

**TOWN OF SELMA  
SPECIAL COUNCIL MEETING  
FEBRUARY 1, 2016**

**PRESENT:**

Mayor Cheryl Oliver, Mayor Pro-Tem Jackie Lacy, Councilmember Tommy Holmes, Councilmember William Overby, Councilmember Mark Petersen, and Town Manager Jon Barlow.

**OTHER STAFF  
PRESENT:**

Planning Director Julie Maybee, Police Chief Richard Cooper, Electric Utility Director Donald Baker, Fire Chief Phillip McDaniel, Richie Peedin, Ronnie Lee, Interim Human Resource Director Susan Sult, and Interim Town Clerk Brenda Thorne.

Mayor Oliver called the meeting to order at 5:30 p.m.

**HEALTH INSURANCE:**

Town Manager Barlow thanked Interim Human Resource Director Susan Sult for getting information together so quickly. He said that there was a lot of data included in this presentation including rate designs, plan designs, and a new administrator, all since about December 31, 2015. Mr. Barlow stated that there was a couple of big pieces of information that was needed from Town Council. He said that the question he was going to ask from here is looking at the planning designs, they need some guidance as to which ones for both current employees and retirees. Mr. Barlow stated that they incorporated a lot of new data into the PowerPoint that was distributed to Town Council. He said it was the same one that they built off of when it was presented originally at the January 21, 2016 Work Session. Mr. Barlow stated that he would review some of the history and would get into the planning designs and rate designs.

**HEALTH INSURANCE**

**TOWN OF SELMA  
SPECIAL COUNCIL MEETING  
MONDAY, FEBRUARY 1, 2016  
JERNIGAN BUILDING  
5:30 P.M.**

## PURPOSE OF TONIGHT'S SPECIAL COUNCIL MEETING

- It is the Town's goal to ensure that all Employees and Pre-65 Retirees have comparable Health Care Plans.
- Guidance and approval from the Town Council is needed on Health Care Plan Benefits for both its Full-Time Employees and the Pre-65 Retirees who must go on an Affordable Care Act Health Plan.

2

Mayor Oliver stated that back to the first bullet for further clarification, because it can be read two ways. She said that one way is saying employees and pre-65 retirees have comparable plans; one says those two have comparable plans for what they have today.

Mr. Barlow stated that his intent would be the plan for one group mirrors the same for the other group. He said that they were talking about two different worlds with the Affordable Health Care Act and State Health Care Plan. He said that His recommendation to Town Council would be to treat them both the same.

Councilmember Petersen asked if they have the same plan now.

Mr. Barlow stated that currently yes, it is the same plan.

## HISTORY

- Legislation was recently adopted to allow Local Governments to participate in the State Health Plan.
- Pre-65 Retirees of Local Government are not eligible for enrollment in the State Health Plan (House Bill 154).

3

## HISTORY (cont'd)

- At its November 10, 2015 Regular Meeting, the Council passed a resolution for the Town of Selma to participate in the NC State Health Plan for Teachers and State Employees (State Health Plan).
- On January 4, 2016, Staff was notified by the State Health Plan that the Town of Selma had been accepted to participate in the State Health Plan effective March 1, 2016.

4

## HISTORY (cont'd)

- We gave formal notification to all Employees and Town Council Members covered by the BCBSNC Health Plan that their current BCBSNC health plan will end at midnight on February 29, 2016.

5

Town Councilmember Mark Petersen asked Mr. Barlow how this would affect things like deductibles they might have paid in January and February.

Mr. Barlow stated that there is no carry over. He said that it all starts over and would be lost.

## HISTORY (cont'd)

- We also gave formal notification to the Town's twelve Pre-65 Retirees that their current BCBSNC health plan will end at midnight on **February 29, 2016**, and that they must enroll in alternative health coverage by **February 15, 2016**, as the State Health Plan does not provide health insurance coverage for retirees.
- A meeting was scheduled for January 25, 2016 for discussion with the Pre-65 Retirees.

6

## EXCERPT FROM PERSONNEL POLICY

### SECTION 4. RETIREMENT:

“Any Full-Time Town of Selma employee hired on or before August 21, 2014, who retires while employed with the Town, in accordance with the regulations established by the North Carolina Local Government Retirement System **and have 20 years of service with the Town of Selma,** shall be provided with group health insurance on themselves **at no cost.**” (Page 28)

8

Councilmember Petersen asked if they had offered to buy it for the families.

Town Manager Barlow stated that the Town does not provide any coverage. He said that if they choose to cover their spouse or kids, they would have to go outside to buy it. Mr. Barlow stated that on the State Health Plan, they could buy it, but the Town does not pay any portion of it.

## CURRENT EMPLOYEES ELIGIBLE FOR RETIREMENT WITH 20 YEARS OF SERVICE TO THE TOWN

<u>EMPLOYEE NAME (NICKNAME)</u>	<u>DEPARTMENT</u>	<u>HIRE DATE</u>	<u>YEARS OF SERVICE</u>
BAKER, BILLY D	ELECTRIC	09/25/1991	24
BAKER, DONALD W	ELECTRIC	10/29/1984	31
CARTER, JOSEPH L (JOE)	PARKS & RECREATION	06/29/1983	32
COOPER, RICHARD A	POLICE	07/18/1995	20
DANIELS, RONALD L	POLICE	04/19/1990	25
HOOKS, HARVEY G (GREG)	ELECTRIC	07/12/1993	22
PEARCE SR, BOBBY R	PUBLIC WORKS	01/30/1991	24
PEEDIN, RICHARD M	ELECTRIC	08/26/1987	28

9

## INDIVIDUAL RATES FOR PRE-65 RETIREES ACCORDING TO OPTIONS (full-size copy attached)



10

(Reference Exhibit A for full-size chart)

## PRE-65 RETIREES

- The termination of the Pre-65 Retirees' current Blue Cross Blue Shield Health Care Plan through the Town is a qualifying event for enrolling in alternative coverage.
- Thus, the Town of Selma must carve out the Pre-65 Retirees from the Employee Healthcare Coverage Plan.

11

## PRE-65 RETIREES(cont'd)

- Therefore, the Pre-65 Retirees will have to acquire insurance through the Affordable Care Act Exchange ([www.healthcare.gov](http://www.healthcare.gov)) since they cannot be covered by the State Health Plan.
- These Pre-65 Retirees **DO NOT** qualify for any subsidy since their coverage is subsidized for them by the Town.

12

## PRE-65 RETIREES(cont'd)

The Affordable Care Act Plan Rates are based on:

- Age;
- Zip Code; and
- TOTAL Household Income of each individual.  
(IRS has guidelines regarding this information.)

13

Mayor Pro-Tem Lacy asked if there were two offers being presented by the State Health Care Plan and the Affordable Care Act.

Mr. Barlow stated that there was, but they cannot be compared. He said that the Local Government Retirees by legislation are not allowed to join the State Health Plan. He said that they are required to go to the Affordable Health Care Act Exchange to purchase their insurance. Mr. Barlow stated that they could not go to a broker. He said that they are limited to what the Exchange says to offer.

## PRE-65 RETIREES(cont'd)

- Affordable Care Act Premiums for smokers will be higher than for non-smokers.
- Pierce Group Benefits (the Town of Selma's Benefits Insurance Broker) has partnered with The Cason Group (Oliver Thompson, Agent) to provide guidance to the Pre-65 Retirees in making the transition.

14

## EMPLOYEES ONLY

STATE HEALTH PLAN OPTIONS,  
COMPARISONS, AND RATES

## OPTIONS FOR EMPLOYEES ONLY

- Offer to Employees only the **State Health Plan's 70/30 Traditional Plan** option (the State Health Plan base Plan).

OR

- The Town could buy up to the **State Health Plan's 80/20 Enhanced Plan** for its Employees and pay the additional premium for the wellness portion (\$14.20 per employee per month).

16

Councilmember Mark Petersen stated that he wanted to clarify that the state does not pay for that for their employees. He said that the employees pay the premium themselves.

Town Manager stated that the Town could have the 80/20 in place just like the state. He said that the employee could buy up, or the Town does have the option to go ahead and pay that additional premium if they would like.

Councilmember Overby asked if they could clarify that the \$14.20 per month could be more based on certain circumstances that have to be met in order to get the \$14.20.

Town Manager Barlow stated that there were three main criteria that needed to be met by taking a health risk assessment, and smokers are going to be more. He said he was not sure if smokers could get that option.

Councilmember Petersen stated that they could not get the 80/20 option if they were a smoker.

Mr. Barlow stated that he thought that the employee is stuck at 70/30 if they were a smoker. He said that there were some things that they would have to do in order to earn the eligible portion of the wellness benefit in the 80/20 enhanced plan, and that would be an expectation for the Town in order to get those credits.

**OPTIONS FOR EMPLOYEES ONLY**  
(cont'd)

**OR**

- Allow the Employees to have the **option** to buy up to the State Health Plan's 80/20 Enhanced Plan and they would be responsible for the additional premium for the wellness portion (\$14.20 per employee per month).

17

**COMPARISON OF EMPLOYEES ONLY COVERAGE**

CURRENT PLAN (80/20 PPO Blue Option)	State Health Plan 70/30 TRADITIONAL PLAN
Monthly Cost: \$ 41,011.92	Monthly Cost: \$ 33,384.96
Annual Cost: \$492,143.04	Annual Cost: \$400,619.52
	Monthly Savings: \$ 7,626.96
	Annual Savings: \$ 91,523.62

18

Councilmember Petersen asked if the existing plan was an 80/20 plan.

Mr. Barlow stated that it was.

## COMPARISON OF EMPLOYEES ONLY COVERAGE (cont'd)

CURRENT PLAN (80/20 PPO Blue Option)	State Health Plan 80/20 ENHANCED PLAN (Town Pays Premium only)
Monthly Cost: \$ 41,011.92	Monthly Cost: \$ 33,384.96
Annual Cost: \$492,143.04	Annual Cost: \$400,619.52
	Monthly Savings: \$ 7,626.96
	Annual Savings: \$ 91,523.62

19

## COMPARISON OF EMPLOYEES ONLY COVERAGE (cont'd)

CURRENT PLAN (80/20 PPO Blue Option)	State Health Plan 80/20 ENHANCED PLAN (Town Pays Premium + Wellness portion )
Monthly Cost: \$ 41,011.92	Monthly Cost: \$ 34,407.36
Annual Cost: \$492,143.04	Annual Cost: \$412,888.32
	Monthly Savings: \$ 6,604.56
	Annual Savings: \$ 79,254.72

20

Mayor Oliver asked if for this was the assumption to get these figures was that everyone could do the wellness plan, even though we know some will not be able to do so, because of smoking and etc.

Town Manager Barlow stated they could take advantage of those wellness credits.

Mayor Oliver stated that it probably could be a little less.

Town Manager Barlow stated that he was sure that the Town had some smokers that would not be eligible.

Councilmember Petersen stated that his opinion was that the Town was already covering at an 80/20 rate and should continue with that if eligible.

## PRE-65 COST COMPARISONS

## AFFORDABLE CARE ACT OPTIONS COMPARISONS, AND RATES

## OPTIONS FOR PRE-65 RETIREES

### COMPARABLE 70/30 AFFORDABLE CARE ACT PLANS AVAILABLE:

- **Blue Local Silver 70/30 Plan** which is the Duke/WakeMed Network.
- **Blue Value Silver 70/30 Plan** which is the Rex/UNC Network.

## OPTIONS FOR PRE-65 RETIREES (cont'd)

### COMPARABLE 80/20 AFFORDABLE CARE ACT PLANS AVAILABLE:

- **Blue Local Gold 80/20 Plan** which is the Duke/WakeMed Network.
- **Blue Value Gold 80/20 Plan** which is the Rex/UNC Network.

23

Mayor Oliver questioned if it would be true at this point to say that Johnston is affiliated with the UNC Network that perhaps the employees would use the Rex/UNC Network more than Duke/Wake Med Network today or would it be a mix.

Town Manager Barlow stated that he thought the preference would be Rex/UNC Network.

## TOWN OF SELMA PRE-65 COVERAGE OPTIONS (full-size copy attached)

Town of Selma Pre-65 Retiree Coverage Options Proposed March 1, 2016 - December 31, 2016							
In-network Plan Options	Current Plan Blue Options (Pre-65) 2015	State Health Plan for Active Employees		Town of Selma Pre-65 Retiree Plan Options under the Affordable Care Act			
		70/30 Traditional	80/20 Enhanced	Blue Local Silver (Duke/WakeMed Network)	Blue Value Silver (Rex/UNC Network)	Blue Local Gold (Duke/WakeMed Network)	Blue Value Gold (Rex/UNC Network)
Primary Care Doctor	\$25	\$25	\$25	\$25	\$25	\$25	\$25
Specialist	\$50	\$50	\$50	\$50	\$50	\$50	\$50
Individual Deductible	\$1,500	\$1,250	\$1,000	\$1,500	\$1,500	\$1,000	\$1,000
Family Deductible	\$1,500	\$1,250	\$1,000	\$1,500	\$1,500	\$1,000	\$1,000
Individual Copayment Max	NA	\$4,000	\$3,000	NA	NA	NA	NA
Family Copayment Max	NA	\$4,000	\$3,000	NA	NA	NA	NA
Out of Pocket Maximum (OOP)	\$1,500 / \$1,000	\$1,250 / \$1,000	\$1,000 / \$1,000	\$4,000 / \$3,000	\$4,000 / \$3,000	\$4,000 / \$3,000	\$4,000 / \$3,000
Coinsurance (In/Out)	70/30	70/30	80/20	70/30	70/30	80/20	80/20
Preventive Care Program	100%	100% (Pre-65)	100%	100%	100%	100%	100%
In-Patient Hospital	Deductible then 80% Coinsurance	Deductible then 80% Coinsurance	Deductible then 80% Coinsurance	Deductible then 80% Coinsurance	Deductible then 80% Coinsurance	Deductible then 80% Coinsurance	Deductible then 80% Coinsurance
Out of State	\$10 / \$5 max \$100	\$10 / \$5 max \$10	\$10 / \$5 max \$10	\$10 / \$5 max \$10	\$10 / \$5 max \$10	\$10 / \$5 max \$10	\$10 / \$5 max \$10
ACA Preventive Medication	NA	NA	100%	100%	100%	100%	100%

NOTE:  
This information is for comparison purposes only. Please check benefits in providing full health plan information for communication only and to understand the specific coverage/limitations. Pricing/benefits are subject to change. More and Retiree Plan information provided by The Green Group.

24

(Reference Exhibit B for full-size chart)

Town Council and staff discussed the retiree coverage option listed above.

Mr. Barlow advised Council that the new plans do not have the option of the Health Reimbursement Account. He said that if an employee hit their individual deductible of \$3,500, there was a part of the current policy that would pay that employee back all but \$750.00. Mr. Barlow stated that now the employee would be paying more towards their deductible, which is \$1,000 instead of \$750.

### COST COMPARISON FOR PRE-65 RETIREES TO THE STATE HEALTH PLAN'S 70/30 TRADITIONAL PLAN

PLAN NAME:	ESTIMATED ANNUAL COST:
Current Plan (Pre-65 Retirees Only cost)	\$ 82,023.84
Blue LOCAL Silver (Duke/WakeMed Net)	\$ 89,757.48
Blue VALUE Silver (Rex/UNC Network)	\$ 90,826.56

25

### COST COMPARISON FOR PRE-65 RETIREES TO THE STATE HEALTH PLAN'S 80/20 ENHANCED PLAN

PLAN NAME:	ESTIMATED ANNUAL COST:
Town's Current Plan (Pre-65 Retirees Only cost)	\$ 82,023.84
Blue LOCAL Gold (Duke/WakeMed Network)	\$113,620.44
Blue VALUE Gold (Rex/UNC Network)	\$114,972.72

26

Town Manager Barlow reviewed both cost comparisons for pre-65 retirees to the State's Health Plan for the 70/30 traditional plan and the 80/20 Enhanced Plan. He said that the additional costs for the 80/20

plan was about \$33,000 more than what is being paid now. Mr. Barlow stated that the offset from the savings from the 80/20 plan from the state employees plan. He said that the annual net savings to the Town was still about \$46,000.

Mayor Oliver stated that two things were important to her. She said that first she likes for folks to have a lot of notice; minimal six months, but ideally a year's notice in change of benefits. She said that at this point, she wanted to see that the employees and retirees were treated equitably. Mayor Oliver stated that for those two things to be true, that would drive me over to retirees to the Blue Value Gold option.

Town Manager Barlow stated that the plans do need to be comparable.

Mayor Oliver stated to Council that if those things were important to them as well, it looks like the decision is made. She said that if they want to maintain the 80/20, and want to keep employees the same as the retirees the decision is somewhat made.

Mayor Oliver asked if staff had a recommendation.

Town Manager Barlow recommended that Council approve the 80/20 plan on both sides and pay that the premium.

Councilmember Holmes stated that he agreed with that for the retirees and employees.

Councilmember Overby stated that he was still questioning the ones that would have to be put in the 70/30 plan. He questioned how many might fall into that category, but knew that they were not prepared to give that information.

Mayor Pro-Tem Lacy questioned that if they go with the 80/20 plan, both the retirees and employees would be covered without spending any money except for...

Councilmember Petersen stated that they would be covered in one, 80/20 or 70/30 for smokers.

Councilmember Overby stated that he was questioning the 70/30 for smokers. He said that it changes the \$14.20 per person.

Mayor Oliver stated that it would be less.

Councilmember Overby questioned less than what.

Mayor Oliver stated that this was the worst case scenario. She said that it would not go up, but would go down.

Interim Human Resource Director Susan Sult stated that regarding the \$14.20 when the employee goes to enroll, the three things are 1) a telephonic health assessment, you get points; 2) if you designate your primary care physician at that time, that automatically gives you points and a co-pay of \$15; and 3) if you say that you are a smoker, you get points taken away and that person would be responsible for reimbursing that to the Town. She said that with the state, you would have to go 70/30 or allow us to buy up, and it will still be an option in there.

Mayor Pro-Tem Lacy stated that the 70/30 would cover the smokers.

Councilmember Overby stated at a higher rate, and they would have to pay a bigger co-pay.

Councilmember Holmes stated that they could go to the 80/20 plan, and if they smoke, is their premium going to be higher than those that do not smoke.

Mayor Oliver stated that they have to go on the 70/30 plan.

Town Manager Barlow stated that the Town would still be paying the premium, but some of the co-pays would be higher. He said that the co-insurance would be 30% versus 20%.

Councilmember Overby stated that they could get the advantage of two, but they lose on the third which takes points away from the first two.

Ms. Sult stated that was correct.

Councilmember Holmes questioned if the Town went to an 80/20 plan and a man smokes, he cannot get the 80/20 plan, but has to go back to the 70/30 plan.

Ms. Sult stated that he could get the 80/20, but the premium would be higher.

Councilmember Holmes stated that they can get the 80/20, but their premium would be higher than the one that does not smoke.

A motion was made by Councilmember Tommy Holmes to go with the 80/20 plan.

Mayor Oliver questioned if that would be the 80/20 Blue Value Gold versus the Blue Local Gold. She said that the employee has the option.

Councilmember Overby stated that he would like it to be clarified in a motion because it is not clear if they were talking about both groups or the employees.

Ms. Sult advised Councilmember Holmes that the pre-65 retiree rate was not fixed. She said that it was based on age, zip code, and total annual income. Ms. Sult stated that the premium could range anywhere between \$2,000 to \$678. She said that they have to go out on the exchange, and there is no exact standard premium. Ms. Sult stated that the IRS has guidelines on that.

Mayor Pro-Tem Lacy asked if the 80/20 included both employees and retirees.

Councilmember Overby asked if the Federal Government was involved in Blue Cross Blue Shield in the same way.

Ms. Sult stated that the Federal Government only offers two companies in the exchange, which are United Health Care and Blue Cross Blue Shield. She said that the issue was the Town employees currently have an 80/20 plan and so do the pre-65 retirees. Ms. Sult stated that on March 1, 2016, the pre-65 retirees will have to go out on the exchange, and whatever their monthly premium is the Town would pay 100%. She said that currently the premium is \$569.41 for pre-65 retirees and regular employees full-time.

Councilmember Petersen asked if they would have to go out on their own to get that and the Town would reimburse them.

Ms. Sult stated that what they are hoping when the Cason Group enrolls them, because they have to go out and get their own specific coverage, they can get it set up so that it could come directly to the Town for payment; rather than the retiree getting it in the mail and bringing to the Town for payment. She said that she was not sure how the Affordable Care Act would allow that to be set up.

Councilmember Petersen asked if the retiree had to take the initiative on their own to get that through the exchange, and then bring it back.

Town Manager Barlow stated that the Town's benefits provider, Pierce Group with Cason's assistance would contact the pre-65 retiree and work with them to get them set up.

Councilmember Holmes asked why the retirees have to go out and get their own. He asked why they couldn't go through the Town like a regular employee.

Town Manager Barlow stated that House Bill 154, when they opened it up to 10,000 local government employees stated that they would not take any local government retirees into that plan. He said that even the state government retirees could not do it.

Councilmember Holmes stated that the Town could not reach out to help them out.

Mr. Barlow stated that because of the Town's size and the Town is paying the premium, the state requires us to go to the exchange, and there are not a whole lot of options; Blue Cross and United. He said that they are not allowed to go to an independent broker to get quotes on different policies.

Councilmember Holmes stated that the retirees are going to stay on Blue Cross Blue Shield like they are now.

Mr. Barlow stated that they would not; COBRA would not be an option.

Ms. Sult stated that when they go out on the exchange, they are already being offered the Blue Cross, but it is a different policy that what we have now.

Councilmember Overby stated that he wanted to make sure that they understand that we are only talking health insurance here and nothing else.

Mayor Oliver stated that was correct; dental and vision are totally separate.

Mr. Barlow stated that stays the same.

Councilmember Overby stated that he had requested Councilmember Holmes to clarify his motion more based upon employees and retirees with the assumption somewhere in your motion that the Town is paying for it.

Councilmember Petersen asked if Councilmember Holmes would consider two motions; one for current employees and one for retirees.

Councilmember Holmes withdrew his original motion.

Councilmember Holmes stated that he would like to make a motion for the 80/20 plan for the retirees for the UNC (Blue Value Gold).

Mayor Oliver stated that did not need to be included.

Former Town employee Terry Keen requested that it be left in the motion.

Ms. Sult stated that the retiree gets to choose.

Mr. Keen stated that it might not be an option for all of us. He said that he was on the market place last night, and that was not an option for him.

Mayor Oliver stated that they needed to include both to be totally thorough. She said that it will be with the assumption of employee choice between the Blue Value Gold and Blue Local Gold.

Councilmember Holmes made a motion to go with the Blue Value if it is available for the retirees, and the Town pays the full amount.

Councilmember Petersen stated Blue Local Gold or Blue Value Gold.

Mayor Oliver stated that she was not sure what happened on the website with Mr. Keen, but both of those should be available. She said that if Council was going to deal with retirees in one motion, then they also must deal with the smokers who would be 70/30.

Mayor Oliver asked Ms. Sult if the plan goes to 70/30 for retiree smokers.

Ms. Sult stated that when the retiree gets called by someone to get enrolled from the exchange, if they are a smoker that premium will be higher regardless of whether they go to the 70/30 or 80/20 for pre-65 retirees.

Councilmember Overby stated that regardless we said we would pay at no cost anyway.

Ms. Sult stated that as Employee Personnel Policy stands, that was the language used.

Mayor Oliver asked Councilmember Holmes to repeat his motion.

Councilmember Tommy Holmes stated that he made the motion to go with the 80/20 for the retirees with Blue Value Gold or Blue Local Gold. Councilmember Mark Petersen seconded the motion. Motion carried unanimously.

Councilmember Holmes stated at no cost.

Councilmember Overby stated that before they go back to the employees, he wanted to discuss the smoking issue again. He said that he was concerned because this was new to them as well. Councilmember Overby stated that he wanted a way to cover the smokers for the first year. He said that this would give them the opportunity to either quit smoking or continue smoking and pick it up after a year.

Mayor Oliver stated that she would support that through the plan year ending December 31, 2016. She said that they may do something different after that.

A motion was made by Councilmember William Overby to figure out for the employee a way for everyone to get on the 80/20 plan smoker or non-smoker for the first year.

Mayor Oliver asked if that was correct or 70/30 with a higher premium.

Councilmember Overby stated that was correct. He said that it should be either the 70/30 or 80/20 for the first year for whichever one they qualify for.

Councilmember Holmes stated that if a smoker's premium is higher than the regular person that does not smoke, he said that the Town should not pay the extra premium. He said that the Town would be responsible for the premium up to a certain amount.

Mayor Oliver stated that was a valid point, but her concern was today, smoker or non-smoker, we cover it to give them time to quit smoking by and let's say in the motion by December 31, 2016. She said that after that all bets are off in terms of continuing. Mayor Oliver stated that this would give them the opportunity to bring the issue back to the table as they make the decision for the 2017 year. She said that it might not be full coverage for smokers for employees.

Councilmember Overby stated that this was brand new to the employees.

Councilmember Holmes recommended only six months.

Mayor Oliver stated that the insurance starts March 1, 2016 and ends December 31, 2016, so they were only looking at nine months.

Councilmember Petersen stated the way it works with Johnston County Schools is if someone is a smoker, they are covered under the 70/30 plan. He said that their premium is the same regardless.

Councilmember Overby withdrew his motion.

A motion was made by Councilmember Mark Peterson and seconded by Councilmember Tommy Holmes for the Town to cover the cost of the premium for all eligible employees at 80/20, and for any employee not eligible for the 80/20, their premium would be covered for the 70/30. Motion carried unanimously.

Mr. Keen asked what happens if the retirees do not find the insurance they need if they are not offered that. He said that Town Council approved that they could get either one.

Mayor Oliver stated that Ms. Sult needed to investigate why the one showed up when he went on the website, and didn't know what would cause that.

Mr. Keen stated that was the only one available.

Mr. Keen advised Ms. Sult that when he went on the market, the Blue Local was not something that he could pick from.

Mayor Oliver asked if there was something that would cause that, because she said that retirees would have access to both.

Ms. Sult stated that she did not know how they manage their website, and did not know how to answer the question.

Mayor Oliver asked Ms. Sult to research and get back with Mr. Keen since they did not have the ability to answer it tonight.

Mr. Keen stated that Town Council had voted on something that they might not have the option to have. He asked what would be done then.

Mayor Oliver stated that these were the Town's options that they had to choose from.

Councilmember Petersen stated that it was his understanding that the Pierce Group was going to help and assist the retirees in getting the coverage. He said that if that is different, we need to come back and revisit that on a case-by-case basis. Councilmember Petersen stated that they would have some kind of health coverage.

Mr. Keen stated that was not what the motion and vote was. He said that the motion was that they could have either one of the two that they picked.

Councilmember Petersen stated that was their understanding that both are available to them. He said that if that was not the case, they need to come back to Town Council and they would get them the coverage that they need.

Mayor Pro-Tem Lacy asked if there was another insurance company that they had an option to get if they did not want one of those.

Ms. Sult stated that there were no options except the Affordable Care Act Exchange for the pre-65 retirees. She said that the Town was given by the Cason Group two BCBS options, either Blue Local Gold or Blue Value Gold, as comparable policies to choose from.

Former Town employee Charles Bowen asked if the Cason Group had led to believe that those plans should be available to all the retirees.

Ms. Sult stated that was the ones that they gave her and what was on the handout.

Mayor Oliver asked that they communicate to them the substance of this discussion, and asked that when they talk with the employees that they reinforce this, and let Council know if this is wrong.

Former Town employee Alan Stanley asked who the contact person would be.

Town Manager Barlow stated that they needed to contact Susan Sult, and Ms. Sult would contact Cason.

**ADJOURNMENT:**

With no further business, a motion was made by Councilmember William Overby and seconded by Councilmember Tommy Holmes to adjourn. Motion carried unanimously.

The meeting adjourned at 6:21 p.m.

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BRENDA W. THORNE, Interim Town Clerk