

**CITY OF ALAMOGORDO, NEW MEXICO  
CITY COMMISSION SPECIAL MEETING MINUTES  
MUNICIPAL BUILDING, 1376 E. NINTH STREET  
9:00 A.M., COMMISSION CHAMBERS  
THURSDAY, MAY 29, 2003**

**MAYOR DON CARROLL  
MAYOR PRO-TEM RON GRIGGS  
COMMISSIONER INEZ MONCADA  
COMMISSIONER DON COOPER  
COMMISSIONER ED COLE**

**COMMISSIONER JOHN ROBERTSON  
COMMISSIONER MARION LEDFORD  
CITY MANAGER PAT MCCOURT  
CITY ATTORNEY WILLIAM KIRSCHNER  
CHIEF DEPUTY CLERK BETSY KIDWELL**

**Call Meeting to Order and Roll Call.**

The meeting was called to order at 9:00 a.m.

**Discuss and provide direction regarding health insurance coverage for City Employees.**

Recommendation: Approve the proposed action.

Mr. McCourt reminded everyone that we briefly discussed health insurance during the budget hearings. He noted that at the time we did not know what the renewal rates were going to be. He added that on May 1, 2003 we received those rates and they proposed an increase of 25.5%, which equates to approximately \$245,814. He stated that we knew this was more than we could fit into the budget. He reviewed the required reserve for the general fund and noted we had very little room to work in the fund. He explained that Brian McGuire, Personnel Manager met with our health insurance review committee which includes union representatives and other employees regarding the proposal. Mr. McCourt also discussed the procedure for bidding health insurance.

Mr. McCourt reviewed the fiscal impact of the proposed renewal rates versus the quote we received from the second place bidder from our last request for proposal, Blue Cross/Blue Shield of New Mexico. He noted that overall we would save \$106,037 in all the funds. He noted that the effect on employees is they will save over \$70,000 by the City going with Blue Cross/Blue Shield's rate proposal over the Cimarron renewal.

Commissioner Ledford asked if we had built an increase into the upcoming budget. Mr. McCourt replied we had not built it into the budget, but were working out of fund balances. Commissioner Ledford said he understands that if we go to renew with Cimarron we will have a fund reserve problem. Mr. McCourt replied that was correct. Commissioner Ledford questioned how difficult it is to predict the renewal rates.

Mayor Carroll asked if we had negotiated with Cimarron regarding the renewal rates they proposed. Mr. McCourt replied that we had negotiated with them.

Discussion continued regarding the limited number of companies that provide this type of insurance in southern New Mexico and what particular plan Blue Cross/Blue Shield was proposing.

Commissioner Cooper questioned the cost of insurance and the limited number of providers that may be available. John Suekinos replied that both companies have a large panel of providers throughout the state. Commissioner Cooper questioned employees being able to afford health coverage. He questioned the Public Regulation Commission monitoring these costs.

Discussion continued regarding who the actual insuring company was on our current plan, the reduction in plan benefits over the years, and our group size.

Mayor Carroll noted that the bid Blue Cross/Blue Shield is offering us is buying the business with us this year and we may be in the same situation next year, but because of the amount of money involved we may not have much choice.

Discussion continued regarding the coverage and other companies' insurance costs.

Commissioner Robertson moved to approve the proposed actions. Commissioner Cole seconded the motion.

A discussion was held regarding what influences the renewal rates.

The vote was taken on the motion. All voted "aye." The motion carried by a vote of 7-0-0.

A discussion regarding pooling with the County and the effects was held.

Mayor Pro-Tem Griggs said this has shown that we have kind of covered up the increase in fund balances and next year will be a real challenge. He said there is not any money next year to handle any increase. He added you cannot provide what you want to provide and he does not know how we are going to do it.

Mayor Carroll noted that the City once thought they could self insure, but that turned out negative.

The meeting was adjourned at 9:37 a.m.

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Mayor Donald E. Carroll

ATTEST:

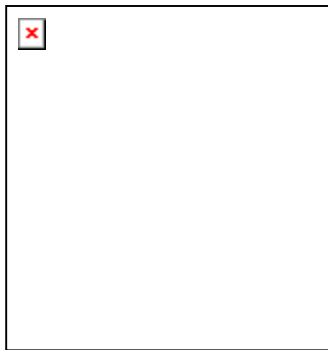
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Chief Deputy Clerk Betsy C. Kidwell

(SEAL)

(Prepared by Chief Deputy Clerk Betsy C. Kidwell)

Approved at the City Commission Regular Meeting of June 10, 2003.



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