



North Sioux City, South Dakota
Regular Meeting of the City Council
October 17, 2016 – 7:00 p.m.
City Hall

PROPOSED AGENDA

- A. Call to Order
- B. Roll Call
- C. Pledge of Allegiance
- D. Approval of Agenda
- E. Approval of Minutes: October 3, 2016, Regular Meeting
- F. Agenda Items
 - 1. Employee Health Insurance Discussion
- G. Community and Council Input
- H. Executive Session
 - 1. Contractual
 - 2. Personnel
- I. Approval of Bills
- J. Adjournment

*SDCL 1-25-2 (sections 1-5) allows a majority of the body present to vote to close a meeting when discussion revolves around personnel, legal matters or contract negotiations. Meetings may also be closed for certain economic development matters (SDCL 9-34-19).

UNAPPROVED
North Sioux City, South Dakota
City Council Regular Meeting Minutes
October 3, 2016

Meeting called to order at 7:00 p.m. by Mayor Fredericksen. Beavers, Berg, Christiansen, Cropley, Parks, Reiff and Verdoorn were present. Slater was absent. Also in attendance were City Attorney Darrell Jesse, City Administrator Ted Cherry and Finance Officer Susan Kloostra.

Mayor Fredericksen led the Pledge of Allegiance.

Motion by Christiansen second by Reiff to approve the agenda as presented. Unanimous.

Motion by Parks second by Cropley to approve the September 19 Regular Council Meeting Minutes with spelling corrections. Unanimous.

Cherry had invited Site Director, Daniel Klapuch, to address Council regarding the odor issues with Royal Canin's treatment plant. Klapuch stated he became director earlier this year and stands before the Council to committed to work on the odors issues. He gave a brief timeline of odor control efforts prior to his arrival, and what he's discovered since coming to the site. Klapuch relayed he is reaching out to a Canadian company to come in with fresh eyes and no attachments to the company to identify the issues.

Reiff stated while she appreciated his comments, she feels Royal Canin has been given adequate time to correct the odor problem and that the community is getting impatient. Reiff said she drove to different parts of the City and could taste the odor in her mouth; it is unacceptable. Berg added this is not a new issue and wants to know the probability of there being a fix. Berg inquired if Royal Canin has identified if the odor comes during a specific production schedule or is it a certain product. Klapuch stated he is unable to quantify. Cropley asked if other plants producing this same product line experience this issue. Klapuch said it is not necessarily the same formula; however, he is reaching out to other company plants with treatment sites for possible answers. Christiansen expressed confusion how at one point the odors had stopped but now they're back. Parks mentioned his concern that Royal Canin will not correct the issue until a formal nuisance letter is issued. Mayor Fredericksen relayed how community members are no longer reporting the odors as they don't believe anything is being done about their complaints. Berg asked regarding the new plant and concern for increased odors. Klapuch explained the new plant is initially for replacing the current facility, not immediately increasing production. Parks requested this to be revisited at the November 7 Council Meeting and asked for Klapuch to return with an update.

Union County Commissioners presented to the City of North Sioux City an agreement to transfer ownership of Northshore Drive, including the right-of-way. Cherry outlined the agreement before them. Union County would pay the City \$550,000 over the next seven years. With Council's agreement, all responsibilities including maintenance would be the sole responsibility of the City. Should the County fail to make payment as outlined, the ownership of Northshore Drive would revert back to the County, and all monies received would be retained by the City. Union County had chip sealing applied this summer, typically lasting 7-10 years. Discussion was held. Berg asked regarding shared costs including snow removal. Verdoorn commented the deal was already accepted as it was in the paper. Christiansen said the paper reported that Union County approved transferring ownership in their last meeting, but the City has not accepted the agreement. Beavers stated the amount was too low and he wasn't going to vote for it. Cropley asked how the seven year payment plan was determined. Cherry stated it was based on the life of the chip seal and the monies received would pay the cost of re-sealing. Motion by Christiansen second by Parks to accept the agreement as presented and authorize the Mayor to sign necessary documents. Aye: Berg, Christiansen, Cropley, Parks, Reiff. Nay: Beavers, Verdoorn. Motion carried 5-2.

City Engineer Greg Meyer updated Council on the request to remove trees along Westshore. Tree removal wasn't necessary for the reconstruction project. Parks stated it would lessen the maintenance costs. Motion by Cropley second by Christiansen to approve the increase of Change Order #3 for the Westshore Reconstruction Project in

the amount of \$23,740.00 authorizing the additional cost for tree removal along the west side of Westshore. Unanimous.

Community/council input:

- 1) Jerry Watterson, Public Works employee, wanted to bring up the issue of insurance costs stating it will cost him \$125.00 per paycheck and it's a substantial cost in his house.
- 2) Larry Wolverton, Public Works employee, has a couple questions about the insurance. He figures it will be \$1.28/hour reduction and is a pretty good chunk of money. If there is an increase of 4% in wages, that still is a \$0.70/hour loss. He understands insurance goes up, but feels it's quite a jump. We have to look at our bottom line we take home.
- 3) Shane Beavers, Public Works employee, wanted to know why insurance was an issue now, or last 5-6 years, as the City is not hurting for money.
- 4) Craig Carroll stated as a taxpayer and former employee he felt the City should take care of its employees and not make them pay for insurance costs.
- 5) Chuck Keuck asked about a noise ordinance, specifically jake breaking. He asserted trucks are waking him as they come down Military Road. Cherry reported dirt excavation has begun at Royal Canin. Chief Headid was unaware of the situation and will look into this.
- 6) Craig Carroll asked about any ordinance against vehicles sitting in yards with no tags. Chief Headid said there was and will discuss with Carroll.
- 7) Cherry directed Council to the SD Municipal League magazine which lists the upcoming ballot issues.
- 8) Reiff let Public Works know the pedestrian walk button at the intersection of North Derby Lane and River Drive needs to be replaced.

Motion by Parks second by Christiansen to enter Executive Session at 8:04 p.m. in accordance with SDCL 1-25-2 (sections 1 and 4) to discuss Personnel and Contractual matters. Unanimous.

Regular session resumed at 8:56 p.m.

Motion by Beavers second by Berg to approve the bills as presented. Unanimous.

AMERICAN UNDERGROUND SUPPLY	263.59	PARTS FOR VERNA ST-WATER BREAK
BOMGAARS	56.13	GLOVES (5 PAIRS), RPLCMT LINE
C. W. SUTER SERVICES	275.79	REPLACED COUPLING (4)
CERTIFIED TESTING SERVICES, INC	1,490.00	WESTSHORE RECONSTRUCTION PROJECT
CRARY, HUFF, INKSTER, SHEEHAN	4,653.75	SEP2016 LEGAL FEES
ROCS-DAKOTA SENIOR MEALS	8.00	SR MEALS (2)
DATA TECHNOLOGIES, INC.	7,430.15	SUMMIT SOFTWARE INSTALLATION
DEMCO, INC	66.14	BOOK JACKET COVER 10'X300'
ELECTRIC INNOVATIONS	1,630.00	SEP2016 TECH SUPPORT
FERGUSON WATERWORKS	2,747.00	PRO USG T10 MTR (13)
FOUR SEASONS NORTH	124.75	OCT2016 FITNESS CHGS
GILL CONSTRUCTION	302,731.76	WESTSHORE RECONSTRUCTION PROJECT
GOVERNMENTAL FINANCE OFFICERS	160.00	FINANCE OFFICERS MEMBERSHIP
HANSON, HEATHER	150.28	MLGE REIMB-CONF IN WATERTOWN
HAWKINS, INC	1,274.50	CHLORINE (11)
INGRAM LIBRARY SERVICES	327.56	BOOKS (21)
IOWA PLAINS SIGNING, INC	650.00	PAINTING OF CROSSWALK
JACK'S UNIFORMS & EQUIPMENT	72.3	CLOTHING ALLOWANCE
JANITOR DEPOT, INC.	550.12	TOWELS (1 CS), BATH TISSUE, GLASS CLNR
K & P SERVICES, INC	602.55	AUG2016 PARKS TOILET RENTALS
SUSAN KLOOSTRA	38.98	MILEAGE REIMB/FIN OFF MTG
KPTH TV	171.00	ADVERTISING 08/29-09/07
LAFLEUR AUTO SALES	39.95	OIL CHANGE-UNIT 1
LEXISNEXIS MATTHEW BENDER	511.92	SD CRIM & TRAFFIC LAW MANUAL-8
MB CLEANING	1,680.00	CLEANING- 4 LOCATIONS
MIDAMERICAN ENERGY	294.84	SEP2016 SR CENTER UTILITY
OFFICE SYSTEMS CO	198.2	OCT2016 COPY & LEASE EXP
PRESTO-X COMPANY	170.61	PEST CONTROL-3 LOCATIONS
ROBERTSON IMPLEMENT CO	205.11	BLADE MOW PARTS (9)
SD DEPT OF HEALTH	450.00	BODS, SOLIDS, COLI
VERIZON WIRELESS	699.96	SEP2016 CELL CHARGES
WILLIAMS, ZANE	69.19	POLY CANVAS, BANNER, SCREW
ZEISLER CONSTRUCTION, INC	1,900.00	SUNCOAST WATER BREAK

As required by SDCL 6-1-10, the following is a list of the September 2016 payroll by department:

Finance/Admin	\$18,907.40
Library	\$7,296.32
Police	\$44,140.95
Public Works	\$37,582.21

Motion by Parks second by Beavers to adjourn at 8:57 p.m. Unanimous.

Approved

Randy Fredericksen, Mayor

Attested

Susan Kloostra, Finance Officer



City Council MEMO

504 River Drive
 North Sioux City, SD 57049
 Phone (605) 232-4276
 Fax (605) 232-0506

To: North Sioux City City Council
 From: Ted Cherry, City Administrator
 Date: 10/17/2016
 Re: Heath Insurance Premiums

Background: The numbers for the 2017 insurance premiums were received on 10/13/2016. We did receive information from the three different providers for our group; Sanford, Avera, and Wellmark. We looked at rates to fall in line with what was budgeted for FY2017. The City currently has 18 employees on health insurance and 30 dependents. The numbers below are for current employees only.

The Sanford Silver HSA plan - \$19,521.65/month or \$234,259.80/year

Single	Family
\$2,700 Deductible	\$5,400 Deductible
30% Coinsurance	30% Coinsurance
Out of Pocket Max \$4,500	\$9,000

The Avera Silver HSA plan - \$16,353.40/month or \$196,240.80/year

Single	Family
\$4,000 deductible	\$8,000 deductible
Out of Pocket Max \$4,000	Out of Pocket Max \$8,000

The Wellmark Silver HSA plan - \$17,400.18/month or \$208,802.16/year

Single	Family
\$3,600 deductible	\$7,200 deductible
Out of Pocket Max \$3,600	Out of Pocket Max \$7,200

Our current plan is the Wellmark HSA Gold Plan. Currently we pay \$17,325/month for this plan with our current employees. To stay on this plan, the rate goes up approximately 22% to \$21,071.99/month or \$252,863.88/year.

The two main options we have are the Avera Silver HSA and Wellmark Silver HSA. The Sanford rates are much higher than we have appropriated for next year.

The Avera plan costs less per month than the Wellmark plan by about \$1,050 but the deductibles are higher, and employees would be responsible for those deductibles. The Avera plan does not have as comprehensive of In-Network providers like what Wellmark offers. This is a 5.7% decrease in premium costs over FY2016 for current employees.

The Wellmark Silver HSA plan is a step down from what we are currently providing employees. This is the lowest cost out of pocket for the employees. Combined with the current HSA contributions the employees would be

responsible for 50% of the max out of pocket expenses. This is a 1.5% increase over current premiums of FY2016 for current employees.

Premiums for life insurance and dental coverage will remain the same for FY2017. These costs will be approximately \$1,900/mo or \$22,800 per year for current employees and dependents

Financial Consideration: Any option chosen will be above the budget for FY2017 for some work units. If you choose either the Avera or Wellmark plan the administration can make adjustments to individual department budgets to make up for the cost of the health insurance plans, dental plans, and life insurance.

The total budgeted amount across all units is \$225,100. This number would include the new employees discussed during budget discussion while the numbers above only include current employees.

Recommendation: The administration recommends adopting the Wellmark Silver HSA plan with continued life and dental plans. This plan will save the City costs over the current health care plan while still maintaining responsible coverage for the employees.