under this Declaration, they shall act by a majority of their number, but may authorize any one or more of them to sign papers and instruments on their behalf.

4.3 Exclusion and Limitations. No title to real property acquired or invested in using EBT funds shall vest in any beneficiary.

ARTICLE V – TRUSTEE(S)'S DUTIES

5.1 General. Each Trustee shall discharge his or her duties under this Declaration solely in the interest of the employees covered under the Plan and their dependents and for the exclusive purpose of providing benefits to such persons and defraying reasonable expenses of administering the EBT, with the care, skill, prudence and diligence under prevailing circumstances that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims, and by diversifying the investments of the EBT so as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so, all in accordance with the provisions of this Declaration insofar as they are consistent with the provisions of applicable law, as this Declaration and such law may be from time to time amended; but the duties and obligations of the Trustee(s) shall be limited to those expressly imposed upon it by this Declaration notwithstanding any reference herein to the Plan, or the provisions thereof, it being hereby expressly agreed that the Trustee(s) is not a party to the Plan.

5.2 Indemnification. The City agrees, to the extent permitted by law, to indemnify and hold the Trustee(s) harmless from and against any liability that the Trustee(s) may incur in the administration of the EBT, unless arising from the Trustee(s)'s own willful breach of the provisions of this Declaration. The Trustee(s) shall not be required to give any bond or any other security for the faithful performance of duties under this Declaration, except such as may be required by a law which prohibits the waiver thereof.

5.3 Accounts and Records. The Trustee(s) shall keep or cause to be kept accurate and detailed accounts of all investments, receipts, disbursements, and other transactions hereunder, and all such accounts and other records relating thereto shall be open to inspection and audit at all reasonable times by the Plan Administrator's designee. The records kept by the Trustee(s) are not required to be any more detailed than the written statement of accounts described in Texas Property Code § 113.152. A Trustee(s) may request a written statement of accounts covering all transactions since the last accounting or since the creation of the EBT by written demand presented during a regular duly noticed meeting of the Trustee(s). If such an accounting is requested, the Trustee(s) shall arrange for said written statement to be delivered to the Trustee(s) on or before the 90th day after the date the demand was received unless a shorter time period is required by applicable law. No beneficiary shall have any right to demand an accounting, except as may be provided for by the terms of the Plan.

5.4 Limitation on Trustee(s)'s Liability. The Plan Administrator shall administer the Plan as provided therein, and the Trustee(s) shall not be responsible in any aspect for administering the Plan nor shall the Trustee(s) be responsible for the adequacy of contributions to the EBT Fund to meet or discharge any payments or liabilities under

the Plan. The Trustee(s) shall be entitled conclusively to rely upon notice, instruction, direction or other communication of the Plan Administrator.

5.5 Meetings. The Trustee(s) shall conduct regular meetings as required by state law but shall not be obligated to conduct any other regular meetings.

5.6 Compensation. The Trustee(s) shall be reimbursed for all reasonable and necessary expenses incurred by them in the performance of their duties and will receive no other compensation for service as Trustee(s).

5.8 No Bond Required. No Trustee shall be required to give a bond or other security to guarantee the faithful performance of his or her duties hereunder.

5.9 No Change in Employment Status. The designation of City employees as Trustee(s) under this Declaration does not alter the at-will status of their employment.

ARTICLE VI -- RESIGNATION, REMOVAL AND SUCCESSION OF TRUSTEE(S)

6.1 Resignation. A Trustee may resign at any time by giving 30 days' notice in writing to the City. If any Trustee is a City employee, they shall be deemed to have resigned their position as a Trustee immediately upon separation from employment with the City.

6.2 Removal. The City may remove any Trustee at any time without cause upon 10 days' notice in writing to the Trustee. No notice of removal is required if the City Council finds that a Trustee has committed malfeasance, has engaged in gross negligence or intentionally wrongful conduct, or has committed a crime of moral turpitude.

6.3 Vacancies and Interim Appointments. When there is a vacancy or if a Trustee is unable to serve, the City Council may appoint a City employee or other City official or officer to serve as Interim Trustee. An Interim Trustee shall serve until such time as the City Council fills the vacancy or appoints a replacement Trustee. An Interim Trustee shall have the same powers and duties as those conferred upon the Trustee(s) hereunder.

6.4 Waiver of Notice. In the event of any resignation or removal of the Trustee(s), the Trustee(s) and the City may in writing waive any notice of resignation or removal as may otherwise be provided hereunder.

ARTICLE VII -- AMENDMENT AND TERMINATION OR DISSOLUTION OF TRUST

7.1 Amendment. Any or all of the provisions of this Declaration may be amended at any time and from time to time, in whole or in part, by written instrument adopted by majority vote of the City Council at a duly called meeting at which a quorum is present. Notwithstanding the foregoing, no such amendment shall authorize or permit any part of the EBT (other than such part as is required to pay taxes and administrative expenses) to be used for or diverted to purposes other than for the exclusive benefit of the beneficiaries; no such amendment shall cause or permit any portion of the EBT to revert to or become the property of the City except as may be provided by law; and no such amendment which affects the rights or duties of an individual Trustee may be made without that Trustee's written consent.

7.2 Termination or Dissolution. The EBT may be terminated or dissolved at any time by the City, and upon such termination or dissolution, all property or funds held in trust are to be used for the single purpose for which the trust was established, and shall be paid out and/or transferred by the Trustee(s) as and when directed by the Plan Administrator, in accordance with the provisions of Article II hereof and the terms of the Plan. No property or funds of the EBT shall inure to the Trustee(s) or the City for profit in any manner.

ARTICLE VIII – OTHER PROVISIONS

8.1 Limited Effect of Plan and EBT. Neither the establishment of the Plan nor the EBT nor any modification thereof, nor creation of any fund or account, nor the payment of any welfare benefits, shall be construed as giving to any person covered under the Plan or other person any legal or equitable right against the Trustee(s), the City, or any officer or employee thereof, except as may otherwise be provided in the Plan or in the EBT. Under no circumstances shall the term of employment of any employee be modified or in any way affected by the Plan or this EBT.

8.2 Protective Clause. Neither the City nor the Trustee(s) shall be responsible for the validity of any contract of insurance issued in connection with the Plan or EBT or for the failure on the part of the insurer to make payments provided by such contract, or for the action of any person which may delay payment or render a contract null and void or unenforceable in whole or in part.

8.3 Construction of Trust. This Declaration and the EBT shall be construed and enforced according to the laws of the State of Texas. If any provision of this Declaration shall be held illegal or invalid for any reason, such determination shall not affect its remaining provisions.

8.4 Gender and Number. Wherever any words are used herein in the masculine, feminine or neuter, they shall be construed as though they were also used in another gender in all cases where they would so apply, and wherever any words are used herein in the singular or plural form, they shall be construed as though they were also used in the other form in all cases where they would so apply.

8.5 Headings. The headings and sub-headings of this Declaration have been inserted for convenience of reference and are to be ignored in any construction of the provisions hereof.

IN WITNESS WHEREOF, this Declaration has been executed the day and year first above written.

City of Navasota, Texas
P. O. Box 910
200 E. McAlpine Street
Navasota, Texas 77868

By:

BERT MILLER, MAYOR (SETTLOR)

ATTEST:

SUSIE M. HOMEYER, CITY SECRETARY

TRUSTEE(S):

**Jason Weeks, City Manager,
Trustee**

**Maribel Frank, Chief Financial Officer,
Director, Trustee**

**Peggy Johnson, Human Resources
Trustee**

EXHIBIT A

The following is a list of the assets initially transferred by the City of Navasota, Texas, to the Trust:

City of Navasota's first month (October 2023) contributions for Employee and Dependents Medical/Pharmacy Benefits, Dental Benefits, Life Insurance Benefits, and Long-Term Disability Benefits.

City of Navasota's Employee and Dependents first month (October 2023) of Plan Year's payroll deductions or contributions for Medical/Pharmacy Benefits, Dental Benefits, Life Insurance Benefits, and Long-Term Disability Insurance Benefits.



REQUEST FOR CITY COUNCIL AGENDA ITEM #6

Agenda Date Requested: <u>August 7, 2023</u>	Appropriation
Requested By: <u>Jason Weeks, City Manager</u>	Source of Funds: <u>Administration</u>
Department: <u>Administration</u>	Account Number: <u>100-583-600.00</u>
<input checked="" type="radio"/> Report <input type="radio"/> Resolution <input type="radio"/> Ordinance	Amount Budgeted: <u>N/A</u>
	Amount Requested: <u>\$15,000</u>
	Budgeted Item: <input type="radio"/> Yes <input checked="" type="radio"/> No

Exhibits: TIRZ Boundary Amendment Contract

AGENDA ITEM #6

Consideration and possible action to authorize the City Manager to execute a contract with Hawes Hill & Associates LLP to perform certain professional services with respect to amending the (TIRZ1) Tax Increment Reinvestment Zone 1 boundaries in Navasota, Texas.

SUMMARY & RECOMMENDATION

On July 25, 2022, City Council authorized the City Manager to execute a contract with Hawes Hill & Associates LLP in the amount of \$49,500 to assist with the creation of the City's first Tax Increment Reinvestment Zone (TIRZ 1). The TIRZ was subsequently created following approximately the then eastern extraterritorial jurisdiction (ETJ) boundary line.

Following the recent annexation of the 96.618-acre Altamira tract the City's ETJ boundary line has now been extended one-mile further east. The map shows the current TIRZ boundary in relation to the current ETJ boundary line.

The proposed contract with Hawes Hill & Associates will allow the firm to perform certain professional services to amend the TIRZ1 boundary line to align with the newly extended ETJ for \$15,000. This will bring the total amount paid to Hawes Hill to \$64,500, which exceeds the amount allowed by State of Texas purchasing laws for authorization without City Council approval. Therefore, staff is recommending Council authorize the City Manager to execute a contract with Hawes Hill & Associates LLP in the amount of \$15,000 to perform certain professional services with respect to amending the City of Navasota Tax Increment Reinvestment Zone No. 1. If approved, staff will work with Hawes Hill & Associates on the amended TIRZ boundaries, which will be brought back to City Council for final approval.



ACTION REQUIRED BY CITY COUNCIL

Authorize the City Manager to execute a contract with Hawes Hill & Associates LLP to perform certain professional services with respect to amending the (TIRZ1) Tax Increment Reinvestment Zone 1 boundary.

Approved for the City Council meeting agenda.

Jason Weeks

Jason B. Weeks, City Manager

8/3/23

Date

**CONSULTING SERVICES AGREEMENT BY AND BETWEEN
CITY OF NAVASOTA AND HAWES HILL & ASSOCIATES LLP**

This Consulting Services Agreement ("Agreement") is made by and between the City of Navasota (the "Client") and HAWES HILL & ASSOCIATES LLP (the "Consultant").

W I T N E S S E T H:

WHEREAS, the Client desires that the Consultant provide certain professional services related to amendment of a Tax Increment Reinvestment Zone, in Navasota, Texas on behalf of the Client;

WHEREAS, the Consultant has the employees, office operations, and knowledge to ably provide the professional services required by the Client;

NOW THEREFORE, Client and Consultant, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, do agree as follows:

I.
Services

The Consultant hereby agrees to provide, furnish, or perform certain professional services with respect to the amendment of a Tax Increment Reinvestment Zone, and including the services described on Exhibit "A," attached hereto and incorporated into this Agreement. Such services herein collectively are referred to as the "Services."

II.
Performance of Services

Consultant shall have the right to determine the method, details, and means of performing the Services. The Client, however, shall be entitled to ensure satisfactory performance, including the rights to inspect, to stop work, to make suggestions or recommendations as to the details of the work, and to propose modifications to the Services. Consultant will provide all required resources and personnel to complete the Services and use its best efforts to accommodate work schedule requests in a timely manner.

III.
Compensation and Reimbursement to Consultant

For and in consideration of the professional services rendered by the Consultant as specified in Exhibit "A," *Scope of Professional Consulting Services, Plan Amendment of Tax Increment Reinvestment Zone* of this Agreement, the Client agrees to pay the Consultant a fixed fee of FIFTEEN THOUSAND AND NO/100 DOLLARS (\$15,000.00) due and billed monthly on the percentage basis of work completed and portion of fee earned. The agreed upon fixed fee shall include all reasonable out-of-pocket expenses and other expenses and charges incurred by the Consultant in performing the Services under this Agreement.

Consultant shall tender to the Client a detailed invoice of the services performed to the Client each month during the term of this Agreement. Payments on account of services rendered shall be made within 30 days after the Client receives Consultant's detailed invoice. In the event of a disputed or contested invoice, the Client may withhold any such disputed or contested amount without penalty.

IV.

Right of Ownership

All data, information, maps, books, reports, files, photography, artwork, software, equipment, and materials purchased, created or maintained by the Client or purchased, created or maintained by the Consultant on behalf of the Client shall remain the property of the Client. It shall be clearly marked as property of the Client in such manner that it may at any time be removed from the premises of the Consultant.

V.

Laws to be Observed

In performing its obligations under this Agreement, the Consultant at all times shall observe and comply with all federal and state laws, local laws, ordinances, orders, and regulations of the federal, state, county, or city governments. The federal, state, and local laws, ordinances, and regulations which affect those engaged or employed in the work, or the equipment used in the work, or which in any way affects the conduct of the work, shall be at all times in effect, and no pleas of misunderstanding will be considered on account of ignorance thereof.

VI.

Successors and Assigns

This Agreement shall bind and benefit the respective parties and their legal successors, and shall not be assignable, in whole or in part, by any party hereto without first obtaining the written consent of the other party. Nothing herein shall be construed as creating any personal liability on the part of any officer or director of the proposed Authority or the Zone.

VII.

Independent Contractors

The Consultant shall be an independent contractor to the Client, and nothing in this Agreement shall be deemed to cause this Agreement to create an agency, partnership, or joint venture between the parties. This Agreement shall not be interpreted or construed as creating or establishing the relationship of employer and employee between the Client and the Consultant, or any of the Consultant's employees or agents.

VIII.

Conflict of Interest

In keeping with Consultant's duties to the Client, Consultant agrees that it shall not, directly or indirectly, become involved in any conflict of interest, or upon discovery thereof, allow such a conflict to continue. Moreover, Consultant agrees that it shall promptly disclose to the Client any facts which might involve any reasonable possibility of a conflict of interest. The Consultant will hold in confidence and not disclose any confidential information without obtaining the express written consent of the City.

IX.

Term and Termination

This Agreement shall become effective as of the date executed by the Client and the Consultant as set forth on the signature page hereof. Either party may terminate this Agreement at any time by giving the other party at least thirty (30) days' prior written notice thereof, specifying in such notice the effective date of such termination. In the event of termination, it is understood and agreed that only the amounts due the Consultant for services provided and expenses incurred to the date of termination will be due and payable. No penalty will be assessed for termination of this Agreement.

X.

Amendment or Modification

Except as otherwise provided in this Agreement, this Agreement shall be subject to change, amendment, or modification only upon the written consent of the parties hereto, executed by authorized representatives of both parties to this Agreement.

XI.

Miscellaneous

1. Choice of Law. This Agreement shall be construed and given effect in accordance with the laws of the State of Texas, including all matters of construction, validity, performance and enforcement.
2. Binding Effect; Assignment. This Agreement shall be binding upon and inure to the benefit of the Client and the Consultant, their respective successors and assigns; provided however, that neither party hereto may assign or transfer any of its rights or obligations hereunder without the prior written consent of the other party.
3. Entire Agreement. This instrument contains the entire agreement between the parties relating to the rights herein granted and obligations herein assumed. Any oral or written representations or modifications concerning this Agreement shall be of no force or effect except for a subsequent modification in writing signed by all parties thereto.
4. Waiver. A waiver by either party of a breach of any of the terms or provisions of this Agreement shall not operate or be construed as a waiver of any subsequent breach.
5. Notices. All notices required or permitted under this Agreement shall be personally delivered or mailed by depositing the notice(s) in the United States mail, certified mail, return receipt requested, to the addresses shown in Section XII of this Agreement.

(EXECUTION PAGE FOLLOWS)

XII.

Acceptance

This instrument is being executed in two (2) counterpart originals, each of which has the full force and effect of an original.

The venue for all disputes and related purposes shall be in Grimes County, Texas.

AGREED AND ACCEPTED THIS _____ DAY OF _____, 2023.

On Behalf of City of Navasota:

By: _____
Name: _____
Title: _____
Address: _____
City/State/Zip _____
Telephone: _____
Fax: _____
E-mail: _____

On Behalf of HAWES HILL & ASSOCIATES LLP:

By: _____
David Hawes, Managing Partner
Hawes Hill & Associates LLP
PO Box 22167
Houston TX 77227-2167
Telephone 281-923-2504
Fax 281-888-6314
E-mail: dhawes@haweshill.com

Exhibit “A”

Scope of Professional Consulting Services Plan Amendment of Tax Increment Reinvestment Zone

A project team comprising David Hawes, Naina Magon, and Patrick Horton of the Consultant’s professional staff will carry out the scope of professional consulting services described below. These services apply to Tax Increment Reinvestment Zone 1 and are broken down into three distinct Phases: (I) activities associated with the preparation of the preliminary analyses and studies supporting the planned amendment; (II) activities necessary to inform and educate public officials and stakeholders on the plan amendment and to gather additional information that may be needed to refine the final proposed Amended Project Plan and Project Financing Plan; and (III) approval of Amended Project Plan and Financing Plan by the City of Navasota.

Phase I: Analysis and preparation of documentation to initiate amendment to the current Project Plan and Project Financing Plan

- Perform an initial analysis of boundary expansion and plan amendment. The analysis will include: a) a complete review of all ad valorem values in the Zone; b) existing land uses; c) documentation of blighted conditions; d) identification of tracts where development is impeded due to faulty lot layout; e) analysis of any other relevant factors impeding development or redevelopment of the area.
- Prepare a draft Amended Project Plan and Reinvestment Zone Financing Plan for use in briefings on the amendment, including costs of all proposed public improvements. The amended plan will include the following: a) maps showing the existing uses and conditions of real property in the zone and maps showing proposed improvements to and use of that property; b) proposed changes to any ordinances applicable to the area; c) a list of the estimated non-project costs; and, d) a statement of the method of relocating persons to be displaced as a result of the implementation of the project plan. The amended financing plan will include: a) a detailed list of the estimated project costs of the zone, including administrative expenses; b) a statement listing the kind, number, and location of all proposed public works or public improvements in the zone; c) the estimated amount of bonded indebtedness to be incurred; d) the time when related costs or monetary obligations are to be incurred; e) a description of the methods of financing all estimated project costs and the expected sources of revenue to finance or pay project costs, including the percentage of tax increment to be derived from the property taxes of each taxing unit that levies taxes on real property in the zone.

Phase II: Preparation of preliminary documents required for amendment of the Project Plan and Project Financing Plan

- With City Council’s authorization to proceed, conduct meetings with all elected officials/staffs from all proposed participating jurisdictions regarding the plan amendment. Provide financial impact information to each, and work with any elected body committees to review the amended plan and how it will impact the jurisdiction’s tax base and further each jurisdiction’s economic development goals and objectives.
- Conduct a workshop (if needed or required) with City Council on the plan amendment. Present the proposed redevelopment strategy, the process for amending the reinvestment zone, and the administrative issues associated with implementation of the Amended Project Plan and Reinvestment Zone Financing Plan and serve as support staff to City staff in their role as advisors to the elected leadership.
- Make any recommended revisions to the Amended Project Plan and Reinvestment Zone Financing Plan prior to the public hearing.
- Prepare and deliver to City Secretary the public notice of the hearing and provide copies of the amended project

plan and project financing plan for distribution to all other taxing jurisdictions with the notice. Serve as the point of contact for any questions/issues that arise related to the hearing before the hearing is held.

- Assist the City in conducting a public hearing on the plan amendment. We will either conduct the hearing on the City's behalf or be present to serve as technical advisor to the City during the hearing.
- Prepare a Final Amended Project Plan and Reinvestment Zone Financing Plan for presentation to the City Council, incorporating any changes based on the public hearing process, for their consideration and approval.

Phase III: Preparation and submission of final documentation with regards to the Amended Project Plan and Project Financing Plan to the City.

- Prepare and submit to the City Legal Department an ordinance to approve the zone's boundary expansion and amended project plan and reinvestment zone financing plan.
- Negotiate final participation agreements with other taxing jurisdictions. Each agreement will set forth the rate of participation for the jurisdiction, the term of the agreement, and any special negotiated provisions required by the jurisdiction for their participation in the TIRZ.
- Present agreements to the City Council for approval.
- Prepare ordinances to submit to the City Legal Department to approve the participation agreements for other taxing jurisdictions.



REQUEST FOR CITY COUNCIL AGENDA ITEM #7

<p>Agenda Date Requested: <u>August 7, 2023</u></p> <p>Requested By: <u>Jason Weeks, City Manager</u></p> <p>Department: <u>Administration</u></p> <p><input type="radio"/> Report <input type="radio"/> Resolution <input checked="" type="radio"/> Ordinance</p> <p>Exhibits: <u>Ordinance No. 1027-23</u></p>	<table border="1" style="width: 100%; border-collapse: collapse;"><thead><tr><th colspan="2" style="text-align: center;">Appropriation</th></tr></thead><tbody><tr><td>Source of Funds:</td><td><u>N/A</u></td></tr><tr><td>Account Number:</td><td><u>N/A</u></td></tr><tr><td>Amount Budgeted:</td><td><u>N/A</u></td></tr><tr><td>Amount Requested:</td><td><u>N/A</u></td></tr><tr><td>Budgeted Item:</td><td><input type="radio"/> Yes <input checked="" type="radio"/> No</td></tr></tbody></table>	Appropriation		Source of Funds:	<u>N/A</u>	Account Number:	<u>N/A</u>	Amount Budgeted:	<u>N/A</u>	Amount Requested:	<u>N/A</u>	Budgeted Item:	<input type="radio"/> Yes <input checked="" type="radio"/> No
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Amount Requested:	<u>N/A</u>												
Budgeted Item:	<input type="radio"/> Yes <input checked="" type="radio"/> No												

AGENDA ITEM #7

Consideration and possible action on the first reading of Ordinance No. 1027-23, authorizing the settlement of the proposed fuel reconciliation of Entergy Texas, Inc.

SUMMARY & RECOMMENDATION

On July 26, 2023, the City of Navasota received communication from The Lawton Law Firm updating member cities on the status of Entergy Texas, Inc.'s ("ETI") application to reconcile fuel and purchased power costs, which is currently pending at the Public Utility Commission of Texas ("PUCT"). In the application, ETI requested to reconcile approximately \$1.67 billion in fuel and purchased power expenses incurred between April 1, 2019, and March 31, 2022. After accounting for ETI's fuel factor revenues from the same period, ETI calculated that it had under-recovered its fuel and purchased power expenses during the reconciliation period by \$90.3 million. Also, ETI requested to add \$12.8 million to the under-recovery balance pursuant to a PUCT rule that allows utilities to retain 10% of the margins earned on their off-system sales. Instead of requesting a surcharge to collect the under-recovery balance and retained off-system sales margins, ETI requested that the total \$103.1 million be carried forward as the beginning balance for the subsequent reconciliation period beginning April 1, 2022.

Through the filed testimony of the expert consultants, cities raised issues with the way ETI calculated its off-system sales margins and recommended that the PUCT deny ETI's request to retain \$12.8 million. In the alternative, the cities' expert consultants recommended that the PUCT disallow \$5.17 million of the requested \$12.8 million because ETI included transactions in its margins calculation that should not have been classified as off-system sales. No other party raised any issues with ETI's application. ETI, PUCT Commission Staff, and other intervening parties have reached a final agreement regarding ETI's fuel reconciliation application. ETI agreed to reduce its

requested retained off-system sales margins from \$12.8 million to \$9.25 million. As a result, the under-recovery balance to be carried over into the next fuel reconciliation period will be approximately \$99.6 million instead of \$103.1 million.

In summary, there will be no rate impact on customers at this time as ETI did not request a fuel surcharge in these proceedings. Given the cost of litigation and litigation risk, The Lawton Law Firm believes the proposed settlement is reasonable and recommend that the City of Navasota and other cities approve the settlement agreement. Settlement of the case reduces the risk of an unanticipated or negative outcome and will reduce litigation expenses. Staff have provided an Ordinance for cities to approve the settlement. If Navasota takes no action, The Lawton Law Firm will assume Navasota remains unopposed to the settlement. In terms of timeline, The Lawton Law Firm is asking each city to make a final decision at its next available meeting. If City Council does not act regarding the proposed settlement, it will assume the City of Navasota remains unopposed to the settlement. Therefore, City staff recommends City Council approve Ordinance No. 1027-23 authorizing the settlement of the proposed fuel reconciliation with Entergy Texas, Inc.

ACTION REQUIRED BY CITY COUNCIL

Approve or deny the first reading of Ordinance No. 1027-23, authorizing the settlement of the proposed fuel reconciliation of Entergy Texas, Inc.

Approved for the City Council meeting agenda.



Jason B. Weeks, City Manager

8/3/23

Date

ORDINANCE NO. 1027-23

**AN ORDINANCE BY THE CITY OF NAVASOTA, TEXAS
("CITY") AUTHORIZING THE SETTLEMENT OF THE
PROPOSED FUEL RECONCILIATION OF ENTERGY
TEXAS, INC.; FINDING THAT THE MEETING
COMPLIES WITH THE OPEN MEETINGS ACT; MAKING
OTHER FINDINGS AND PROVISIONS RELATED TO
THE SUBJECT; AND DECLARING AN EFFECTIVE DATE**

WHEREAS, on or about September 28, 2022, Entergy Texas, Inc. ("ETI" or the "Company") filed an Application for Authority to Reconcile Fuel and Purchased Power Costs with the Public Utility Commission of Texas (Commission") to reconcile approximately \$1.67 billion in fuel and purchased power expenses incurred between April 1, 2019 and March 31, 2022; and

WHEREAS, the Company requested that an under-recovery balance of approximately \$103.1 million be carried forward as the beginning balance for the subsequent reconciliation period; and

WHEREAS, ETI, Commission Staff, and other intervening parties including the Steering Committee of Cities participated in settlement discussions to resolve issues raised regarding the fuel reconciliation application without litigation; and

WHEREAS, pursuant to the parties' settlement agreement, ETI agreed that the beginning balance for the subsequent reconciliation period will be approximately \$99.6 million instead of the requested \$103.1 million; and

WHEREAS, the Lawton Law Firm and Commission Staff have recommended approval of the Settlement terms as a reasonable alternative to resolve the fuel reconciliation issues without litigation; and

WHEREAS, there will be no immediate rate impact on customers as ETI did not request to implement a surcharge to collect the under-recovery balance at this time.

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

Section 1. That the statement and findings set out in the preamble to this Ordinance are hereby in all things approved and adopted.

Section 2. The City of Navasota hereby authorizes the settlement of the ETI fuel reconciliation proceedings such that the beginning balance of the subsequent reconciliation period will be approximately \$99.6 million.

Section 3. The meetings at which this ordinance was approved were in all things conducted in strict compliance with the Texas Open Meetings Act, Texas Government Code, Chapter 551.

Section 4. This Ordinance shall become effective from and after its passage.

PASSED AND APPROVED THIS 7TH DAY OF AUGUST, 2023

BERT MILLER, MAYOR

ATTEST:

SUSIE M. HOMEYER, CITY SECRETARY

PASSED AND APPROVED THIS 14TH DAY OF AUGUST, 2023

BERT MILLER, MAYOR

ATTEST:

SUSIE M. HOMEYER, CITY SECRETARY



REQUEST FOR CITY COUNCIL AGENDA ITEM #8

Agenda Date Requested: <u>August 14, 2023</u>	Appropriation
Requested By: <u>Maribel Frank, CFO</u>	Source of Funds: <u>N/A</u>
Department: <u>Finance</u>	Account Number: <u>N/A</u>
<input checked="" type="radio"/> Report <input type="radio"/> Resolution <input type="radio"/> Ordinance	Amount Budgeted: <u>N/A</u>
	Amount Requested: <u>N/A</u>
	Budgeted Item: <input type="radio"/> Yes <input checked="" type="radio"/> No

Exhibits: None

AGENDA ITEM #8

Consideration and possible action on authorization for the City of Navasota to issue Request for Proposals (RFP's) for grant administrative services and Request for Qualifications (RFQ's) for Hazard Mitigation Grant Program administered through the Texas Division of Emergency Management (TDEM).

SUMMARY & RECOMMENDATION

City staff is seeking approval to move forward with a Request for Proposal ("RFP") for grant administration services and Request for Qualifications ("RFQ") for engineering services for the Hazard Mitigation Grant Program ("HMGP"). The HMGP is administered through the Texas Division of Emergency Management. Though this funding is new the City of Navasota has potential to rank high in the selection process and has an exceptionally good chance to receive funding.

Fiscal Year 2023-24 HMGP Funding provided by Texas Division of Emergency Management (TDEM):

- Grant Allocation: \$7-8 million.
- Grant is competitive within our region.
- The match amount for the City of Navasota is 25% of the requested amount.
- Eligible activities include replacing generators if we want to get funded. Staff has identified the need for generators at several Public Works facility locations.
- Application deadline is November of 2023

Federal Grants require an extensive amount of paperwork throughout the process. To meet all the documentation requirements on federal grants, cities find it beneficial to hire firms that have experience and knowledge to help the City's Grant Coordinator and to help ensure funding. Therefore, staff is recommending City Council approve a

proposal to seek grant administration assistance and engineering services for the grant process.

ACTION REQUIRED BY CITY COUNCIL

Approve or deny authorizing City of Navasota staff to issue Request for Proposals (RFP's) for grant administrative services and Request for Qualifications (RFQ's) for Hazard Mitigation Grant Program administered through the Texas Division of Emergency Management (TDEM).

Approved for the City Council meeting agenda.



Jason B. Weeks, City Manager

8/3/23

Date



REQUEST FOR CITY COUNCIL AGENDA ITEM #9

<p>Agenda Date Requested: <u>August 7, 2023</u></p> <p>Requested By: <u>Bobbie Lehrmann, Director</u></p> <p>Department: <u>Marketing/Communications</u></p> <p><input type="radio"/> Report <input type="radio"/> Resolution <input checked="" type="radio"/> Ordinance</p> <p>Exhibits: <u>Ordinance No. 1028-23</u></p>	<table border="1" style="width: 100%; border-collapse: collapse;"><thead><tr><th colspan="2" style="text-align: center;">Appropriation</th></tr></thead><tbody><tr><td>Source of Funds:</td><td><u>N/A</u></td></tr><tr><td>Account Number:</td><td><u>N/A</u></td></tr><tr><td>Amount Budgeted:</td><td><u>N/A</u></td></tr><tr><td>Amount Requested:</td><td><u>N/A</u></td></tr><tr><td>Budgeted Item:</td><td><input type="radio"/> Yes <input checked="" type="radio"/> No</td></tr></tbody></table>	Appropriation		Source of Funds:	<u>N/A</u>	Account Number:	<u>N/A</u>	Amount Budgeted:	<u>N/A</u>	Amount Requested:	<u>N/A</u>	Budgeted Item:	<input type="radio"/> Yes <input checked="" type="radio"/> No
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Account Number:	<u>N/A</u>												
Amount Budgeted:	<u>N/A</u>												
Amount Requested:	<u>N/A</u>												
Budgeted Item:	<input type="radio"/> Yes <input checked="" type="radio"/> No												

AGENDA ITEM #9

Consideration and possible action on the first reading of Ordinance No. 1028-23, amending Chapter 1, General Provisions, Article 1.04 Boards, Committees, and Commissions of the Code of Ordinances of the City of Navasota, Texas by adding Division 5 creating the Navasota Music Friendly committee.

Summary & Recommendation

The City of Navasota is working towards becoming designated as a Texas Music Friendly Community. As part of this designation process and its requirements with the State of Texas, a city Music Friendly Committee must be formed.

Participation in the Texas Music Office's "Music Friendly Community" program provides Texas communities with a network for fostering music industry development and sends a clear message to industry professionals that certified communities are serious about attracting and developing music industry growth.

As part of this designation the city has completed various steps in the certification process. This included:

- Hosting a Texas Music Office sponsored Music Friendly Texas Community wide workshop.
- Establishing a music office liaison within the City of Navasota that is responsible for monthly reports concerning the progress of local music industry development programs.
- Registering with the Texas Music office's Texas Music Industry Directory.
- Signing a mutually agreed upon Memorandum of Understanding (MOU), demonstrating partnerships with the community's music related 501c3 nonprofits.

- Creating a music directory database for the city.

The creation and formation of the Music Friendly Committee is one of the final steps to allow the city to apply to become certified by the State. Article 1.04 "Boards, Committees, and Commissions" of the Code of Ordinances will include how the Music Friendly Committee is comprised. City staff has worked closely with legal counsel on this proposed amendment, which states that the membership of the committee shall be composed of at least four (4) members:

- The Navasota Music Friendly Texas Liaison Designee, who is the City's Marketing and Communications Director unless the City Manager designates another City staff member.
- One (1) other city staff member appointed by the City Manager; and
- At least two (2) citizens, who are residents of the City of Navasota or business owners with property in the corporate boundaries of Navasota, who are known to be interested in the City music community. The resident members shall be appointed by the Navasota Music Friendly Texas Liaison Designee in consultation with the City Manager.
- The City Manager may appoint additional members at the beginning of each term at the City Manager's discretion.

Staff recommends City Council approving the first reading of Ordinance No. 1028-23 amending the Code of Ordinances related to Boards, Committees, and Commissions to allow for the creation of the Navasota Music Friendly committee.

ACTION REQUIRED BY CITY COUNCIL

City Council to approve the first reading of Ordinance No. 1028-23, amending Chapter 1, General Provisions, Article 1.04 Boards, Committees, and Commissions of the Code of Ordinances of the City of Navasota, Texas by adding Division 5 creating the Navasota Music Friendly committee.

Approved for the City Council meeting agenda.



Jason B. Weeks, City Manager

8/3/23

Date

ORDINANCE NO. 1028-23

AN ORDINANCE OF THE CITY OF NAVASOTA, TEXAS AMENDING CHAPTER 1, GENERAL PROVISIONS, ARTICLE 1.04 BOARDS, COMMITTEES, AND COMMISSIONS OF THE CODE OF ORDINANCES OF THE CITY OF NAVASOTA, TEXAS BY ADDING DIVISION 5 CREATING THE NAVASOTA MUSIC FRIENDLY COMMITTEE; PROVIDING FOR A SEVERABILITY CLAUSE; PROVIDING FOR A REPEALER CLAUSE; PROVIDING FOR AN EFFECTIVE DATE; PROVIDING FOR NOTICE OF MEETINGS.

WHEREAS, pursuant to Texas Local Government Code Section 51.001, the City Council of the City of Navasota, Texas ("City Council"), has the authority to adopt an ordinance that is for the good governance of the City of Navasota ("City"); and

WHEREAS, the City has a rich and storied music history; and

WHEREAS, the City is known as the Blues Capital of Texas; and

WHEREAS, the City hosts meaningful music events, including the annual Texas Birthday Bash; and

WHEREAS, the City wishes to continue stewarding its music tradition into the future; and

WHEREAS, the Music Friendly Texas program ("Program"), managed by the Governor's Texas Music Office, provides a unique opportunity for the City to receive recognition and continue its music tradition by becoming a Certified Music Friendly Texas Community; and

WHEREAS, City staff has worked diligently with Program staff to ensure the City meets the Program's certification requirements; and

WHEREAS, one of the Program's certification requirements is a local advisory body comprised in part of local music scene stakeholders; and

WHEREAS, accordingly, the City Council desires to create the Navasota Music Friendly Committee ("Committee"); and

WHEREAS, the City Council finds that the Committee created by this Ordinance will meet the Program's certification requirements and that the creation of the Committee is reasonable, necessary, and proper for the good government of the City;

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

SECTION 1. FINDINGS INCORPORATED

The findings set forth above are incorporated into the body of this Ordinance as if fully set forth herein.

SECTION 2. NEW PROVISIONS

Chapter 1 General Provisions, Article 1.04 Boards, Committees and Commissions, of the Code of Ordinances, City of Navasota, Texas is hereby amended by adding Division 5 - Navasota Music Friendly Committee to read as follows:

Division 5 Navasota Music Friendly Committee

§ 1.04.131. Creation; membership.

- (a) There is hereby created a committee to be known as the Navasota Music Friendly Committee.
- (b) Membership of the committee shall be composed of at least four (4) members:
 - 1. the Navasota Music Friendly Texas Liaison Designee, who is the City's Marketing and Communications Director unless the City Manager designates another City staff member;
 - 2. one (1) other city staff member appointed by the City Manager; and
 - 3. at least two (2) citizens, who are residents of the City or business owners with property in the City who are known to be interested in the City music community. The resident members shall be appointed by the Navasota Music Friendly Texas Liaison Designee in consultation with the City Manager.
- (c) The City Manager may appoint additional members at the beginning of each term at the City Manager's discretion.

§ 1.04.132. Term of citizen members.

Citizen members shall serve for one (1) year after appointment unless sooner removed by the City Manager in consultation with the Navasota Music Friendly Texas Liaison Designee. Citizen members may be reappointed to additional terms.

§ 1.04.133. Vacancies.

In the event of a vacancy resulting from the resignation, death or removal of a member from the Committee by the City Manager; the City Manager in consultation with the Navasota Music Friendly Texas Liaison Designee shall appoint a qualified person to fill the unexpired term of the member.

§ 1.04.134. Attendance at meetings.

Any committee member who fails to attend a least one-half of the regularly scheduled committee meetings during a calendar year shall be deemed to have resigned the committee member's position. The committee may excuse absences due to temporary illness or other causes deemed justifiable by the chair.

§ 1.04.135. Officers.

The Navasota Music Friendly Texas Liaison Designee shall serve as chair. The committee, at its first meeting in a new calendar year, shall, from its members, select a vice-chair, secretary, and such other officers as it deems necessary.

§ 1.04.136. Meetings.

The committee shall meet at least quarterly. Meetings shall comply with the Texas Open Meetings Act. Additional meetings may be called by the chair or upon notice from the City Manager that a

matter requires the consideration and advice of the committee. Meetings shall take place at an agreed-upon location in the City. City staff shall provide administrative support for the planning and conducting of meetings.

§ 1.04.137. Minutes.

One signed copy of all minutes of the committee shall be filed with the City Secretary.

§ 1.04.138. Functions and duties.

- (a) The committee shall act solely as an advisory committee to the City Manager and the Navasota Music Friendly Liaison Designee in all matters pertaining to promotion and support of the music community in the City and the City's extraterritorial jurisdiction.
- (b) The committee shall:
 - (1) Follow the rules and regulations prescribed by the City Council for the conduct of its business.
 - (2) Act only in an advisory capacity to the City Manager and the Navasota Music Friendly Liaison Designee in all matters pertaining to the promotion and support of the music community in the City.
 - (3) Encourage the development of the Navasota music community.
 - (4) Seek to promote close cooperation among the City and all private citizens, institutions, and agencies interested in the City music community.

§ 1.04.139. Compensation.

The members of the committee shall not be entitled to compensation for their services on the committee.

SECTION 2. SEVERABILITY CLAUSE

It is hereby declared to be the intention of the City Council that the phrases, clauses, sentences, paragraphs and sections of this Ordinance are severable, and if any phrase, clause, sentence, paragraph or section of this Ordinance shall be declared unconstitutional or invalid by the valid judgment or decree of any court of competent jurisdiction, such unconstitutionality or invalidity shall not affect any of the remaining phrases, clauses, sentences, paragraphs and sections of this Ordinance, since the same would have been enacted by the City Council without the incorporation of this Ordinance of any such unconstitutional or invalid phrase, clause, sentence, paragraph or section.

SECTION 3. REPEALER CLAUSE

Any provision of any prior ordinance of the City whether codified or uncoded, which are in conflict with any provision of this Ordinance, are hereby repealed to the extent of the conflict, but all other provisions of the ordinances of the City whether codified or uncoded, which are not in conflict with the provisions of this Ordinance, shall remain in full force and effect.

SECTION 4. EFFECTIVE DATE

This Ordinance shall become effective from and after its passage, approval and adoption on second reading, and its publication as may be required by law.

SECTION 5. NOTICE OF MEETING

Notice of the time and place, where and when said Ordinance would be considered by the City Council at a public meeting was given in accordance with applicable law, prior to the time designated for meeting.

PASSED AND APPROVED ON FIRST READING THIS THE 7TH DAY OF AUGUST, 2023

BERT MILLER, MAYOR

ATTEST:

SUSIE M. HOMEYER, CITY SECRETARY

PASSED AND APPROVED ON SECOND READING THIS THE 14TH DAY OF AUGUST, 2023.

BERT MILLER, MAYOR

ATTEST:

SUSIE M. HOMEYER, CITY SECRETARY