



Mayor – Sandy Sanders

City Administrator – Ray Gosack

City Clerk – Sherri Gard

Board of Directors

Ward 1 – Keith D. Lau

Ward 2 – Andre' Good

Ward 3 – Mike Lorenz

Ward 4 – George Catsavis

At Large Position 5 – Tracy Pennartz

At Large Position 6 – Kevin Settle

At Large Position 7 – Don Hutchings

AGENDA
Fort Smith Board of Directors
STUDY SESSION
April 14, 2015 ~ 12:00 Noon
Fort Smith Public Library Community Room
3201 Rogers Avenue

CALL TO ORDER

1. Discuss specifying personnel authority of the City Administrator ~ *Directors Settle, Lau, Good, Lorenz & Catsavis placed ordinance on the February 3, 2015 regular meeting agenda on January 30, 2015 / Ordinance tabled at the February 3, 2015 regular meeting pending discussion at a future study session / Deferred at the March 10, 2015 study session ~*
2. Report of Convention Center 2014 Accomplishments
3. Discuss establishment of a policy regarding employer and employee contribution levels for employee benefits (health, dental, vision, life & disability) ~ *Requested at the November 2014 budget hearings ~*
4. Discuss creation of a safety/risk manager position ~ *Discussed at the February 10, 2015 study session ~*
5. Review preliminary agenda for the April 21, 2015 regular meeting

ADJOURN



MEMORANDUM

April 10, 2015

TO: Mayor and Board of Directors

FROM: Ray Gosack, City Administrator

SUBJECT: Appointment and Removal of Department Heads

The board has asked to reconsider the city's policy regarding the appointment and removal of department heads. The current ordinance, the ordinance amendment requested for the February 3rd board meeting, and the pertinent sections of the state statute are attached. The ordinance from the February 3rd meeting has been modified by the city attorney (modifications are highlighted).

The current policy provides that the city administrator has authority to appoint and remove all department heads except the internal auditor and the district court clerk. The internal auditor is under the board's authority, and the district court clerk is appointed by the judges as provided in state law. The current policy was adopted in 2013. Before 2013, the appointment and removal of all department heads (except the district court clerk) required the approval of the board of directors.

PUBLIC SAFETY CHIEFS AND THE CIVIL SERVICE COMMISSION

The removal of the police and fire chiefs could be appealed by the chief to the civil service commission. This appeal right has existed for many, many years. When the department head employment policy was changed in 2013, the commission determined to not change its rules for the current chiefs. The commission was agreeable to removing an appeal right to the commission for

the removal of any future chiefs by the city administrator. If the board decides to reinstate its approval for the removal of department heads, the role of the civil service commission will need to be revisited with that body. If the commission doesn't change its rules, then a chief whose removal is affirmed by the board of directors would have a right to appeal the termination to the civil service commission.

CONSIDERATIONS

As the board discusses this topic, the following considerations are offered for thought.

- Board involvement in hiring and removal decisions may demonstrate more accountability to the public. The board is the voice of the people and should be able to demonstrate responsiveness to issues and complaints raised by citizens.
- Some level of direct authority from the board may result in more responsiveness from department heads to board members.
- Approval from the board provides a check and balance on the city administrator's authority.
- Department head actions may be influenced by politics rather than merit. This could affect a department head's willingness to deal with or to make unpopular/difficult decisions.
- Department heads may have to deal with competing or conflicting agendas from board members. Routine administrative matters could become political.
- The clarity of the chain of command may be affected. Do department heads report to the city administrator, the board of directors, or both? Will there be opportunity for department heads to "politic" board members, possibly leading to a divisive board?

- Decisions about removal should be based on a department head's entire performance, not just limited or anecdotal feedback, information, and perceptions.
- The city strives to recruit talented department heads. How does bifurcated oversight affect this?

ALTERNATIVE

An alternative the board may wish to consider is placing appointment authority with the city administrator, and giving department heads removed by the city administrator a right of appeal to the board of directors (or to the civil service commission for the police and fire chiefs). This would allow a department head who disagrees with the city administrator's removal action to have the decision reviewed by the board of directors. Terminations wouldn't automatically proceed to the board; a termination would come to the board only if the department head wanted to appeal the city administrator's decision.

RECOMMENDATION

The staff discussed the department head employment policy at a staff meeting last month. The department heads and the city administrator recommend that the current policy remain in place. The staff believes that the current policy is operating without problem, allows for streamlined decision-making of administrative matters, and supports continuity of operations.

A handwritten signature in black ink, appearing to read "Ray", with a horizontal line to the left of the name.

Attachments

CURRENT CITY CODE

Sec. 2-96. - Personnel authority of city administrator.

2. (a) Except as otherwise provided by law, except as provided otherwise in this article, and except for his or her own job position, the city administrator shall have full power and responsibility concerning the employment, disciplining, and termination of employment of all officials and non-uniformed employees of the city, including, but not limited to, heads of city departments, the fire chief, and the police chief, according to the budgeting of positions and levels of compensation established from time to time by the board of directors.

(b) The board of directors reserves to itself power and responsibility of employment, discipline and termination with reference to the city's internal auditor, and the board acknowledges the authority of the judges of the Sebastian County District Court with reference to the district court clerk.

(Ord. No. 35-13, § 1, 8-20-13)

**PROPOSED ORDINANCE AT FEBRUARY 3, 2015 BOARD MEETING
as Modified (Modifications are Highlighted)**

ORDINANCE NO. _____

**AN ORDINANCE SPECIFYING THE PERSONNEL
AUTHORITY OF THE CITY ADMINISTRATOR**

**BE IT ORDAINED AND ENACTED BY THE BOARD OF DIRECTORS OF THE
CITY OF FORT SMITH, ARKANSAS, THAT:**

Section 1: Section 2-96 of the Fort Smith Municipal Code (“Code”) is hereby repealed;
and, the following provision is hereby adopted to be codified as Section 2-43 of the Code:

Sec. 2-43. - **Personnel authority of the City Administrator.**

(a) Except as otherwise provided in this article, the city administrator shall obtain the approval of the board of directors prior to the employment or discharge of exempt personnel of the city who are heads of departments, city clerk, internal auditor, and the qualified and licensed attorneys at law contracted to provide legal services pursuant to sections 2-111 – 2-113 of this Code as follows:

(1) The city administrator shall notify all members of the board of directors either orally or in writing of the proposed action, the reasons therefor, and all relevant and pertinent facts bearing upon the decision of either employment or discharge. After notification from the city administrator, there shall be scheduled an executive session at the next regular or special meeting of the board of directors to discuss approval, denial or modification of the city administrator's proposed action.

(2) Following the board's action, the city administrator shall then notify in person or by telephone the individual subject to the approved action and may confirm the action in writing to the individual.

(3) Where reasonable and feasible, employees of the city shall be first given an opportunity to resign at the request of the city administrator and the board of directors prior to notice of discharge.

(4) No director nor the mayor shall communicate the exempt personnel action proposed by the city administrator, except through the city administrator as herein provided.

(b) The City Administrator, or his or her designee, shall have full authority regarding the appointment and discharge of all non-uniformed employees (non-exempt employees) and of all exempt positions not specifically identified in subsection (a) above, without the necessity of approval of the Board of Directors.

Section 2: The Human Resources Policy for Non-Uniformed Employees (2011), adopted by Ordinance No. 85-11, is amended to replace the current language in Section II. B. with the following:

B. The City Administrator will nominate, to the Board of Directors, individuals for appointment and will make recommendations to the Board of Directors for termination of individuals in the following Exempt positions: Deputy City Administrator, City Clerk, Director of Sanitation, Director of Engineering, Director of Finance, Director of Human Resources, Director of Street & Traffic Control, Director of Utilities, Fire Chief, Police Chief, Director of Parks & Recreation, Director of Information Technology Systems, Director of Transit, Director of the Convention Center, Director of Development Services, Internal Auditor. The appointment and removal of persons in all other Exempt positions, as well as all non-exempt positions, will be determined by the City Administrator, or his or her designee, without the necessity of approval of the Board of Directors. Pursuant to A.C.A. § 16-17-108, the Sebastian County District Court -Fort Smith District Court Judges shall appoint a qualified elector to serve as District Court Clerk.

In all other respects, the Human Resources Policy approved by Ordinance No. 85-11, as amended, shall remain in effect.

PASSED AND APPROVED THIS _____ DAY OF _____, 2015.

APPROVED:

Mayor

ATTEST:

City Clerk

Approved as to form:

City Attorney
Publish 1 time

STATE LAW

14-48-117. Powers and duties of city administrator.

The city administrator shall have the following powers and duties:

(1) To the extent that such authority is vested in him or her through ordinance enacted by the board of directors, he or she may supervise and control all administrative departments, agencies, offices, and employees;

(2) He or she shall represent the board in the enforcement of all obligations in favor of the city or its inhabitants which are imposed by law or under the terms of any public utility franchise upon any public utility;

(3) He or she may inquire into the conduct of any municipal office, department, or agency which is subject to the control of the board. In this connection, he or she shall be given unrestricted access to the records and files of any office, department, or agency and may require written reports, statements, audits, and other information from the executive head of the office, department, or agency;

(4) He or she shall nominate, subject to confirmation by the board, persons to fill all vacancies at any time occurring in any office, employment, board, authority, or commission to which the board's appointive power extends. He or she may remove from office all officials and employees, including, but not limited to, members of any board, authority, or commission who, under existing or future laws, whether applicable to cities under the aldermanic, manager, or commission form of government, may be removed by the city's legislative body. Removal by the city administrator shall be approved by the board. Where, under the statute applicable to any specific employment or office, the incumbent may be removed only upon the vote of a specified majority of the city's legislative body, the removal of the person by the city administrator may be confirmed only upon the vote of the specified majority of the board members. However, the provisions of this subdivision (4) shall have no application to offices and employments controlled by any civil service or merit plan lawfully in effect in the city;



2.

TO: City Board of Directors

FROM: Claude Legris, Executive Director
Fort Smith Advertising & Promotion (A & P) Commission

COPY: Mayor Sandy Sanders, A & P Chairman
Ray Gosack, City Administrator
Jeff Dingman, Deputy City Administrator
Tim Seeberg, General Manager
Fort Smith Convention Center

DATE: April 10, 2015

The A & P Commission and the Fort Smith Convention Center are pleased to provide a report on Convention Center accomplishments/activity for FY 2014 at the April 14, 2015 Study Session. This annual review is part of the City of Fort Smith/A & P operating agreement and will provide a glimpse of a very successful 2014 for the Center.

I regret that a scheduling conflict will preclude my attendance, but Convention Center General Manager Tim Seeberg will provide the report and be able to answer any questions.

Thank you for your ongoing support of your Convention Center programs and your confidence in our dedicated staff.

Tim and I are always available to address any questions you might have throughout FY 2015.

Fort Smith Convention & Visitors Bureau

2 North B Street • Fort Smith, Arkansas 72901
479-783-8888 • 1-800-637-1477 • Fax 479-784-2421
E-Mail: tourism@fortsmith.org • URL: <http://www.fortsmith.org>

April 14, 2015 Study Session

MEMORANDUM

3



TO: Ray Gosack, City Administrator
FROM: Richard B. Jones, Director of Human Resources
DATE: April 7, 2015

A handwritten signature in blue ink, appearing to be "Richard B. Jones", is written over the "FROM:" line.

SUBJECT: Policy Regarding Employer and Employee Cost Sharing for Benefits

As requested by the Board of Directors, I have prepared a cost sharing analysis for the employee health and wellness internal service fund 9106. Since 2003 the balance we have achieved is about a **75/25** premium split between City funds and the employees' premium contributions for all benefits in fund 9106 (this includes blending 100% funding from retirees, airport, library and COBRA participants, see attachment 1). The largest share of the cost is directly related to healthcare. This level of cost sharing is consistent with a recent Kaiser Foundation benchmark study comparing 2004 to 2014, attachment 5. We have been very close to that **75/25** balance every year since 2003 when I began closely monitoring all benefit costs in fund 9106.

The following table is a close estimate of the cost sharing allocations by benefit for fund 9106:

Benefit	City	Employee
Medical & Rx	75%	25%
Dental	75%	25%
Vision	75%	25%
Life Insurance	100%	0%
Long Term Disability	60%	40%
Dependent Life Insurance	0%	100%
Employee Assistance Plan	100%	0%
Supplemental Benefits	0%	100%

The medical, dental and vision premium structure for 2015 is attached. I have added percentages to the columns for reference. The employee contribution is a variable amount based on participation in the City's wellness plan, attachment 2.

Beginning in 2004, the City partnered with our employees and their families by promoting wellness and prevention in exchange for reduced premiums and reduced cost for proactive health services. This partnership has been successful in keeping our healthcare cost below benchmark when compared to our peers. In fact we were more than 40% below the national average for 2014, attachment 3.

Every year I review the City's benefits to keep costs down and to stay ahead of the latest innovation by looking for the lowest cost vendors without sacrificing quality and service to the City, our employees and their families. To cite just a couple examples the City and our employees were recognized in 2010 by CDHC Solution & EmployersWeb.com for "Most Innovative Plan Design" for our Health plan, attachment 4. In 2011 the City in partnership with our local Employers Health Coalition (EHC) created our own prescription benefit program which has been highly successful in keeping Rx cost to a minimum without sacrificing health outcomes of our employees and their families, attachment 6.

I recommend that the City continue using a similar cost sharing methodology going forward by establishing set cost sharing percentages and continue our partnership with our employees and their families.

ATTACHMENT 1

Employee Health and Wellness Fund (9106) Statement of Revenues, Expenses, and Changes in Net Assets

	5 Year Average	2014	2013	2012	2011	2010
Annual Average Number of Members		932	918	912	909	917
Annual Average Cost to the City Per Member All Benefits	\$6,587	\$8,089	\$7,248	\$5,380	\$6,099	\$6,117
Beginning Balance	\$2,659,788	\$55,616	\$390,415	\$3,174,657	\$4,356,885	\$5,321,369
Revenue						
City Contributions All Benefits	\$6,050,486	\$7,539,292	\$6,653,249	\$4,906,624	\$5,544,233	\$5,609,033
All Employee & Other Member Contributions	\$1,823,841	\$2,176,755	\$1,900,297	\$1,610,929	\$1,637,441	\$1,793,781
City Contribution Percent All Benefits	76.84%	77.60%	77.78%	75.28%	77.20%	75.77%
All Employee & Other Member Contributions Percent	23.16%	22.40%	22.22%	24.72%	22.80%	24.23%
Total Revenue	\$7,874,327	\$9,716,046	\$8,553,546	\$6,517,553	\$7,181,674	\$7,402,814
Total Revenue plus the Beginning balance	\$10,534,115	\$9,771,662	\$8,943,961	\$9,692,210	\$11,538,559	\$12,724,183
Expenditures						
All Benefits for All Members	\$8,935,789	\$9,763,262	\$8,888,344	\$9,296,137	\$8,363,903	\$8,367,299
Ending Balance December 31 Annually	\$1,597,175	\$8,301	\$55,616	\$390,415	\$3,174,657	\$4,356,885
	2009	2008	2007	2006	2005	2004
Annual Average Number of Members	896	877	887	889	858	869
Annual Average Cost to the City Per Member All Benefits	\$7,418	\$7,573	\$7,575	\$5,890	\$5,302	\$4,866
Beginning Balance	\$4,608,363	\$3,057,730	\$1,056,690	\$886,461	\$980,948	\$513,922
Revenue						
City Contributions All Benefits	\$6,646,545	\$6,641,249	\$6,718,999	\$5,235,771	\$4,548,882	\$4,228,871
All Employee & Other Member Contributions	\$1,899,338	\$2,001,113	\$1,952,880	\$1,828,820	\$1,661,480	\$1,647,266
City Contribution Percent All Benefits	77.77%	76.85%	77.48%	74.11%	73.25%	71.97%
All Employee & Other Member Contributions Percent	22.23%	23.15%	22.52%	25.89%	26.75%	28.03%
Total Revenue	\$8,545,883	\$8,642,362	\$8,671,879	\$7,064,591	\$6,210,362	\$5,876,137
Total Revenue plus the Beginning balance	\$13,154,246	\$11,700,092	\$9,728,569	\$7,951,052	\$7,191,310	\$6,390,059
Expenditures						
All Benefits for All Members	\$7,623,771	\$7,091,729	\$6,670,839	\$6,894,362	\$6,304,849	\$5,409,112
Ending Balance December 31 Annually	\$5,321,369	\$4,608,363	\$3,057,730	\$1,056,690	\$886,461	\$980,948
	2003					
Annual Average Number of Members	878					
Annual Average Cost to the City Per Member All Benefits	\$5,259					
Beginning Balance	\$1,276,411					
Revenue						
City Contributions All Benefits	\$4,617,254					
All Employee & Other Member Contributions	\$1,597,547					
City Contribution Percent All Benefits	74.29%					
All Employee & Other Member Contributions Percent	25.71%					
Total Revenue	\$6,214,801					
Total Revenue plus the Beginning balance	\$7,491,212					
Expenditures						
All Benefits for All Members	\$6,902,857					
Ending Balance December 31 Annually	\$513,922					

Health, Dental & Vision Premiums For 2015

MEDICAL	1	2	3	4	5
	City Share	Employee Wellness Share	Employee Wellness Share	Employee Share	Total
Coverage Level	Contribution	Nicotine free	Nicotine Positive Surcharge	No Wellness Participation Surcharge	Cost
Employee Only	\$418.82 (100%)	\$0.00 (0%)	+\$80.00 (16%)	+\$147.00 (26%)	\$418.82
Employee + Children	\$533.66 (75%)	\$177.88 (25%)	+\$80.00 (33%)	+\$147.00 (38%)	\$711.54
Employee + Spouse	\$659.22 (75%)	\$219.74 (25%)	+\$80.00 - \$160.00 (31%-40%)	+\$147.00 - \$294.00 (38%-44%)	\$878.96
Family	\$878.96 (75%)	\$292.96 (25%)	+\$80.00 - \$160.00 (30%-37%)	+\$147.00 - \$294.00 (33%-40%)	\$1171.92
DENTAL					
	City Share	Employee Share			Total
Employee Only	\$32.74 (100%)	\$0 (0%)			\$32.74
Employee + One	\$48.26 (74%)	\$17.20 (26%)			\$65.46
Family	\$66.94 (68%)	\$31.24 (32%)			\$98.18
VISION					
	City Share	Employee Share			Total
Employee Only	\$6.56 (100%)	\$0 (0%)			\$6.56
Employee + One	\$8.87 (70%)	\$3.88 (30%)			\$12.75
Family	\$13.06 (70%)	\$5.68 (30%)			\$18.74



Arthur J. Gallagher & Co.
BUSINESS WITHOUT BARRIERS™

From the desk of Jerry Guy

April 1, 2015

To: Richard Jones – The City of Fort Smith, Arkansas

Re: Historical Paid Claim Comparison to Benchmarking Data – Medical Plan

This report is designed to draw a comparison between the actual paid claim data within the City's partially self-insured medical plan and national benchmarking data. The benchmarking data presented is sorted by (1) business sector, (2) geographic region, (3) and employer size.

The City of Fort Smith has been very proactive in developing and implementing cutting edge strategies to manage its medical plan costs. The "wellness" plan that was implemented several years ago serves as a model for other employers, and today most employers have adopted some elements of the City's "wellness" approach to plan design and administration.

The importance of this proactive medical plan management approach is evident when comparing the City of Fort Smith's results to other government employers. Nationally in 2014, government employers experienced medical paid claims at a level of \$1,049 per employee per month while the City of Fort Smith's own results for 2014 was \$613. The City of Fort Smith's medical plan paid claim level was only 59% of the national average for government employers.

The City's medical plan is structured from a plan design and funding basis to promote and incentivize good health risk factor management by focusing on the chronic metabolic diseases that represent over 70% of the national health care expenditure each year. These include coronary disease, cancer, diabetes and obesity. The keys to controlling medical plan cost in these areas are prevention, early detection, and aggressive management of chronic disease.

The City’s medical plan funding strategy has also had a very positive impact on plan cost. The level of City contribution for employees and covered dependents is strategically set to promote enrollment of “healthy” participants. This is a vital component of intelligent plan management. Plans that transfer excessive financial risk to participants typically cause a disproportionately concentrated enrollment of “high risk” participants, thus driving up plan cost relative to plan revenue.

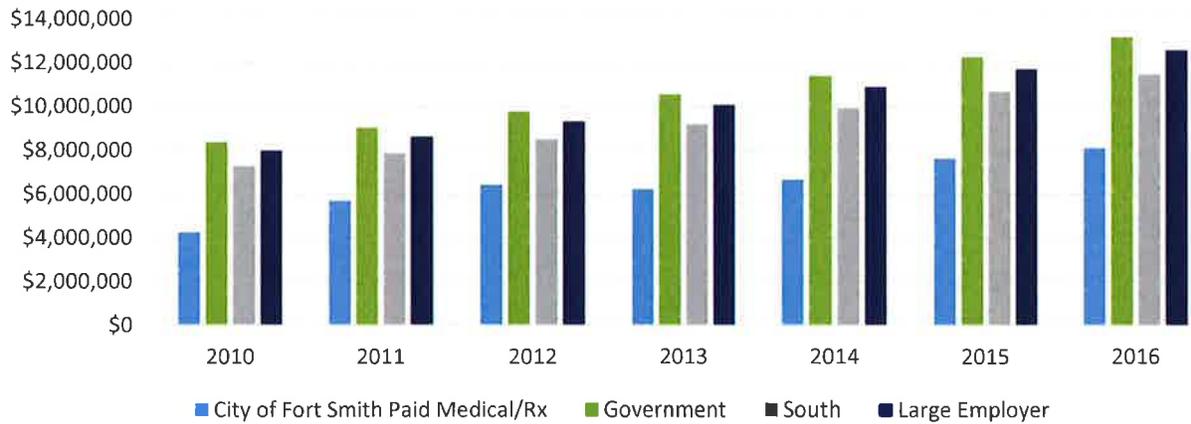
Finally, the results achieved by the City of Fort Smith are noteworthy when taking into account the fact that the reporting period for the data presented includes a period of time when federal mandates were being implemented stemming from The Affordable Care Act. As a result of the ACA, employers now must provide plans without dollar limits annually or for a lifetime for essential medical coverage. There is now an absolute annual out-of-pocket maximum that did not exist prior to the ACA, and there are substantial taxes and fees that employers must now pay.

The following table presents data elements described above. Actual paid medical claim data is presented for Plan Years 2010 through 2014. Medical plan costs are projected for Plan Years 2015 and 2016:

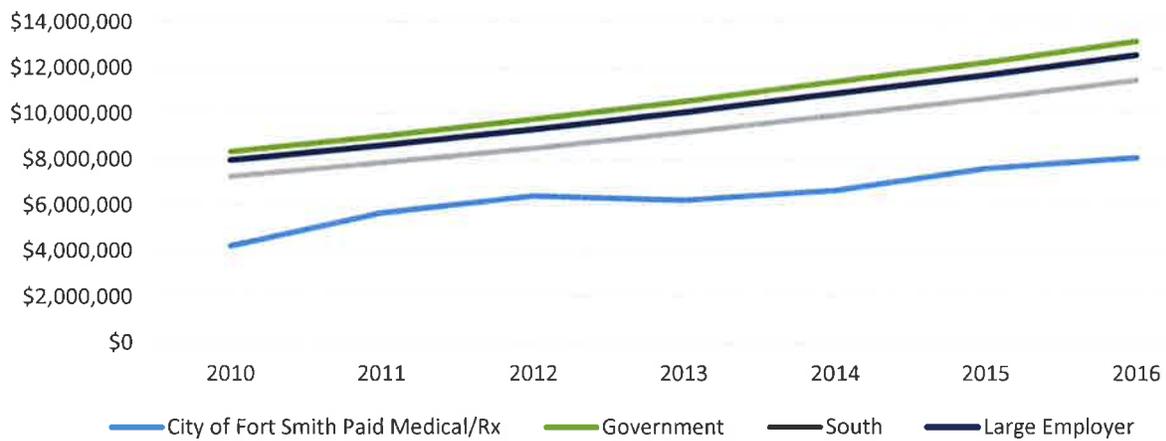
TOTAL MEDICAL/RX PAID CLAIMS				
Plan Year	City of Fort Smith Paid Medical/Rx	Bench Marking Data		
		Government	South	Large Employer
2010	\$4,243,669	\$8,354,292	\$7,275,506	\$7,975,456
2011	\$5,681,466	\$9,031,667	\$7,865,412	\$8,622,115
2012	\$6,421,372	\$9,763,965	\$8,503,148	\$9,321,205
2013	\$6,232,487	\$10,555,638	\$9,192,592	\$10,076,979
2014	\$6,669,787	\$11,411,500	\$9,937,938	\$10,894,031
2015	\$7,632,245	\$12,267,363	\$10,683,283	\$11,711,084
2016	\$8,104,192	\$13,187,415	\$11,484,529	\$12,589,415

PER EMPLOYEE/MONTH MEDICAL/RX PAID CLAIMS				
Plan Year	City of Fort Smith Paid Medical/Rx	Bench Marking Data		
		Government	South	Large Employer
2010	\$395.90	\$779.39	\$678.75	\$744.05
2011	\$535.63	\$851.48	\$741.53	\$812.87
2012	\$602.89	\$916.72	\$798.34	\$875.15
2013	\$580.47	\$983.11	\$856.16	\$938.53
2014	\$613.31	\$1,049.33	\$913.83	\$1,001.75
2015	\$701.82	\$1,128.03	\$982.37	\$1,076.88
2016	\$745.21	\$1,212.64	\$1,056.05	\$1,157.65

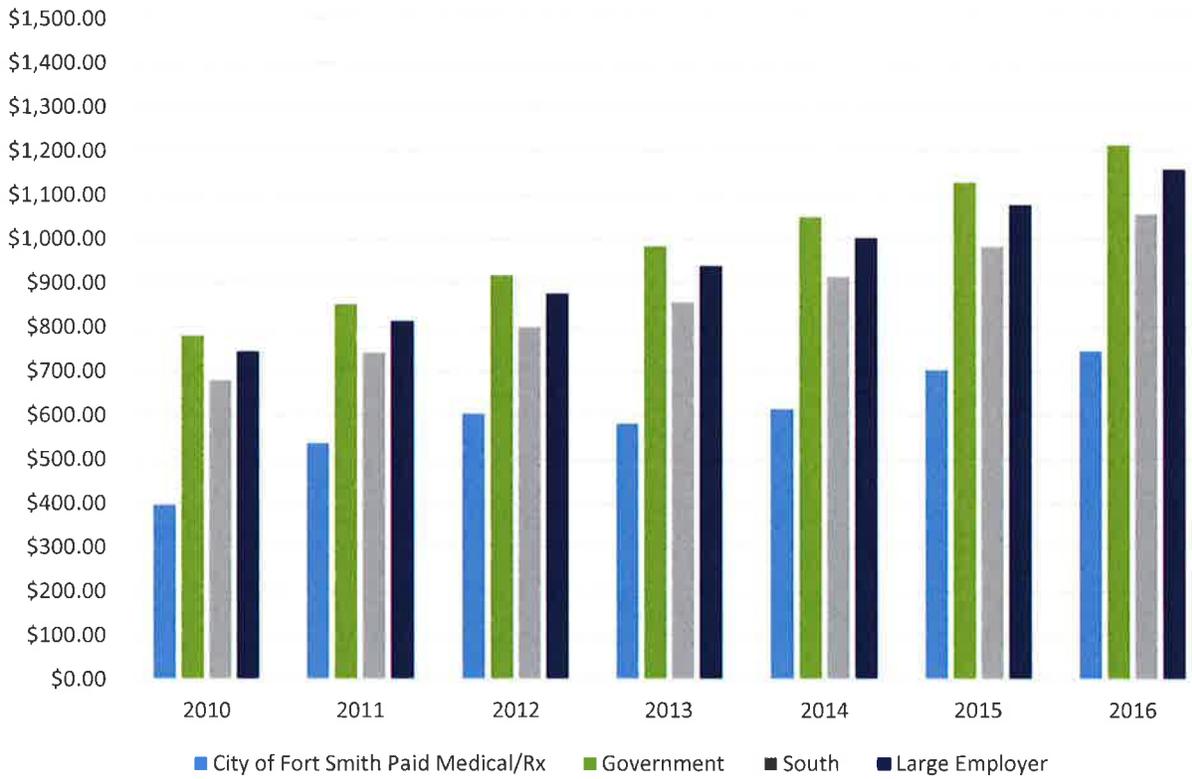
TOTAL MEDICAL/RX PAID CLAIMS



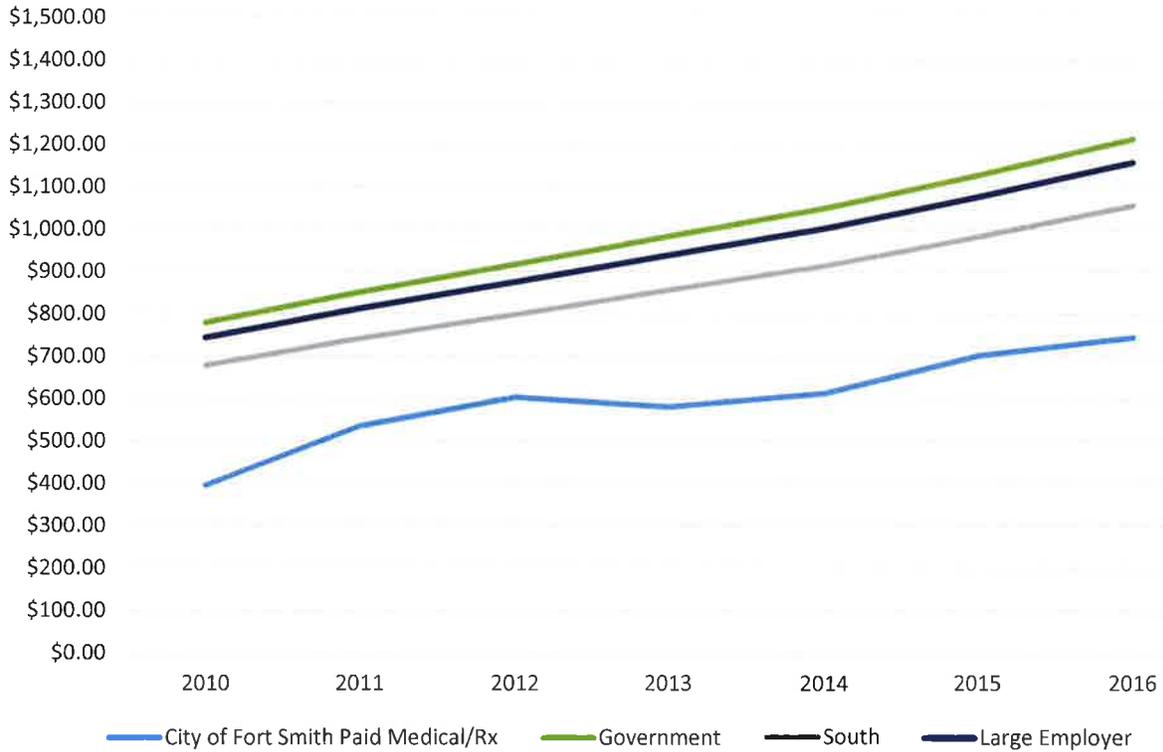
TOTAL MEDICAL/RX PAID CLAIMS



PER EMPLOYEE/MONTH MEDICAL/RX PAID CLAIMS



PER EMPLOYEE/MONTH MEDICAL/RX PAID CLAIMS



***Based on Meritain and Aetna Book of Business Data**
7.5% Medical/Rx Trend for 2015-16 projections
Stop Loss reimbursements projected to increase by 15% for 2015-16
and estimated at 50% of stop loss premium

This analysis is for illustrative purposes only, and is not a guarantee of future expenses, claims costs, managed care savings, etc. There are many variables that can affect future health care costs including utilization patterns, catastrophic claims, changes in plan design, health care trend increases, etc. This analysis does not amend, extend, or alter the coverage provided by the actual insurance policies and contracts. Please see your policy or contact us for specific information or further details in this regard.

City of Fort Smith, AR

Richard Jones

HUMAN RESOURCES DIRECTOR



Participation High in Incentive Program

The city of Fort Smith, AR, under the guidance of Human Resources Director Richard Jones, M.A., strongly believes in a proactive approach to health care.

The organization has designed cutting-edge benefit strategies that focus on preventive care and motivating its employees to take an active interest in their health and wellness. City leaders have shown dedication to this objective, creating forward-looking, multiyear strategies to meet their goals. One example is the clinical health risk assessments (CHRA), coupled with disease management and health and wellness programs that the city introduced more than six years ago.

While participation rates in the CHRAs have been high, active participation among at-risk members identified by the CHRAs in the available care management programs was not at a level desired by city leadership. After careful thought and consideration, Jones and the city approached UMR, its third party administrator, with an incentive program built around five key biometric measurements: body mass index (BMI), blood pressure, glucose (diabetes), LDL (cholesterol), and a nicotine test (nonsmoking).

To encourage savvy consumerism and assist members in making a stronger connection between health and wellness, the city also introduced a health reimbursement account (HRA) program in place of a traditional PPO, which included a deductible potentially three times as high as the previous plan design level. The key to the program, however, was the potential for plan members to reduce their financial exposure (deductible) back to the previous level by earning incentive dollars surrounding each of the biometric measurements.

"The buy-in by senior leadership was easy. I explained that the only way you can begin to get your arms around the cost of health care is to change those behaviors that are detrimental to the health of our employees and their families," Jones said. "Initial employee buy-in was accomplished by asking employees in a survey if they would participate in wellness for an incentive or would they prefer to pay more. Approximately 65% said they would participate for some financial incentive."

For the initial program rollout, the health goals weren't set so high as to seem unobtainable. For example, while a body mass index of 25 is considered overweight and 30 considered obese, the BMI goal was set at 32. A dispute process was also put in place whereby members could obtain a letter from their physician requesting a medical exception. Exceptions are also made for people with known, diagnosed disabilities. The program isn't limited to employees, as spouses are required to provide lab work in order for a family to receive any dollars for their HRA. Even if a spouse or employee fails the biometric tests, the other adult member can still earn incentive dollars. If both meet the biometric standards, they have the further motivation of doubling their incentive dollars.

Children are exempt and continue to receive full care at the previous lower deductible regardless of how their parents perform in the incentive program. New employees are also allowed to immediately participate in the program by submitting lab results from a physician they may have already visited. ▣

Organization: City of Fort Smith, Arkansas

Headquarters: Fort Smith, AR

Website: www.FortSmithAR.gov

No. of employees: 860 with 1,808 enrolled members

Nature of business: The city of Fort Smith provides a full range of municipal services including public safety, construction and maintenance of streets and other infrastructure, parks and recreation facilities, water and sewer services, solid waste collection and disposal, public transportation, and administrative services to more than 80,000 residents and a workforce of more than 150,000 by day.

Key executives:

C. Ray Baker Jr., mayor

Dennis Kelly, city administrator

Ray Gosack, deputy city administrator

Richard Jones, director of Human Resources

Kevin Lindsey, police chief

Mike Richards, fire chief

Key solution providers:

UMR, medical administration, dental administration, COBRA, utilization management, case management, health and wellness, disease management, stop loss, flexible spending account, health reimbursement account, retiree administration

Employers Health Coalition, provider network

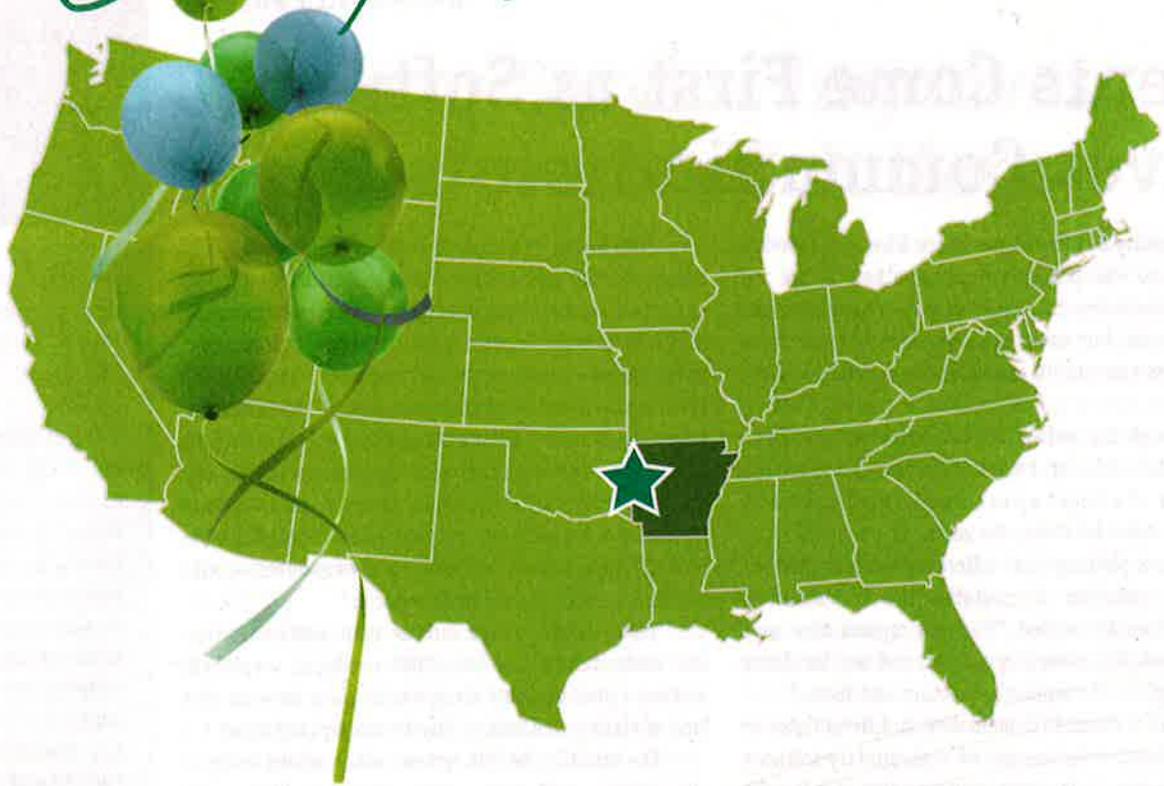
Sparks Health System, health system

IMWell Health, employer clinic

Catalyst Rx, prescription benefits manager



Congratulations...



**to the City of Fort Smith, Arkansas – a 2010
CDHC Solutions Superstar – and to Richard Jones,
one of the most innovative benefits leaders we know!**

It's really no surprise that a progressive municipality like the City of Fort Smith would be creative and dedicated to helping their team members make a strong connection between health and wealth. We're proud to continue partnering with the City of Fort Smith and our other clients in designing relevant and successful programs to encourage health care consumerism.



A UnitedHealthcare Company

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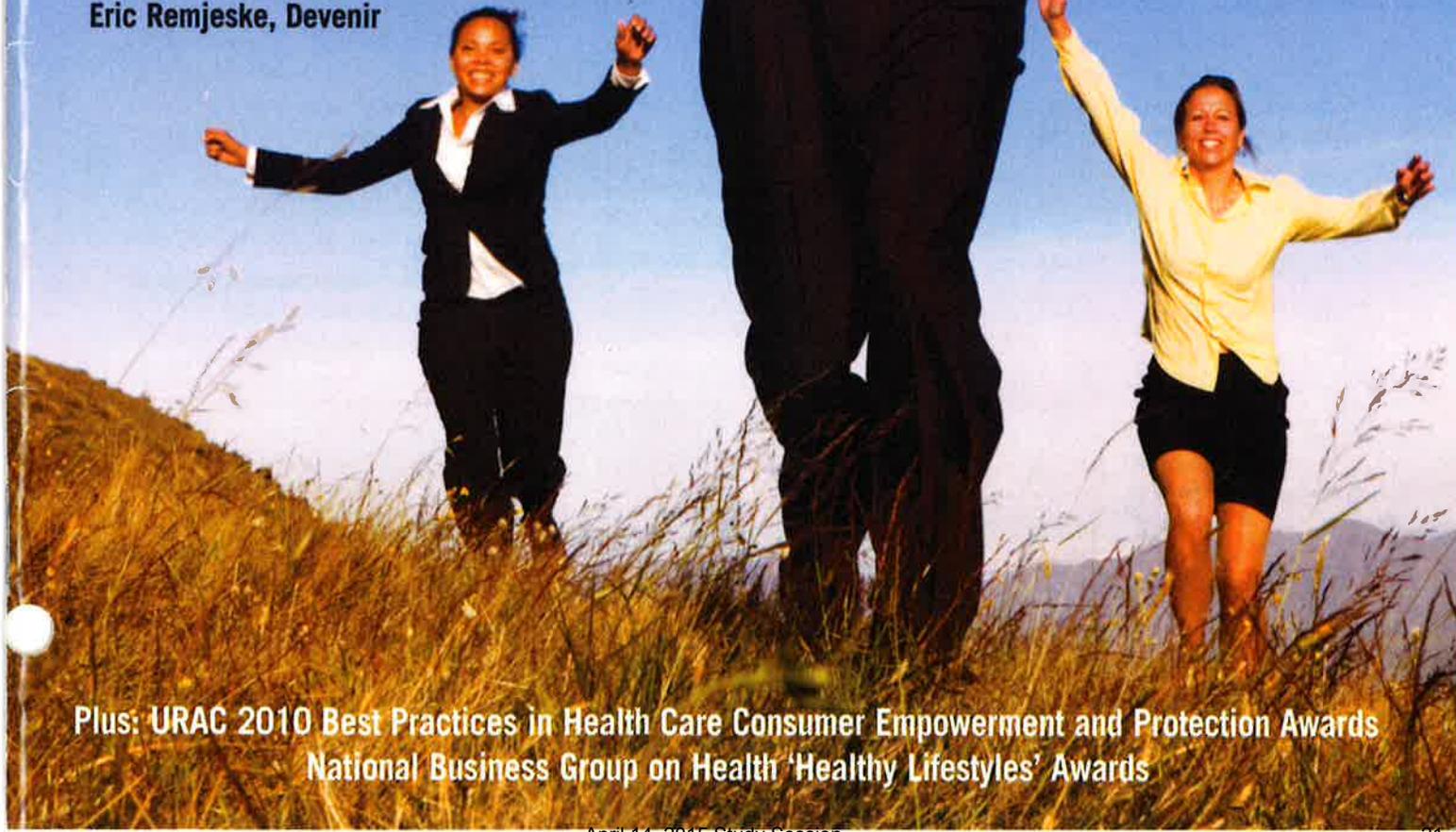
solutions

www.cdhcsolutionsmag.com www.employersweb.com Superstars 2010 VOL 6 NO. 6 \$7 USA

SUPERSTARS 2010 AWARD WINNERS

Profiles of 40 winners, including
Cigna HealthCare
Land O'Lakes
Saint-Gobain Corp.
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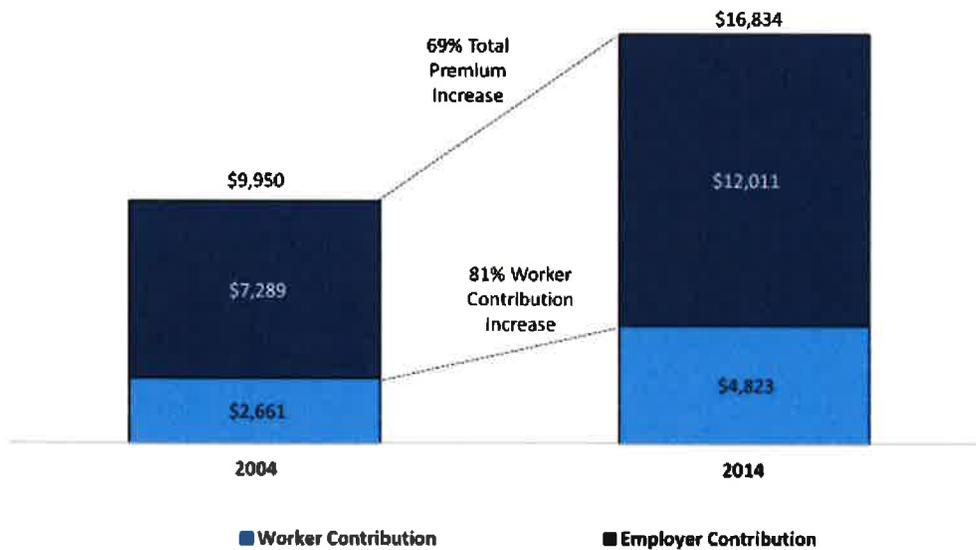
2014 Benchmarking Study – Employer Contribution – Medical Plans

April 6, 2015

Source: The Henry J. Kaiser Family Foundation

The following selected data is presented to compare the City of Fort Smiths medical plan funding allocation between the City and plan participants.

**Exhibit A:
Average Annual Health Insurance Premiums and Worker Contributions for Family Coverage, 2004-2014**



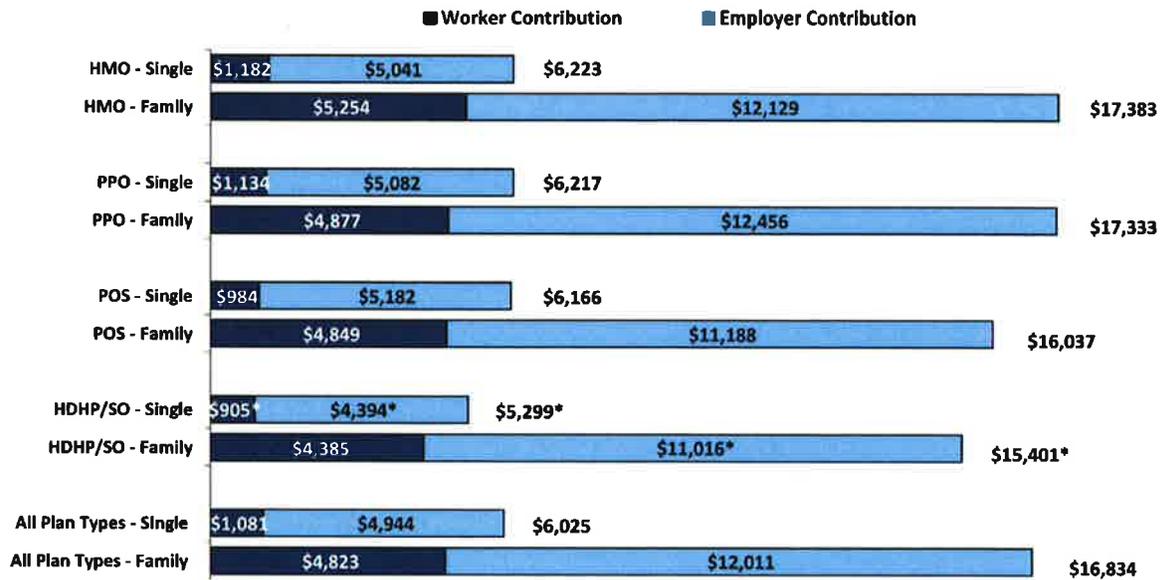
SOURCE: Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2004-2014.



In 2014, the survey reports that employee contributions equaled 28.65% of total medical plan cost for family coverage.

Exhibit B:

Average Annual Firm and Worker Premium Contributions and Total Premiums for Covered Workers for Single and Family Coverage, by Plan Type, 2014



* Estimate is statistically different from All Plans estimate by coverage type (p<.05).

SOURCE: Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2014.



For a Point of Service Plan the average employee contribution for single coverage was 16% in 2014, and 30% for family coverage.

For a PPO Plan the average employee contribution for single coverage was 18.2%, and 28% for family coverage.

EMPLOYERS' CHOICE RX

The PBM Built by Employers for Employers

Employers Choice Rx (ECRx) has the expertise to manage complex and confusing pharmacy benefits by utilizing a transparent pass-through model of payment. Coupled with a sophisticated but reasoned formulary methodology, a national network of 66,000 pharmacies, and a Best Value narrow network offering you and your employees lower pricing, ECRx offers today's leading-edge PBM design to your company.

We divide responsibilities, creating an effective checks and balances system to avoid price gouging and confirm program goals are aligned to you, the employer, rather than the drug companies and vendors.

Additionally, our independent non-profit status insulates us from outside special interests and influences, allowing us the flexibility and leverage to meet your needs.

ECRx saves your company and employees money through our value-based benefit plan design:

- USING A FORMULARY MANAGEMENT STRATEGY TO ENSURE PARTICIPANTS RECEIVE THE MOST EFFECTIVE TREATMENT AVAILABLE WHILE LOWERING THEIR CO-PAY AND PLAN COSTS.
- NEGOTIATING PRESCRIPTION DRUG VOLUME DISCOUNTS THROUGH OUR NATIONWIDE NETWORK OF OVER 66,000 PHARMACIES.
- OFFERING OUR BEST VALUE ALIGN NETWORK, A SECONDARY PRESCRIPTION DRUG OPTION WITH EVEN DEEPER NEGOTIATED DISCOUNTS FOR YOU AND YOUR EMPLOYEES.
- PROVIDING DRUG COST VISIBILITY AND ELIMINATING OR REDUCING RETAIL MARKUP WHEREVER POSSIBLE.
- PASS THROUGH OF ALL REBATES
- ACCURATE AND FAST CLAIM ADMINISTRATION.

Join Us

ECRx is a truly transparent PBM, developed by employers for employers. We do what is best for employees while maintaining value for you. Join ECRx today and discover the benefits of a value-based PBM. We measure our success by your bottom line.



EMPLOYERS'
CHOICE RX

OUR HISTORY

A Coalition Formed by Employers for Employers

Manufacturing Executive Association (MEA), a group of Fort Smith, Arkansas manufacturers, faced with double-digit healthcare cost increases, formed a committee to meet with healthcare providers to address the situation.

Out of that committee Employers' Health Coalition was formed. While EHC employers were not healthcare experts, they were experts at evaluating problems and finding solutions. The problem was simple, unprecedented healthcare cost increases. The solution was complex.

What began as the development of a low cost hospital and physician network has grown into a nationally recognized voice for employers advocating value and innovation in healthcare by way of these Key Actions:

- REPRESENTING EMPLOYERS IN NEGOTIATIONS FOR THE HIGHEST QUALITY HEALTHCARE AT THE LOWEST POSSIBLE COST
- PROMOTING TRANSPARENCY IN HEALTHCARE COSTS AND QUALITY
- PROVIDING EDUCATIONAL OPPORTUNITIES ACROSS ALL LEVELS OF COALITION MEMBERSHIP
- PROVIDING A VEHICLE FOR EMPLOYERS TO EXCHANGE IDEAS & INFORMATION ABOUT HEALTHCARE

Employers' Health Coalition (EHC), is a one-of-a-kind, value-based, transparent hospital and physician network for Arkansas employers. EHC is a healthcare organization specifically created by employers, for employers.

Today we save our employers millions of dollars annually through strategic provider negotiations coupled with an unyielding demand for value-based, high-quality healthcare. EHC, a non-profit 501(c)(4) organization, continues our mission to establish and promote programs and activities designed to strengthen employer provided healthcare.

In 2010, applying the knowledge, skills and abilities developed in over 20 years of experience, EHC formed the first of its kind, employer developed transparent PBM, Employers' Choice Rx (ECRx). If you would like to know more about our coalition please visit ehcark.org.



EMPLOYERS'
CHOICE Rx

ALIGN

Prescription drug costs are out of control

Prescription drug prices rose at twice the rate of inflation in 2012, and are predicted to increase at a faster rate in the coming years as:

GENERICs REACH SATURATION

MORE SPECIALTY DRUGS BECOME THE NORM

THE NUMBER OF PEOPLE WHO RELY ON MEDICATIONS TO KEEP THEM HEALTHY CONTINUES TO RISE

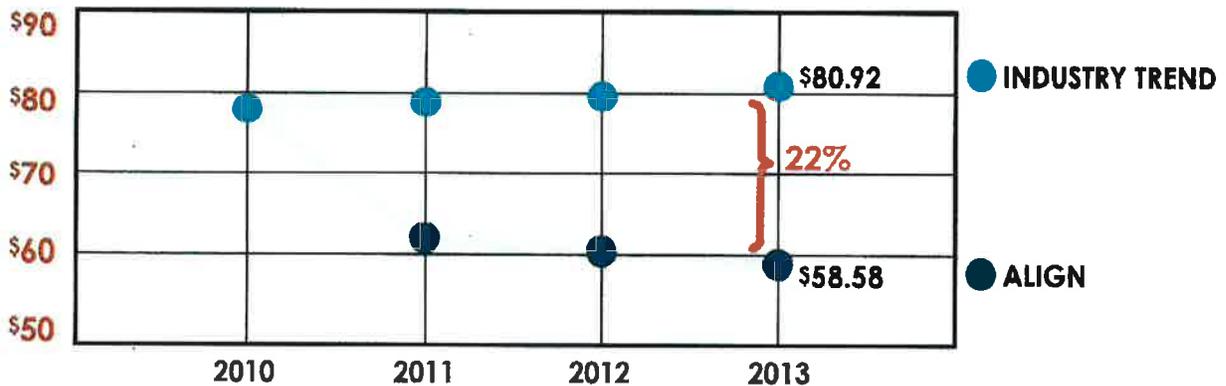
So how can employers manage escalating Pharmacy Benefits Management (PBM) costs, yet satisfy the growing needs of their plan members?

Align by ECRx keeps costs under control

Align gives you unprecedented control over the cost and complexity of pharmacy benefits management — up to \$40,000 in savings for every 100 employees.

Align is ECRx's preferred pharmacy network, and it's designed to reduce prescription costs for both employers and members. The Align network of more than 20,000 pharmacies nationwide delivers costs consistently lower than other network models — 20% lower in 2012.

Compared to traditional PBM's, Align significantly lowers your per member/per month cost of prescription medications.



Source: Industry Trend Report Average, 2013



EMPLOYERS'
CHOICE Rx

The Preferred Network Experts

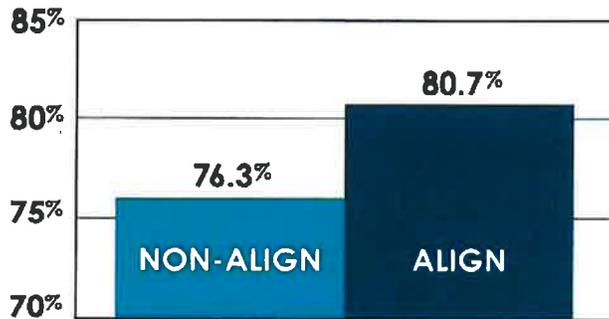
How can you make a significant contribution to the bottom line without sacrifices such as disruptions in benefits or compromised care?

MAKE THE CHANGE TO ALIGN BY ECRx. WE OFFER:

Value

We negotiate the best possible rates with network pharmacies and eliminate excess fees, charges and expenses. If we get a rebate, we pass 100% along to you. Our only source of income is our quoted administrative or clinical fees.

ALIGN SAVES \$16 PER PRESCRIPTION, OR \$200 FOR EACH MEMBER EVERY YEAR.*



Source: Align Insights Report, 2013. Based on - 100,000 member lives; including Specialty Pharmacy
*Based on 12 prescriptions per year

Choice

Unlike other network models, Align by ECRx isn't limited, which means members can switch without any restrictions or disruptions. Across the nation, there are more than 65,000 pharmacies, and members have access to each and every one of them. Members don't have to change pharmacies. They can continue using their current pharmacies, or they can choose to save even more with an Align pharmacy.

If members choose an Align pharmacy, we make it easy to fill prescriptions. With more than 20,000 Align pharmacies across the nation, you'll find one or more within a five-mile radius of where you live or work. Choices include independent, regional and national retailers (including Walmart® and Target.®)



On average, 1 in 3 Pharmacies is an Align Pharmacy.

Join Us

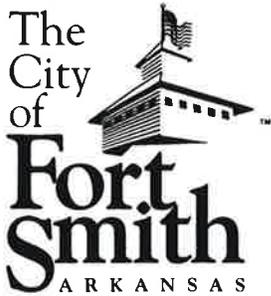
ECRx is a truly transparent PBM, developed by employers for employers. We do what is best for employees while maintaining value for you. Join ECRx today and discover the benefits of a value-based PBM. We measure our success by your bottom line.



EMPLOYERS'
CHOICE Rx

MEMORANDUM

4



TO: Ray Gosack, City Administrator

FROM: Richard B. Jones, Director of Human Resources 

DATE: April 14, 2015

SUBJECT: Safety/Risk Manager Cost Estimate & Discussion

As requested by the Board of Directors, I have prepared a draft position description and an estimate of the cost for this position. Assuming this position is filled for half the year beginning July 1, 2015 the cost for this year would be \$70,100 and \$102,250 for 2016.

	2015	2016
Salary & Benefits	\$44,000	\$92,000
Operating Expenses	\$6,100	\$10,250
Capital Outlay	\$20,000	\$0
Total	\$70,100	\$102,250

This year's insurance renewal with Travelers for property and casualty coverage was approximately \$100,000 less than what was included in the 2015 budget. The savings will cover the cost of this position.

Should you or the Board have any questions or need additional information, please do not hesitate to ask.

Please Post on Bulletin Boards at Designated Locations

Draft

Job Title: Safety/Risk Manager
Vacancy is in: Human Resources/Administration
Salary: \$2,128.00/bw Min to \$3,347.20/bw Max
Grade: 17

APPLICATION PROCEDURE:

Any employee who desires to be considered an applicant on the above job vacancy must submit their resume, along with a transfer request, to:

Human Resources by no later than _____

Position will remain posted until filled, however, consideration cannot be guaranteed after the closing date.

Job Description:

The incumbent, under the guidance of the Director of Human Resources, manages the City's safety and prevention programs to minimize the city's risk and to ensure compliance with federal, state, and local laws and regulations, and City policies and procedures.

ESSENTIAL DUTIES AND RESPONSIBILITIES include the following. Other duties may be assigned.

Note: All City of Fort Smith positions require the employee to provide good customer service to both internal and external customers, maintain positive and effective working relationships with other City employees, and have regular and reliable attendance that is non-disruptive. Must show cooperation and respect to fellow employees and supervisors at all times.

1. Must possess unique communication skills in dealing with all levels of employees, insurance brokers, representatives of regulatory agencies and public.
2. Work with department heads, supervisors and employees throughout the City (recognizing formal and informal organizational and functioning structures) in establishing, improving and implementing safety insurance programs and training with respect to Federal, State and City workplace regulations.
3. Responsible for maintaining interactive communication about safety with department heads and supervisors and designing programs which reinforce safety.
4. Create systems which provide for compliance with Federal and State regulations with respect to hazardous materials, electrical, lockout/tagout, hearing protection, eye protection, confined space and other workplace hazards or safety items and maintain training records.
5. Provide written programs and training for the end-users of chemicals as to safe handling and storage, including the disposal of hazardous materials.
6. Review accident reports for employees' injuries in the workplace, formulate statistics regarding injuries, place of occurrence and number of injuries and make recommendations for preventative measures.
7. Conduct safety training programs for the community (i.e. emergency action plans for high hazard dams, response management plans for hazardous chemical releases, etc.) as needed.

8. Prepare materials required by the Board of Directors to approve new or renewed agreements for Workers' Compensation, property and casualty, risk management, and related programs.
9. Prepare proposal specifications for Workers' Compensation and property and casualty services; analyze proposals to determine award based on cost, coverage levels, compliance with specifications, and the quality of service provided.
10. Supervise the development of safety procedures for use by City employees; review reports regarding methods of reducing the costs and number of accidents and ensuring compliance with State law regarding Hazard Communication; review reports of work site inspections for safety violations, including recommended corrective measures.
11. Review and authorize settlement of Workers' Compensation and property and casualty claims when proposed settlements exceed the authorization limit set for the Workers' Compensation and property and casualty service company; review of questionable Workers' Compensation and property and casualty claims including notification to department directors of unsafe conditions and acts.
12. Compile annual budget figures for Workers' Compensation, and property and casualty programs; review property schedules and approve the payment of invoices which relate to these programs.
13. Prepare special reports regarding Workers' Compensation, property and casualty and loss control programs for use by Director of Human Resources and the City Administrator; present Workers' Compensation, property and casualty and loss control information to covered City agencies and commissions as required.
14. Advise City department managers regarding insurance/risk management programs.
15. Develop and draft special programs/plans in response to risk management issues; recommend new or required policies or procedures as required to address risk management issues.
16. Regular attendance and timeliness is required.

Supervisory Responsibilities:

Carry out supervisory level responsibilities through the continual coordination, assessment, interviewing and training with the City's department heads, supervisors and employees to determine function and effectiveness of employee safety programs. Must be able to organize, direct and coordinate activities of employees to assure compliance with safety programs. Responsibilities include addressing complaints, performing independent reviews, providing reports and resolving problems relating to accidents and safety needs within the workplace.

Qualification Requirements:

To perform this job successfully, an individual must be able to perform each essential duty satisfactorily. The requirements listed below are representative of the knowledge, skill, and/or ability required. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

Education and/or Experience:

High school diploma supplemented by reading and writing skills as might be acquired through an Associate Degree or college level course work. Excellent communication and interpersonal skills are also required. Requires broad knowledge and training in planning, organizing and implementing routine tasks and special projects. Previous experience in municipal government or similar environment is necessary and experience in industrial hygiene is desired. The incumbent should have knowledge of modern office practices, procedures and equipment.

Other Skills and Abilities:

The incumbent should possess knowledge of the use of tools and equipment in the department. The incumbent must have good verbal and written communications skills as well as good organizational skills. Problem solving, and analytical ability are required to perform the duties of this position. Excellent communication and interpersonal

skills are also required. The incumbent should have knowledge of modern office practices, procedures, and equipment.

Physical Demands:

The physical demands described here are representative of those that must be met by an employee to successfully perform the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

While performing the duties of this job, the employee must occasionally, stand, walk, talk and hear. Frequently sit and use hands to finger, handle or feel. The incumbent must also stoop, kneel, crouch, climb, balance, or crawl. The sense of smell is also necessary. Specific vision abilities required by this job include close, color, distance and peripheral vision. Depth perception and the ability to adjust focus are also necessary.

The employee is occasionally required to lift up to 25 pounds.

Work Environment:

The work environment characteristics described here are representative of those an employee encounters while performing the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

While performing the duties of this position the incumbent is exposed to outdoor weather conditions, works near moving mechanical parts and is exposed to fumes or airborne particles, toxic or caustic chemicals. The incumbent works in precarious places and is at risk of electrical shock or vibration. The incumbent is also exposed to non-weather related wet, humid conditions.

The noise level in the work environment is usually moderate.



April 8, 2015

TO: Members of the Board of Directors
Members of the Airport Commission

RE: Appointments:

The term of Mr. Scott Archer of the Airport Commission will expire June 30th, 2015. In accordance with Ordinance No. 2926 applications for this prospective vacancy are now being received. Applicants must be residents and registered voters in the City of Fort Smith.

Please submit applications to the city administrator's office no later than the close of business on May 12th, 2015. A list will be compiled for review by the Board of Directors. Applications are available on the City of Fort Smith website. Go to www.fortsmithar.gov and click on boards and commissions.

Sincerely,

A handwritten signature in blue ink that reads "Ray Gosack".

Ray Gosack
City Administrator

623 Garrison Avenue
P.O. Box 1908
Fort Smith, Arkansas 72902
(479) 785-2801
Administrative Offices FAX (479) 784-2430



April 9, 2015

TO: Members of the Board of Directors
Members of the Fort Smith Municipal Employees Benevolent Fund Board of Advisors

RE: Appointments:

The terms of Mr. Ronnie Rogers and Ms. Barbara Williams of the Fort Smith Municipal Employees Benevolent Fund Board of Advisors will expire June 30th, 2015. In accordance with Ordinance No. 2926 applications for these prospective vacancies are now being received. Applicants must be residents and registered voters in the City of Fort Smith.

Please submit applications to the city administrator's office no later than the close of business on May 12th, 2015. A list will be compiled for review by the Board of Directors. Applications are available on the City of Fort Smith website. Go to www.fortsmithar.gov and click on boards and commissions.

Sincerely,

A handwritten signature in blue ink that reads "Ray Gosack".

Ray Gosack
City Administrator

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