

**AUDIT/BIDS/INSURANCE COMMITTEE MEETING
FRIDAY, DECEMBER 4, 2009 AT 1:30 P.M.
COUNCIL CONFERENCE ROOM—2ND FLOOR, CITY HALL**

PRESENT: **Chairman Dale Burkett**
 Councilwoman Brenda Craig
 Councilman John Howren

The Audit/Bids/Insurance Committee met on Friday, December 4, 2009, at 1:30 p.m. in the Council Conference Room, 181 S. South Street, City Hall, Gastonia, North Carolina.

Chairman Burkett called the meeting to order and recognized Mr. Jim Palenick, City Manager, for staff's presentation.

Item 1: Mid-Year Adjustment to Health Care Program

Mr. Palenick stated that employee insurance claims costs have been monitored closely, however, due to the increased number of claims, the \$600,000 working reserve from the original budget would not be sufficient to cover additional costs. Based on the current trend, an additional \$400,000 in additional funding will be needed this fiscal year. Staff proposes that the City cover \$300,000 on behalf of the employees and that \$100,000 be paid by employee and retiree premiums.

Cindy Fortune, Director of Finance, presented handouts containing a schedule of proposed mid-year adjustments to employee and retiree premiums. Ms. Fortune stated open enrollment would provide employees an opportunity to change their selection of plan. The proposed *Base Plan* would increase **10%**, *Buy-Up Option 1* premiums would increase **15%**, and *Buy-Up Option 2* premiums would increase **20%** for employees and retirees. The City would still provide the *Individual Base Plan* to the employee at no cost.

Committee Recommendation:

Staff recommends the Committee recommend to Council approval of mid-year adjustments to employee and retiree Health Care Premiums effective February 1, 2010, with open enrollment held in January.

Action Taken:

After much discussion, the Committee voted unanimously to recommend to full Council approval of the mid-year adjustments to employee and retiree Health Care Premiums.

Item 2: Audit Results for Fiscal Year Ended June 30, 2009:

Cindy Fortune, Director of Finance, presented the audit results for the fiscal year June 30, 2009, conducted by Martin Starnes and Associates. Ms. Fortune advised a member of the audit firm would be at the December 15, 2009, Council meeting to present these results.

This was presented as information to the Committee. The audit results will be presented to full Council on December 15, 2009.

Having no other business, the meeting was adjourned.