CITY COUNCIL STRATEGIC PLANNING MEETING
300 WEST CROWELL STREET
MONROE, NORTH CAROLINA 28112
FEBRUARY 11, 2025– 4:00 P.M.
AGENDA
www.monroenc.org

1. Health Plan and Cafeteria Plan for Fiscal Year 2025-2026
   A. Renewal Expectations/Options of Health Plan and Cafeteria Plan
   B. City Manager to Execute Documents

2. Energy Services, Purchasing and Information Technology Warehouse Project
   A. Capital Project Budget Ordinance
   B. General Fund Promissory Note
   C. Construction Services Contract with Vannoy Construction
   D. City Manager to Execute Documents

3. Fire Department Strategic Plan Input

4. Boards and Committees' Access to City Council Agenda

5. Awards and Recognitions

- **Agenda** is tentative and is subject to change up to and including the time of the meeting.
- At the discretion of City Council, **Agenda Items** listed above that are not discussed at the Strategic Planning Meeting or moved at the request of Council, may be carried forward to the City Council Regular Meeting at 6:00 p.m. to be considered.
- **Cell Phones/Pagers**: As a courtesy, please turn off cell phones and pagers while Meeting is in progress.

STAFF REPORT

TO:	City Council
VIA:	Mark Watson, City Manager
DATE:	February 11, 2025
FROM:	Lisa Hollowell, Assistant City Manger
PREPARED BY:	Lisa Hollowell, Assistant City Manger
SUBJECT:	Health Plan and Cafeteria Plans for Fiscal Year 2025-2026

SUMMARY STATEMENT

City Council is requested to review the Fiscal Year 2025-2026 renewal expectations and listen to presentation of the Executive Summary for the Wellness Program by the Piedmont Pharmaceutical Care Network team.

REVIEW

City Council is requested to review the Fiscal Year 2025-2026 renewal expectations, which includes 3% increase for the city with the employee's cost remaining the same, claims funding, administrative expenses, stop loss insurance, clinic costs, wellness program, risk assessment, and other cost associated with the operation of the City's plan.

RECOMMENDATION

The City Manager recommends that City Council approve the Fiscal Year 2025-2026 renewal expectations, authorize Tucker Administrators to administer the Health Plan and Cafeteria Plan and authorize the City Manager to execute any and all necessary documents.

Attachments: Mark III – Medical Plan Update
Piedmont Pharmaceutical Care Network

MEDICAL PLAN UPDATE

2025 – 2026 Renewal Expectation

February 11, 2025

Our NC Government Clients

Mark III Employee Benefits

60+

- County Governments
- Municipalities
- Government Entities

150+ across the Southeast

Choosing Mark III

For All of Your Benefits Solutions

Mark III Employee Benefits

- ✓ Mark III continues to demonstrate a market leading position in the market consistently **winning business over National Brokers**.

- ✓ 2024 Groups that chose Mark III:
  - ✓ **Chatham County**
  - ✓ **City of Lenoir**
  - ✓ **City of Wilmington**
  - ✓ **Guilford County**
  - ✓ **Halifax County** – Customer RFP
  - ✓ **Person County** – Customer RFP
  - ✓ **Rowan County** – Customer RFP

  - ✓ **Mark III has over a 20-year relationship with the City, guiding the organization through challenging renewals and tailoring solutions to the needs of the City of Monroe.**

History:

✓The Plan has been bid multiple times and as recently as for the 2024 – 2025 Plan Year.

Medical Administration
Pharmacy Administration
Network Value
Stop Loss Contract
Service
Administrative Flexibility

✓The level of service **employee satisfaction is high**.

✓**As a reminder, the City is self-funded and all positive balances are retained by the City.**

History:

- ✓ The Plan has consistently stayed within budget, is customized to the unique needs and goals of the City.

- ✓ In the current year, since 2014 – 2015, Plan trend is only **3.8% per year**, half of normal trend.

- ✓ Primary Plan cost drivers are:
  - Oncology
  - Specialty Pharmacy
  - Diabetes
  - Obesity
  - Musculoskeletal

- ✓ The new Wellness Programs for diabetes and weight are there to impact the health of the population.

- ✓ The Wellness Programs have leadership support.

Official website for Monroe North Carolina

2022 – 2023 Plan Experience

PPO

Date	Subs	Medical	Dental	Pharmacy	Vision	Combined Claims	Claims Per Sub Per Month					Net Position
July-22	486	$268,962.93	$24,470.45	$171,134.29	$0.00	$464,567.67	$955.90					$23,192.08
August-22	486	$442,434.26	$40,031.05	$84,641.92	$48.00	$567,155.23	$1,166.99					$23,192.08
September-22	469	$398,512.38	$3,159.63	$330,213.66	$134.00	$732,019.67	$1,560.81					$23,192.08
October-22	487	$319,322.80	$38,063.26	$129,105.96	$320.96	$486,812.98	$999.62					$23,192.08
November-22	493	$458,773.92	$27,713.84	$170,623.85	$71.00	$657,182.61	$1,333.03					$23,192.08
December-22	503	$631,645.25	$29,528.48	$293,614.75	$35.00	$954,823.48	$1,898.26					$23,192.08
January-23	505	$757,498.73	$42,771.54	$104,739.54	$0.00	$905,009.81	$1,792.10					$23,192.08
February-23	502	$678,987.05	$35,670.15	$143,814.02	$39.61	$858,510.83	$1,710.18					$23,192.08
March-23	499	$557,026.77	$33,598.53	$97,097.24	$158.70	$687,881.24	$1,378.52					$23,192.08
April-23	502	$593,517.29	$31,499.76	$198,571.94	$124.34	$823,713.33	$1,640.86					$23,192.08
May-23	503	$916,759.76	$30,386.06	$270,445.32	$285.27	$1,217,876.41	$2,421.23					$23,192.08
June-23	515	$645,369.64	$33,549.94	$201,574.04	$16.00	$880,509.62	$1,709.73					$23,192.08
Total	5,950	$6,668,810.78	$370,442.69	$2,195,576.53	$1,232.88	$9,236,062.88	$1,552.28					$278,304.96

HSA

Date	Subs	Medical	Dental	Pharmacy	Vision	Combined Claims	Claims Per Sub Per Month	Total Cost	Stop-loss Credits	Other Credits	Net Costs	Net Position
July-22	25	$3,498.69	$0.00	$982.00	$0.00	$4,480.69	$179.23	$4,480.69	$0.00	$0.00	$4,480.69	$6,043.19
August-22	25	$5,476.76	$0.00	$1,233.00	$0.00	$6,709.76	$268.39	$6,709.76	$0.00	$0.00	$6,709.76	$8,272.26
September-22	25	$9,585.72	$0.00	$0.00	$0.00	$9,585.72	$383.43	$9,585.72	$0.00	$0.00	$9,585.72	$11,148.22
October-22	25	$13,272.70	$0.00	$1,142.60	$0.00	$14,415.30	$576.61	$14,415.30	$0.00	$0.00	$14,415.30	$15,977.80
November-22	27	$2,808.12	$389.66	$821.00	$0.00	$4,018.78	$148.84	$4,018.78	$0.00	$0.00	$4,018.78	$5,706.28
December-22	28	$11,163.18	$0.00	$1,512.00	$0.00	$12,675.18	$452.69	$12,675.18	$0.00	$0.00	$12,675.18	$14,425.18
January-23	28	$3,342.11	$279.69	$474.08	$0.00	$4,095.88	$146.28	$4,095.88	$0.00	$0.00	$4,095.88	$5,845.88
February-23	28	$32,293.14	$174.43	$1,403.20	$0.00	$33,870.77	$1,209.67	$33,870.77	$0.00	$0.00	$33,870.77	$35,620.77
March-23	28	$5,284.85	$245.28	$2,658.40	$0.00	$8,188.53	$292.45	$8,188.53	$0.00	$0.00	$8,188.53	$9,938.53
April-23	28	$2,607.38	$74.08	$1,270.80	$0.00	$3,952.26	$141.15	$3,952.26	$0.00	$0.00	$3,952.26	$5,702.26
May-23	27	$53,443.43	$0.00	$1,134.00	$0.00	$54,577.43	$2,021.39	$54,577.43	$0.00	$0.00	$54,577.43	$56,264.93
June-23	26	$14,377.43	$0.00	$0.00	$0.00	$14,377.43	$552.98	$14,377.43	$0.00	$0.00	$14,377.43	
Total	320	$157,153.51	$1,163.14	$12,631.08	$0.00	$170,947.73	$534.21	$170,947.73	**$0.00**	$0.00	$170,947.73	$174,945.30

Combined

Date	Subs	Medical	Dental	Pharmacy	Vision	Combined Claims	Claims Per Sub Per Month	Total Cost	Stop-loss Credits	Other Credits	Net Costs	Net Position
July-22	511	$272,461.62	$24,470.45	$172,116.29	$0.00	$469,048.36	$917.90	$643,854.11	$0.00	$0.00	$643,854.11	$668,608.69
August-22	511	$447,911.02	$40,031.05	$85,874.92	$48.00	$573,864.99	$1,123.02	$751,463.54	$0.00	$119,930.00	$631,533.54	$656,288.12
September-22	494	$408,098.10	$3,159.63	$330,213.66	$134.00	$741,605.39	$1,501.23	$913,314.70	$0.00	$0.00	$913,314.70	$938,069.28
October-22	512	$332,595.50	$38,063.26	$130,248.56	$320.96	$501,228.28	$978.96	$679,248.52	$0.00	$0.00	$679,248.52	$704,003.10
November-22	520	$461,582.04	$28,103.50	$171,444.85	$71.00	$661,201.39	$1,271.54	$840,491.13	$124,816.55	$138,420.00	$577,254.58	$602,134.16
December-22	531	$642,808.43	$29,528.48	$295,126.75	$35.00	$967,498.66	$1,822.03	$1,148,303.75	$84,783.29	$0.00	$1,063,520.46	$1,088,462.54
January-23	533	$760,840.84	$43,051.23	$105,213.62	$0.00	$909,105.69	$1,705.64	$1,092,362.48	$74,090.85	$0.00	$1,018,271.63	$1,043,213.71
February-23	530	$711,280.19	$35,844.58	$145,217.22	$39.61	$892,381.60	$1,683.74	$1,075,207.09	$230,385.48	$139,980.00	$704,841.61	$729,783.69
March-23	527	$562,311.62	$33,843.81	$99,755.64	$158.70	$696,069.77	$1,320.82	$877,587.96	$270,565.69	$0.00	$607,022.27	$631,964.35
April-23	530	$596,124.67	$31,573.84	$199,842.74	$124.34	$827,665.59	$1,561.63	$1,011,312.96	$306,222.16	$0.00	$705,090.80	$730,032.88
May-23	530	$970,203.19	$30,386.06	$271,579.32	$285.27	$1,272,453.84	$2,400.86	$1,454,910.49	$388,453.57	$0.00	$1,066,456.92	$1,091,336.50
June-23	541	$659,747.07	$33,549.94	$201,574.04	$16.00	$894,887.05	$1,654.14	$1,074,447.83	$274,969.32	$188,346.00	$345,072.89	$369,889.97
Total	6,270	$6,825,964.29	$371,605.83	$2,208,207.61	$1,232.88	$9,407,010.61	$1,500.32	$11,562,504.56	**$1,754,286.91**	$586,676.00	$8,955,482.03	$9,253,786.99
			Rx/Sub/Mth	**$352.19**		**Change**	**127.07%**		**93.22%**			**$1,565,850.41**

2023 – 2024 Plan Experience

Date	Subs	Members	Medical	Dental	Pharmacy	Vision	Combined Claims	Claims Per Sub Per Month	Total Cost	Stop-loss Credits	Other Credits	Net Costs	Net Position
PPO													
Date	Subs		Medical	Dental	Pharmacy	Vision	Combined Claims	Claims Per Sub Per Month					Net Position
July-23	551		$385,376.83	$35,470.73	$63,637.23	$0.00	$484,484.79	$879.28					$23,192.08
August-23	514		$357,483.53	$38,444.87	$297,074.64	$132.49	$693,135.53	$1,348.51					$23,192.08
September-23	517		$425,590.70	$37,061.31	$112,692.94	$96.95	$575,441.90	$1,113.04					$23,192.08
October-23	510		$626,872.06	$45,709.43	$101,246.03	$127.51	$773,955.03	$1,517.56					$23,192.08
November-23	533		$328,635.59	$35,978.55	$810.91	$213.00	$365,638.05	$686.00					$23,192.08
December-23	532		$610,286.30	$21,514.72	$104,937.27	$295.06	$737,033.35	$1,385.40					$23,192.08
January-24	521		$776,740.50	$45,570.55	$411,179.84	$96.00	$1,233,586.89	$2,367.73					$23,192.08
February-24	527		$450,239.77	$37,797.17	$185,989.55	$0.00	$674,026.49	$1,278.99					$23,192.08
March-24	518		$362,728.74	$24,634.69	$190,794.47	$129.22	$578,287.12	$1,116.38					$23,192.08
April-24	533		$1,173,084.38	$31,141.08	$155,897.21	$351.19	$1,360,473.86	$2,552.48					$23,192.08
May-24	534		$298,697.56	$30,919.01	$82,602.83	$40.00	$412,259.40	$772.02					$23,192.08
June-24	542		$325,766.22	$22,537.60	$222,757.65	$81.22	$571,142.69	$1,053.77					$23,192.08
Total	6,332		$6,121,502.18	$406,779.71	$1,929,620.57	$1,562.64	$8,459,465.10	$1,335.99					$278,304.96
HSA													
Date	Subs		Medical	Dental	Pharmacy	Vision	Combined Claims	Claims Per Sub Per Month	Total Cost	Stop-loss Credits	Other Credits	Net Costs	Net Position
July-23	31		$1,315.18	$269.00	$247.00	$0.00	$1,831.18	$59.07	$1,831.18	$0.00	$0.00	$1,831.18	$3,768.68
August-23	31		$4,878.11	$534.16	$977.00	$0.00	$6,389.27	$206.11	$6,389.27	$0.00	$0.00	$6,389.27	$8,326.77
September-23	28		$3,548.92	$374.92	$496.00	$0.00	$4,419.84	$157.85	$4,419.84	$0.00	$0.00	$4,419.84	$6,169.84
October-23	30		$11,616.57	$124.91	$3,526.20	$0.00	$15,267.68	$508.92	$15,267.68	$0.00	$0.00	$15,267.68	$17,142.68
November-23	29		$887.28	$259.81	$1,340.40	$0.00	$2,487.49	$85.78	$2,487.49	$0.00	$0.00	$2,487.49	$4,299.99
December-23	29		$4,956.36	$710.23	$853.00	$0.00	$6,519.59	$224.81	$6,519.59	$0.00	$0.00	$6,519.59	$8,332.09
January-24	28		$4,853.69	$158.93	$412.00	$0.00	$5,424.62	$193.74	$5,424.62	$0.00	$0.00	$5,424.62	$7,174.62
February-24	26		$2,849.38	$91.98	$1,493.60	$0.00	$4,434.96	$170.58	$4,434.96	$0.00	$0.00	$4,434.96	$6,059.96
March-24	27		$71,214.37	$194.71	$8,031.20	$0.00	$79,440.28	$2,942.23	$79,440.28	$0.00	$0.00	$79,440.28	$81,127.78
April-24	27		$49,138.14	$11,250.73	$1,144.00	$0.00	$61,532.87	$2,279.00	$61,532.87	$0.00	$0.00	$61,532.87	$63,220.37
May-24	27		$4,405.93	$11,457.87	$2,206.40	$0.00	$18,070.20	$669.27	$18,070.20	$0.00	$0.00	$18,070.20	$19,757.70
June-24	27		$6,637.69	$281.14	$1,820.00	$0.00	$8,738.83	$323.66	$8,738.83	$0.00	$0.00	$8,738.83	$10,426.33
Total	340		$166,301.62	$25,708.39	$22,546.80	$0.00	$214,556.81	$631.05	$214,556.81	**$0.00**	$0.00	$214,556.81	$235,806.81
Combined													
Date	Subs	Members	Medical	Dental	Pharmacy	Vision	Combined Claims	Claims Per Sub Per Month	Total Cost	Stop-loss Credits	Other Credits	Net Costs	Net Position
July-23	582		$386,692.01	$35,739.73	$63,884.23	$0.00	$486,315.97	$835.59	$686,093.00	$0.00	$0.00	$686,093.00	$711,222.58
August-23	545		$362,361.64	$38,979.03	$298,051.64	$132.49	$699,524.80	$1,283.53	$899,893.40	$0.00	$0.00	$899,893.40	$925,022.98
September-23	545		$429,139.62	$37,436.23	$113,188.94	$96.95	$579,861.74	$1,063.97	$777,261.50	$0.00	$174,246.00	$603,015.50	$627,957.58
October-23	540		$638,488.63	$45,834.34	$104,772.23	$127.51	$789,222.71	$1,461.52	$982,717.52	$3,176.29	$0.00	$979,541.23	$1,004,608.31
November-23	562	1,186	$329,522.87	$36,238.36	$2,151.31	$213.00	$368,125.54	$655.03	$562,312.79	$60,099.11	$0.00	$502,213.68	$527,218.26
December-23	561	1,197	$615,242.66	$22,224.95	$105,790.27	$295.06	$743,552.94	$1,325.41	$946,548.99	$58,480.84	$184,696.00	$703,372.15	$728,376.73
January-24	549	1,185	$781,594.19	$45,729.48	$411,591.84	$96.00	$1,239,011.51	$2,256.85	$1,445,275.66	$223,474.77	$0.00	$1,221,800.89	$1,246,742.97
February-24	553	1,198	$453,089.15	$37,889.15	$187,483.15	$0.00	$678,461.45	$1,226.87	$878,206.13	$159,683.74	$0.00	$718,522.39	$743,339.47
March-24	545	1,197	$433,943.11	$24,829.40	$198,825.67	$129.22	$657,727.40	$1,206.84	$855,039.72	$139,184.63	$162,359.00	$553,496.09	$578,375.67
April-24	560	1,208	$1,222,222.52	$42,391.81	$157,041.21	$351.19	$1,422,006.73	$2,539.30	$1,634,752.71	$554,705.70	$0.00	$1,080,047.01	$1,104,926.59
May-24	561	1,207	$303,103.49	$42,376.88	$84,809.23	$40.00	$430,329.60	$767.08	$637,273.63	$120,772.25	$0.00	$516,501.38	$541,380.96
June-24	569	1,224	$332,403.91	$22,818.74	$224,577.65	$81.22	$579,881.52	$1,019.12	$785,888.34	$140,866.08	$160,280.40	$484,741.86	$509,621.44
Total	6,672		$6,287,803.80	$432,488.10	$1,952,167.37	$1,562.64	$8,674,021.91	$1,300.06	$11,091,263.39	**$1,460,443.41**	$681,581.40	$8,949,238.58	$9,248,793.54
				Rx/Sub/Mth	**$292.59**		**Change**	**86.65%**		**69.83%**	$102.16		**$3,568,308.38**

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2023 – 2024 Plan Experience

						PPO						
Date	Subs	Medical	Dental	Pharmacy	Vision	Combined Claims	Claims Per Sub Per Month					Net Position
July-24	536	$572,104.09	$40,624.11	$280,175.39	-$133.78	$892,769.81	$1,665.62					$23,192.08
August-24	554	$431,352.75	$44,512.86	$179,346.56	$0.00	$655,212.17	$1,182.69					$23,192.08
September-24	560	$447,448.18	$35,413.15	$101,979.24	-$170.73	$584,669.84	$1,044.05					$23,192.08
October-24	563	$609,259.00	$35,767.81	$293,009.81	$234.41	$938,271.03	$1,666.56					$23,192.08
November-24	558	$407,045.61	$43,010.51	$255,245.52	$65.00	$705,366.64	$1,264.10					$23,192.08
December-24	563	$932,533.83	$32,347.61	$242,238.15	$206.00	$1,207,325.59	$2,144.45					$23,192.08
January-25												
February-25												
March-25												
April-25												
May-25												
June-25												
Total	3,334	$3,399,743.46	$231,676.05	$1,351,994.67	$200.90	$4,983,615.08	$1,494.79					$139,152.48
						HSA						
Date	Subs	Medical	Dental	Pharmacy	Vision	Combined Claims	Claims Per Sub Per Month	Total Cost	Stop-loss Credits	Other Credits	Net Costs	Net Position
July-24	30	$2,692.80	$11,865.54	$992.20	$270.00	$15,820.54	$527.35	$15,820.54	$0.00	$0.00	$15,820.54	$17,695.54
August-24	36	$3,561.90	$87.65	$259.00	$0.00	$3,908.55	$108.57	$3,908.55	$0.00	$0.00	$3,908.55	$6,158.55
September-24	32	$33,199.50	$1,230.75	$1,327.20	$270.00	$36,027.45	$1,125.86	$36,027.45	$0.00	$0.00	$36,027.45	$38,027.45
October-24	31	$4,244.56	$0.00	$512.00	$0.00	$4,756.56	$153.44	$4,756.56	$0.00	$0.00	$4,756.56	$6,694.06
November-24	30	$35,033.77	$3,150.96	$3,458.10	$0.00	$41,642.83	$1,388.09	$41,642.83	$0.00	$0.00	$41,642.83	$43,517.83
December-24	30	$5,196.18	$1,803.03	$1,408.00	$0.00	$8,407.21	$280.24	$8,407.21	$0.00	$0.00	$8,407.21	$10,282.21
January-25												
February-25												
March-25												
April-25												
May-25												
June-25												
Total	189	$83,928.71	$18,137.93	$7,956.50	$540.00	$110,563.14	$584.99	$110,563.14	**$0.00**	$0.00	$110,563.14	$122,375.64
						Combined						
Date	Subs	Medical	Dental	Pharmacy	Vision	Combined Claims	Claims Per Sub Per Month	Total Cost	Stop-loss Credits	Other Credits	Net Costs	Net Position
July-24	566	$574,796.89	$52,489.65	$281,167.59	$136.22	$908,590.35	$1,605.28	$1,085,304.78	$0.00	$0.00	$1,085,304.78	$1,110,371.86
August-24	590	$434,914.65	$44,600.51	$179,605.56	$0.00	$659,120.72	$1,117.15	$843,811.26	$0.00	$0.00	$843,811.26	$869,253.34
September-24	592	$480,647.68	$36,643.90	$103,306.44	$99.27	$620,697.29	$1,048.48	$804,303.35	$0.00	$119,212.18	$685,091.17	$710,283.25
October-24	594	$613,503.56	$35,767.81	$293,521.81	$234.41	$943,027.59	$1,587.59	$1,129,400.01	$152,779.87	$0.00	$976,620.14	$1,001,749.72
November-24	588	$442,079.38	$46,161.47	$258,703.62	$65.00	$747,009.47	$1,270.42	$931,610.53	$78,571.39	$0.00	$853,039.14	$878,106.22
December-24	593	$937,730.01	$34,150.64	$243,646.15	$206.00	$1,215,732.80	$2,050.14	$1,399,455.44	$156,557.72	$0.00	$1,242,897.72	$1,267,964.80
January-25												
February-25												
March-25												
April-25												
May-25												
June-25												
Total	3,523	$3,483,672.17	$249,813.98	$1,359,951.17	$740.90	$5,094,178.22	$1,445.98	$6,193,885.37	**$387,908.98**	$119,212.18	$5,686,764.21	$5,837,729.19
			Rx/Sub/Mth	**$386.02**		**Change**	**111.22%**		**41.35%**			**$928,880.09**

Intergovernmental Healthcare Alliance (IHA)

For 2024 – 2025, the City was able to take advantage of a Mark III block of business for the Stop Loss Plan, adding protections and performance rewards incorporated for the participants:

- ✓ No New Laser Contract
- ✓ Renewal Rate Cap Provision
- ✓ Custom Experience Refund Provision
- ✓ Mid-single digit overall increases, half of leverage trend for all participants
- ✓ Providing the stability of the largest block of stop loss business at BCBSNC

Intergovernmental Healthcare Alliance (IHA)

IHA Participants

- ✓ *City of Brevard*
- ✓ *City of Gastonia*
- ✓ *City of Hamlet*
- ✓ *City of Henderson*
- ✓ *City of Monroe*
- ✓ *City of Salisbury*
- ✓ *City of Sanford*
- ✓ *City of Washington*
- ✓ *Cleveland County*
- ✓ *Dare County*
- ✓ *Gaston County*
- ✓ *Granville County*
- ✓ *Halifax County*
- ✓ *Harnett County*
- ✓ *Henderson County*
- ✓ *Hertford County*
- ✓ *Hoke County*
- ✓ *Jackson County*
- ✓ *Lee County*
- ✓ *Lumbee Tribe*
- ✓ *Pitt County*
- ✓ *Randolph County*
- ✓ *Robeson County*
- ✓ *Rowan County*
- ✓ *Scotland County*
- ✓ *Town of Cramerton*
- ✓ *Transylvania County*
- ✓ *Wayne County*
- ✓ *Wilkes County*
- ✓ *Western Piedmont COG*

IHA is the largest collaboration in North Carolina – 17,651 Subscribers and 26,657 Members - IHA represents 22% of BCBSNC's Public Sector Book

The savings to these customers was $17,590,000

Stop Loss Options

	Tucker/**VOYA** **70k**: 7/23-6/24 - Paid/12 **$100,000 Agg Spec**	Tucker/**VOYA** **70k**: 7/24-6/25 - Paid/12 **$100,000 Agg Spec**		Tucker/**BCBSNC**/IHA **70k**: 7/24-6/25 - Paid/12 **$100,000 Agg Spec**	
	MedCost	MedCost	Change	MedCost	Change
Network Access Fee	$6.00	$6.00	100.00%	$6.00	100.00%
Utilization Management Fee	$1.65	$1.65	100.00%	$1.65	100.00%
Plan Administration Fee	$26.11	$26.11	100.00%	$26.11	100.00%
Specific Stop-loss (Paid/12)	**$309.62**	**$334.38**	**108.00%**	**$262.92**	**84.92%**
Aggregate Stop-loss 125%	$3.34	$3.57	106.89%	$4.04	120.96%
Broker Fees	$2.77	$2.77	100.00%	$2.77	100.00%
Inventiv Access Fee	$0.00	$0.00		$0.00	
ACA/SBC FEE ****	$0.00	$0.00		$0.00	
Tucker Fees - Summary	**$36.53**	**$36.53**	**100.00%**	**$36.53**	**100.00%**
Total Administration Fees (A)	**$349.49**	**$374.48**	**107.15%**	**$303.49**	**86.84%**
Total Administration Cost	**$2,300,670.81**	**$2,465,229.02**		**$1,997,874.67**	
Change		**$164,558.22**		**-$302,796.14**	
Difference				**$467,354.35**	
Risk Protections					
No New Lasers	No	**Yes**		**Yes**	
50% Rate Cap	No	**Yes**		**Yes**	
Laser - $500,000	**$500,000**	**$500,000**		**$0**	
Run In Limit		**No**		**Yes**	
				Experience Below 60% Target, client receives 100% of the dollars Claims above $450,000 excluded from calc	

✓ The net savings from the BCBSNC offer saved the City over $450,000 for 2024 – 2025.

Intergovernmental Healthcare Alliance (IHA)

IHA Stop Loss Collaboration Results

✓ Positive Year to Date Performance

- **Actual $2.7m in the 1st Year**
- **Approximately $4m in the 2nd Year**
- Resulting in a **net decrease** of low single digits

✓ Continued growth of program into 2024-2025 policy year

- Total stop loss premium of ~$30m
- Representing growth of ~18%

Intergovernmental Healthcare Alliance (IHA)

IHA Captive Program Performance Overview
2023 - 2024 Policy Year

Group Name	Effective Date	Contract Type	Funding Type	Specific Stop Loss level	Billed Premium	Paid Premium	Target Loss Ratio at 60% (Self Funded) 55% (Guaranteed Cost)	Specific Stop Loss Paid Claims *	Opportunity Sharing Layer Position	Return Position
IHA-Group 1	07/01/23	12 Paid	Guaranteed Cost	$45,000	$420,578	$420,578	$231,318	$173,562	$57,756	$46,460
IHA-Group 2	07/01/23	12 Paid	Self-Funded	$210,000	$844,548	$844,548	$506,729	$510,926	($4,198)	$0
IHA-Group 3	07/01/23	12 Paid	Guaranteed Cost	$75,000	$552,620	$552,620	$303,941	$354,527	($50,586)	$0
IHA-Group 4	07/01/23	12 Paid	Self-Funded	$100,000	$1,064,276	$1,064,276	$638,565	$229,301	$409,264	$329,218
IHA-Group 5	07/01/23	12 Paid	Self-Funded	$200,000	$467,487	$467,487	$280,492	$129,784	$150,708	$121,232
IHA-Group 6	07/01/23	12 Paid	Guaranteed Cost	$75,000	$868,789	$868,789	$477,834	$44,886	$432,948	$348,270
IHA-Group 7	07/01/23	12 Paid	Self-Funded	$200,000	$1,178,707	$1,178,707	$707,224	$351,293	$355,931	$286,316
IHA-Group 8	07/01/23	12 Paid	Self-Funded	$80,000	$629,108	$629,108	$377,465	$839,224	($461,759)	$0
IHA-Group 9	07/01/23	12 Paid	Self-Funded	125,000/50,000 Agg Ded	$1,028,284	$1,028,284	$616,970	$630,273	($13,303)	$0
IHA-Group 10	08/01/23	12 Paid	Self-Funded	$150,000	$433,109	$433,109	$259,865	$206,886	$52,980	$42,618
IHA-Group 11	10/01/23	12 Paid	Self-Funded	$250,000	$1,820,326	$1,820,326	$1,092,196	$1,040,723	$51,473	$41,405
IHA-Group 12	07/01/23	12 Paid	Self-Funded	$160,000	$916,757	$916,757	$550,054	$487,467	$62,587	$50,346
IHA-Group 13	07/01/23	12 Paid	Self-Funded	$175,000	$914,646	$914,646	$548,787	$628,564	($79,777)	$0
IHA-Group 14	07/01/23	12 Paid	Self-Funded	$190,000	$1,466,649	$1,466,649	$879,989	$385,810	$494,179	$397,525
IHA-Group 15	07/01/23	12 Paid	Guaranteed Cost	$75,000	$532,994	$532,994	$293,147	$218,687	$74,460	$59,896
IHA-Group 16	12/01/23	12/12	Guaranteed Cost	$40,000	$497,306	$497,306	$273,518	$618,046	($344,528)	$0
IHA-Group 17	07/01/23	12 Paid	Self-Funded	$240,000	$1,139,849	$1,139,849	$683,909	$326,734	$357,175	$287,317
IHA-Group 18	07/01/23	24/12	Self-Funded	$150,000	$1,326,957	$1,326,957	$796,174	$141,498	$654,676	$526,631
IHA-Group 19	10/01/23	12 Paid	Self-Funded	$200,000	$1,691,680	$1,691,680	$1,015,008	$188,605	$826,403	$664,771
IHA-Group 20	07/01/23	12 Paid	Self-Funded	100.000/150,000 Agg Ded	$1,777,701	$1,777,701	$1,066,620	$1,103,342	($36,721)	$0
IHA-Group 21	07/01/23	12/12	Guaranteed Cost	$150,000	$617,661	$617,661	$339,714	$178,464	$161,250	$129,712
IHA-Group 22	12/01/23	12/12	Guaranteed Cost	$30,000	$68,479	$68,479	$37,663	$0	$37,663	$30,297
IHA-Group 23	07/01/23	12 Paid	Self-Funded	$85,000	$1,461,562	$1,461,562	$876,937	$583,104	$293,833	$236,364
IHA-Group 24	07/01/23	12 Paid	Self-Funded	$125,000	$1,443,634	$1,443,634	$866,180	$601,255	$264,925	**$213,110**
IHA-Group 25	07/01/23	12/12	Guaranteed Cost	$30,000	$150,716	$150,716	$82,894	$95,015	($12,121)	$0
IHA-Group 26	07/01/23	12 Paid	Self-Funded	$75,000	$1,638,974	$1,638,974	$983,384	$593,418	$389,966	$313,695
Total					**$24,953,396**	**$24,953,396**	**$14,786,581**	**$10,661,398**	**4,125,183**	**$4,125,183**

- ✓ One note, a group left IHA and is forfeiting **$200,000** returned to the remaining participants.

	2024	2025
	HSA Contribution Limits	HSA Contribution Limits
Single	$4,150	$4,300
Family	$8,300	$8,550
Catch Up	$1,000	$1,000
	HDHP Minimum Deductibles	**HDHP Minimum Deductibles**
Single	**$1,600**	**$1,650**
Family	**$3,200**	**$3,300**
	HDHP Maximum OOP Max's	HDHP Maximum OOP Max's
Single	$8,050	$8,300
Family	$16,100	$16,600

- The limits are going to change for 2024.
- There are no changes in the out of pockets for the HSA Plan.
- The Plan will change again with the 2025 limits.

2025 – 2026 Renewal Summary

- ✓ The Renewal is very positive.
- ✓ For the past 20 years, City Council and staff have focused on providing the best benefits possible to the employees and their families, while delivering premier customer service.
- ✓ And, while cost containment solutions have continually been pursued, Plan changes have been made with employee satisfaction as a paramount consideration.
- ✓ Employee satisfaction with customer service, Plan design, and member cost is high.
- ✓ The 2024 – 2025 Stop Loss change is a reflection of that, saving over $450,000 to the Plan, but having no employee/member impact.
- ✓ The strategy for the City has to consistently make small funding changes to stay ahead of any unexpected claims fluctuations.
- ✓ No recommended increase in employee funding for 2025 – 2026.
- ✓ No benefit changes outside of Federal requirements on the HSA Plan.
- ✓ Continue the Wellness Initiatives begun in 2024 – 2025.
- ✓ We will continue to work with staff to determine the best overall solutions, with employee satisfaction and customer service as a priority.

2025 – 2026 Renewal Calculation

City of Monroe	Total Number of Employees	Medical Benefit Payments	Pharmacy Benefit Payments	Dental Benefit Payments	Stop-Loss Credits	Net Claims
January-24	549	$781,594.19	$411,591.84	$45,729.48	$223,474.77	$1,015,440.74
February-24	553	$453,089.15	$187,483.15	$37,889.15	$159,683.74	$518,777.71
March-24	545	$433,943.11	$198,825.67	$24,829.40	$139,184.63	$518,413.55
April-24	560	$1,222,222.52	$157,041.21	$42,391.81	$554,705.70	$866,949.84
May-24	561	$303,103.49	$84,809.23	$42,376.88	$120,772.25	$309,517.35
June-24	569	$332,403.91	$224,577.65	$22,818.74	$140,866.08	$438,934.22
July-24	566	$574,796.89	$52,489.65	$52,489.65	$0.00	$679,776.19
August-24	590	$434,914.65	$44,600.51	$44,600.51	$0.00	$524,115.67
September-24	592	$480,647.68	$36,643.90	$36,643.90	$0.00	$553,935.48
October-24	594	$613,503.56	$35,767.81	$35,767.81	$152,779.87	$532,259.31
November-24	588	$442,079.38	$46,161.47	$46,161.47	$78,571.39	$455,830.93
December-24	593	$937,730.01	$34,150.64	$34,150.64	$156,557.72	$849,473.57
Total	**6,860**	**$7,010,028.54**	**$1,514,142.73**	**$465,849.44**	**$1,726,596.15**	**$7,263,424.56**

Standard Renewal Calculations 2025 - 2026	
Current Plan Designs	**Mature WSL**
Claims	$7,263,424.56
Standard Trend 8%	$8,229,460.03
Benefit Enhancements	$8,229,460.03
Annual Employee Count	6,860
Administration and Stop-loss	$2,565,640.00
Expected Medical Plan Cost - 2025 - 2026	$10,795,100.03
PPACA - Fee for Comparative Effectiveness Research Agency - July 31, 2025	$3,954.16
Clinic, X-rays, Wellness Program, Health Risk Assessments	$267,796.00
FSA Fees	$10,509.00
Laser - $500,000 - $430,000 of Exposure	**$0.00**
Wellness Bonus - $250	$65,500.00
Data Analytics	**$12,000.00**
PPCN - Diabetes Management	**$33,024.00**
PPCN - Medical Weight Management	**$28,980.00**
Rebate Credit	**$0.00**
2024 Cost	**$10,636,120.29**
2025 - 2026 Expected Cost Change	**101.15%**
	Tucker/MedCost
Total 2025 - 2026 Cost	**$11,216,863.19**
City 2024 - 2025	**$12,340,224.00**
2025 - 2026 Rate Action - Projection	**90.90%**

- ✓ Long term funding has been very stable.
- ✓ We are recommending a 3% funding increase for the City 2025 – 2026, which meets the City's long-term funding strategy.
- ✓ As a reminder, the City is self-funded and any positive Plan position is retained by the City.
- ✓ Seeking City Council approval so that Open Enrollment can move forward in April.

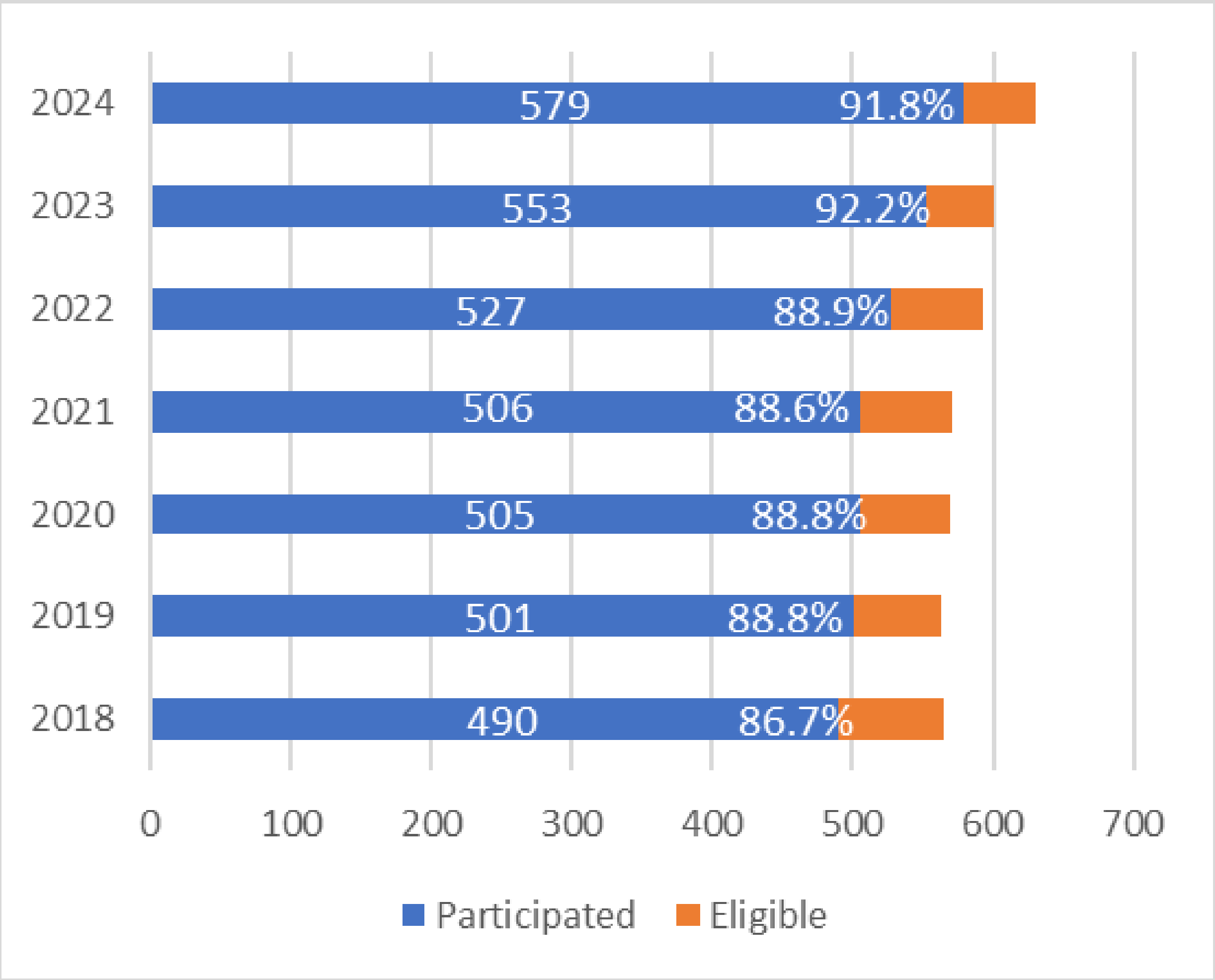
Mark III
Employee Benefits

Piedmont Pharmaceutical Care Network, LLC (PPCN)

- **PPCN** is an independent third-party contractor providing care management services since the early 2000s.

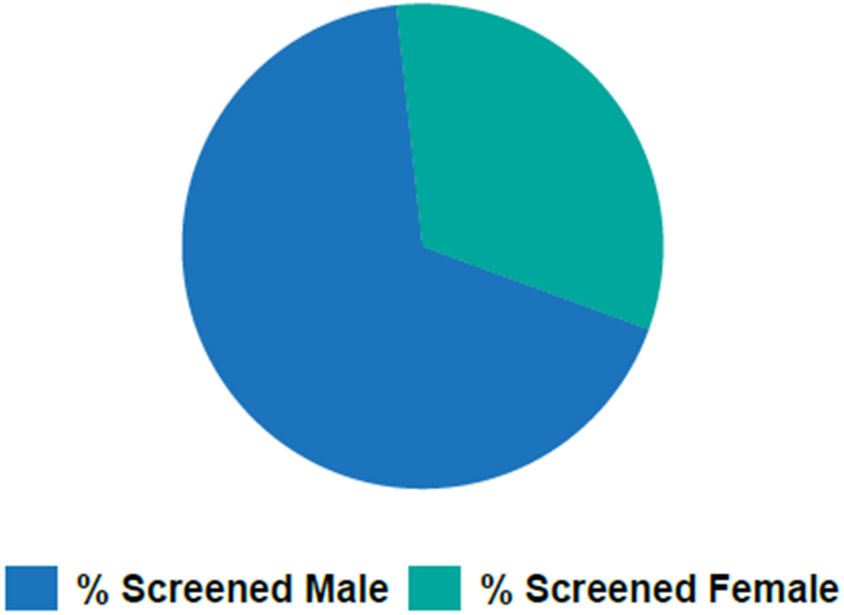
- **Services**
  - Chronic Condition Management (HealthMapRx™)
  - Biometric Screening Coordination
  - Group Health Education
  - Health Coaching
  - Pharmacy Claims Review

City of Monroe Annual Participation



Participation in the City of Monroe wellness program is voluntary, and biometric screening results are confidential.

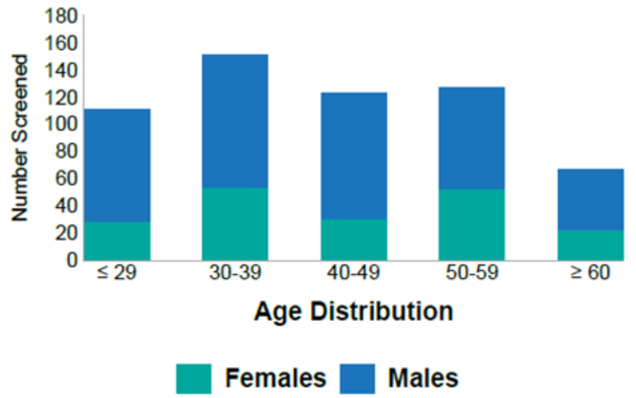
2024 Screening Demographics



Number of Males:	392
Number of Females:	187
Percentage of Males:	67.7
Percentage of Females:	32.3

2024 Screening Demographics

Average Age Male: 41
Average Age Female: 43
Average Age Overall: 42



	Male	Female
2024	67.7% (392) Avg. Age: 41	32.3% (187) Avg. Age: 43
2023	66.5% (368) Avg. Age: 41	33.5% (185) Avg. Age: 43
2022	65% (343) Avg. Age: 42	35% (184) Avg. Age: 43
2021	65% (331), Avg. Age: 42	35% (175), Avg. Age: 44
2020	69% (347), Avg. Age: 42	31% (158), Avg. Age: 45

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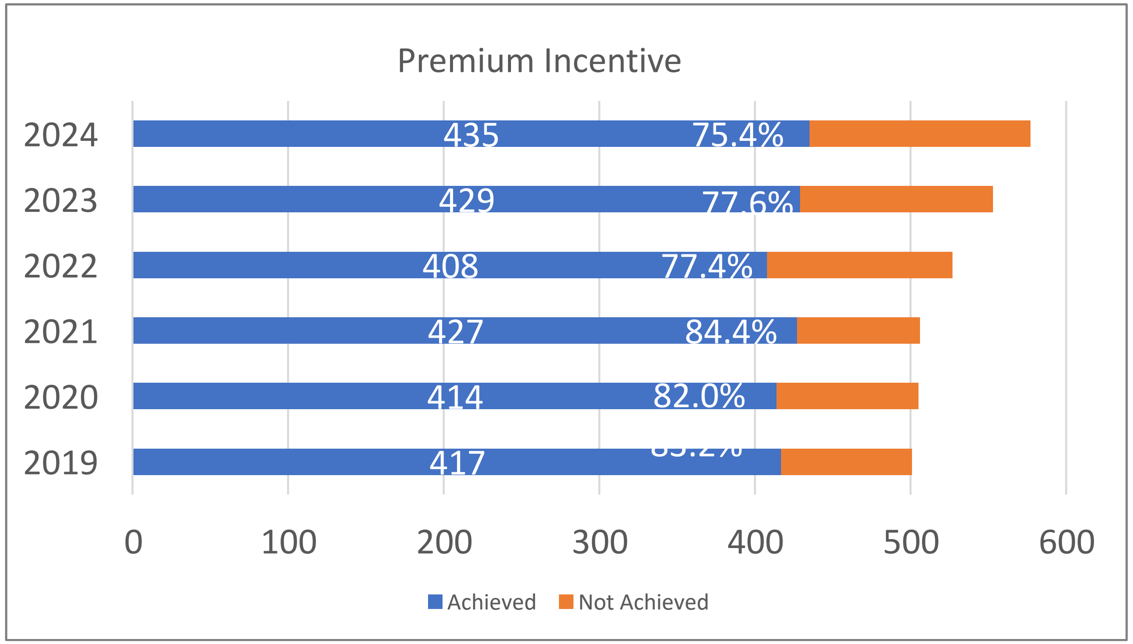
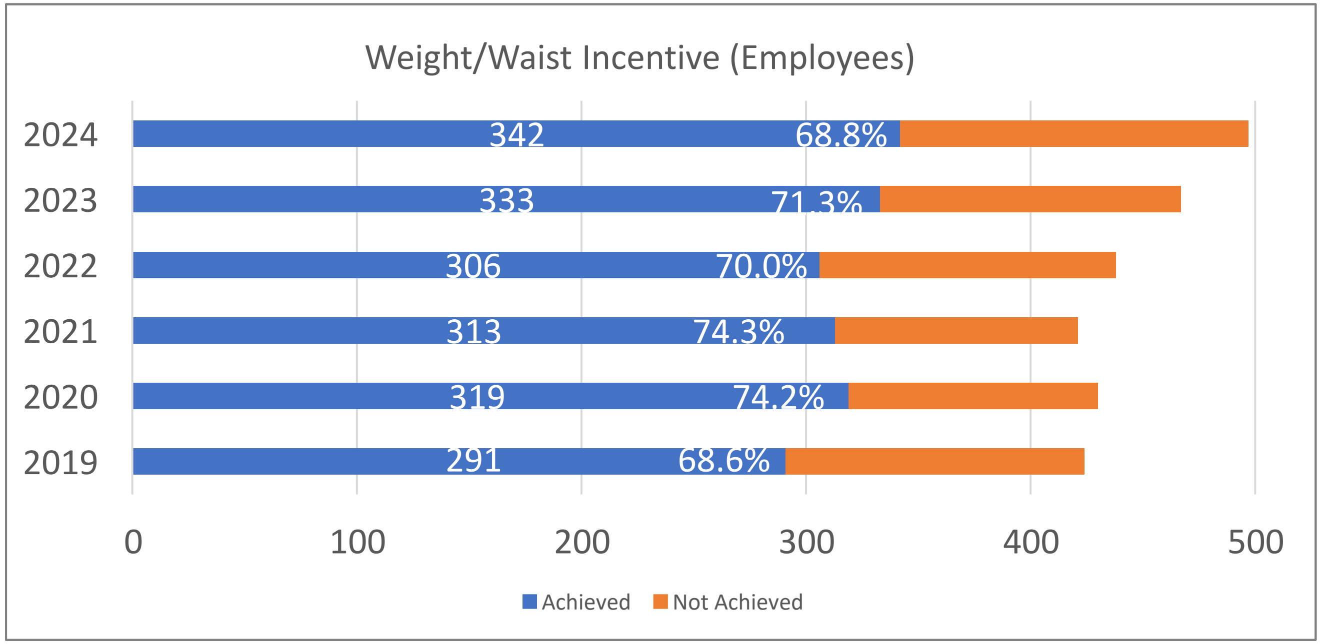
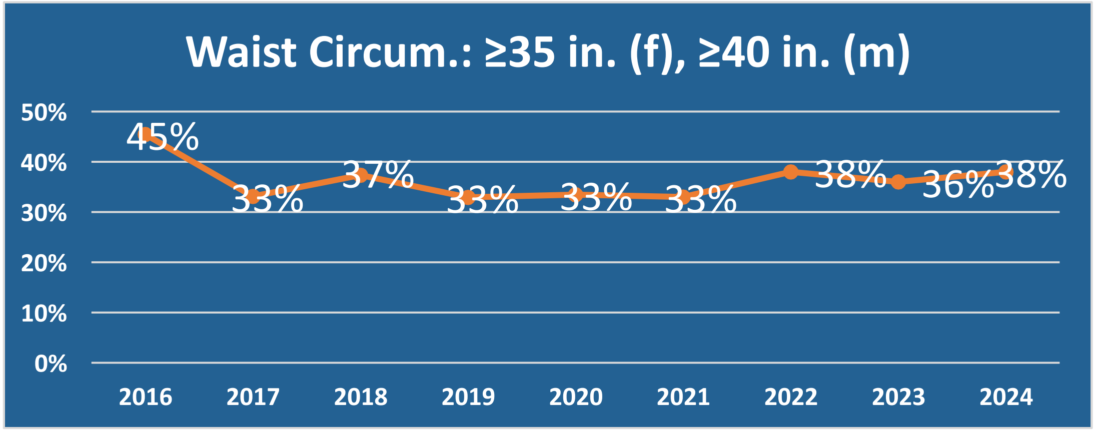
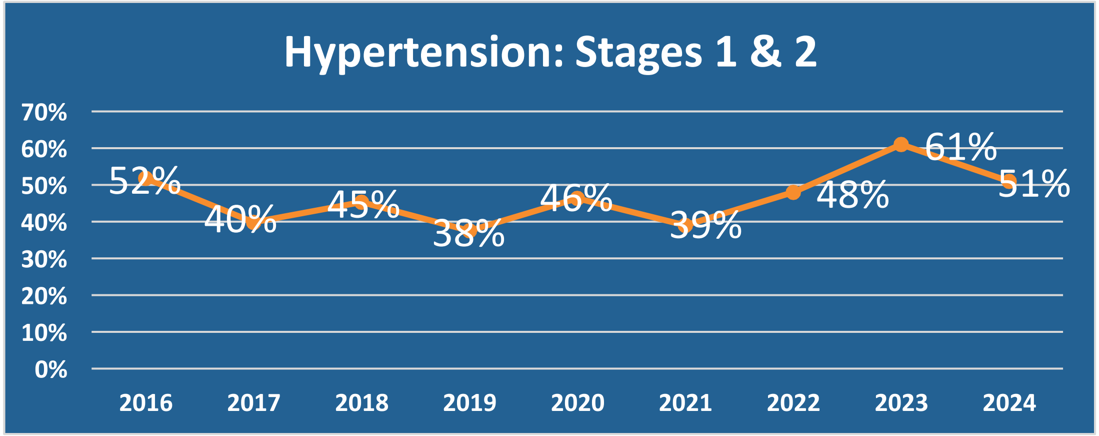
Biometric Screening Incentives

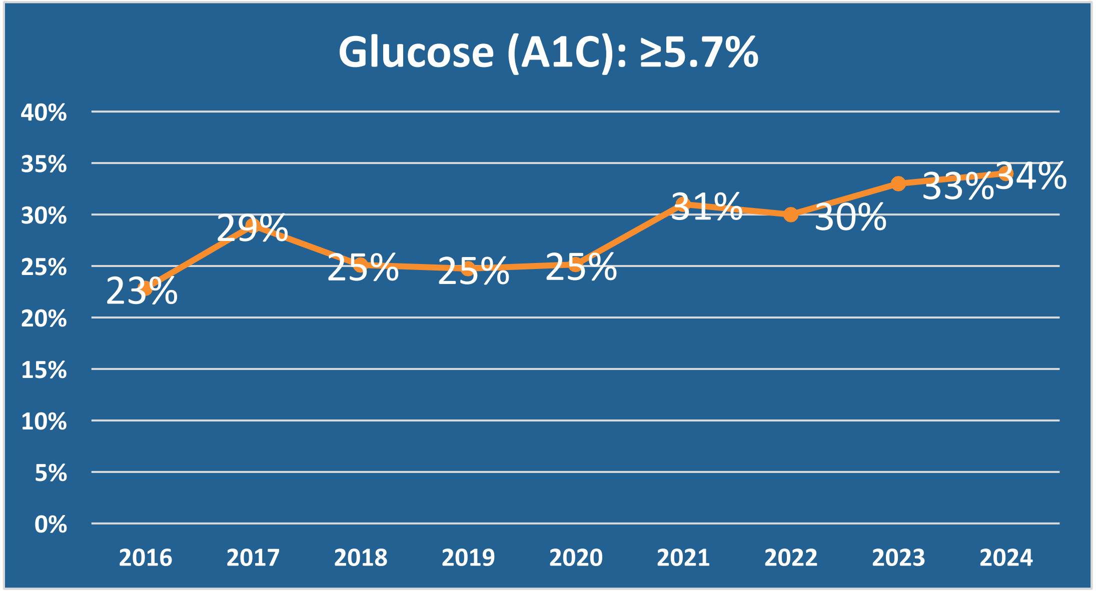


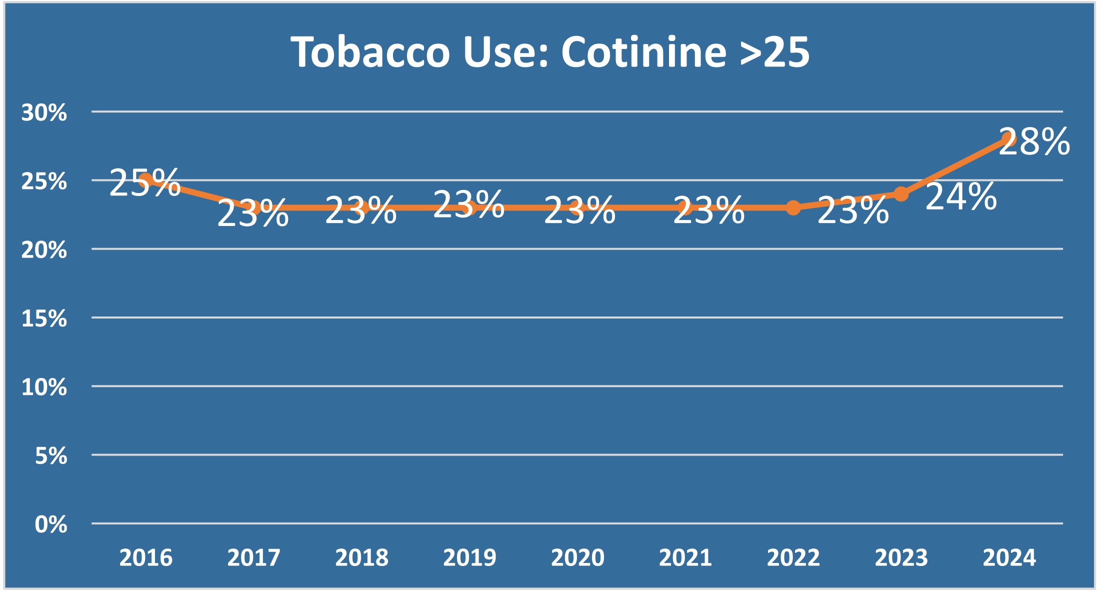


High Risk Trending (All Participants)

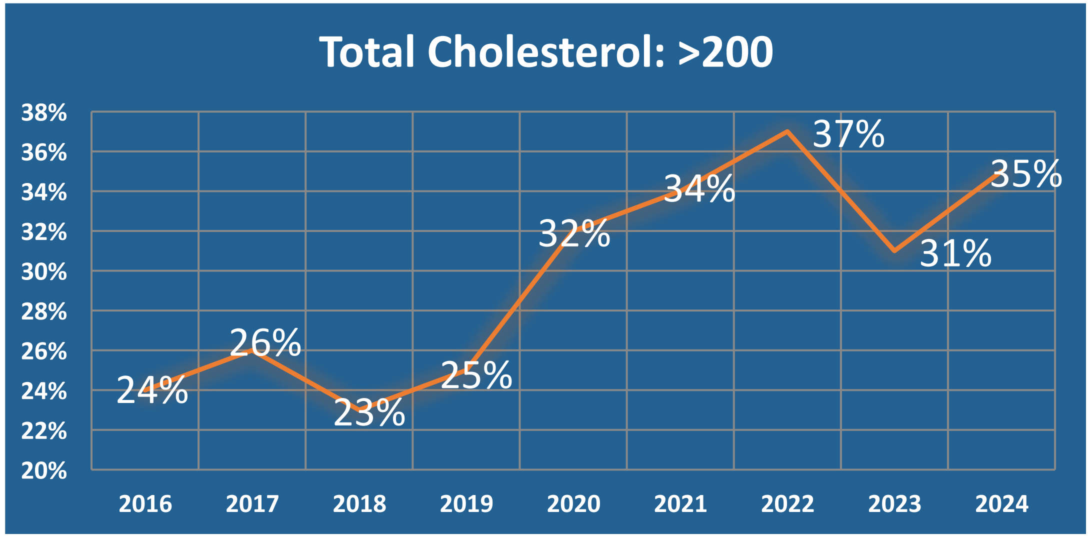


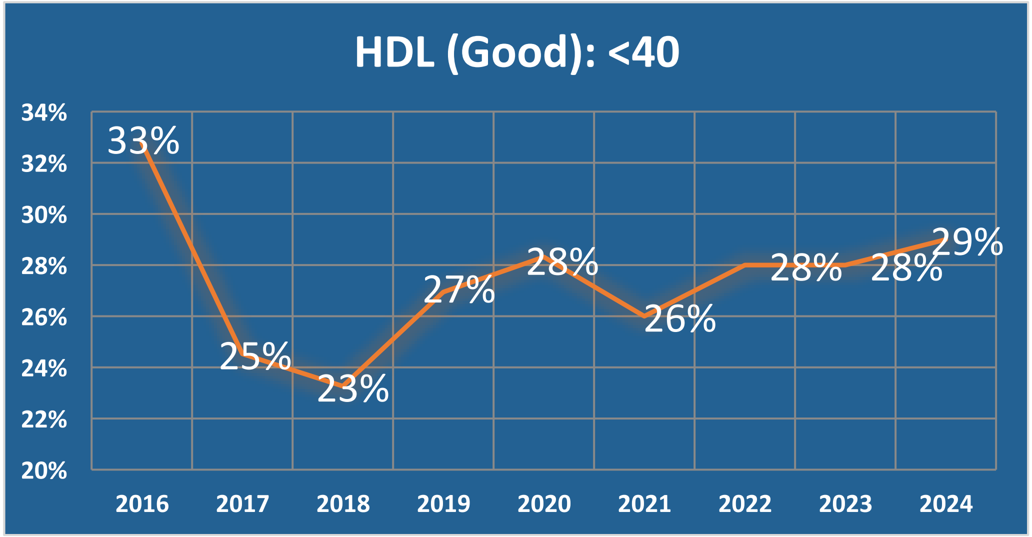


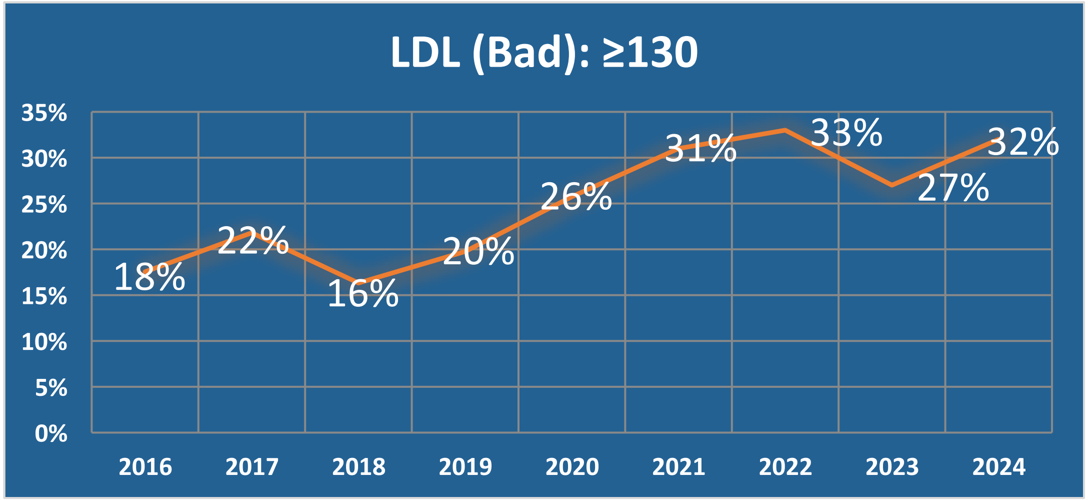


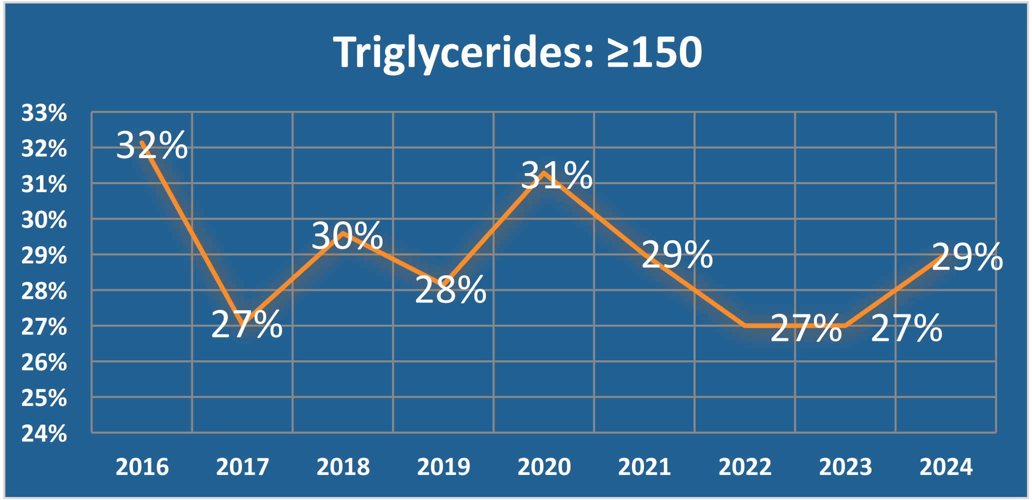


High Risk Trending (All Participants)









Areas of Success (High Risk Groups)

- Waist Circumference Decreased (Change: -7%)
- Blood Pressure (HTN Stages 1 & 2) Decreased (Change: -1%)
- HDL (Good) Cholesterol Decreased (Change: -4%)
- Triglycerides Decreased (Change: -3%)

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Areas of Focus (High Risk Groups)

- BMI (Classes 2 & 3 Obese) Increased (Change: +3%)
- Total Cholesterol Increased (Change: +11%)
- HDL Ratio Increased (Change: +3%)
- LDL (Bad) Increased (Change: +14%)
- Glucose (A1C) Increased (Change: +11%)
- Cotinine/Nicotine Increased (Change: +3%)

2023 Biometric Screening
Health Coaching Results

Participation: 55 (47% of eligible)

- 1 session: 14, 25.4% (wellness pts 65-69)

- 2-4 sessions: 41, 74.6% (wellness pts < 65)

- Achieved 2024 Incentive Premium: **61%** (30/49)

(6 individuals did not participate in the 2024 biometric screening event)

2023 Biometric Screening

Health Coaching Results – Average Clinical Change (n=49)

Clinical Value/Metric	2023	2024*
Weight	240	**236**
Waist Circumference	42	**41.5**
Total Cholesterol	186	194
HDL (Good)	43	43
LDL (Bad)	115	121
Triglycerides	160	167
Hemoglobin A1C	6.3	**6.1**
Systolic BP	130	**124**
Diastolic BP	86	**80**
Wellness Points	56	**65**

*Areas of improvement highlighted in green.

Health Risk Assessment Highlights

Exercise Habits and Nutrition

	0 times	1 time	2 times	3-4 times	5+ times
How many times a week do you exercise on average?	8.8%	14.1%	22.5%	**36.7%**	**17.9%**

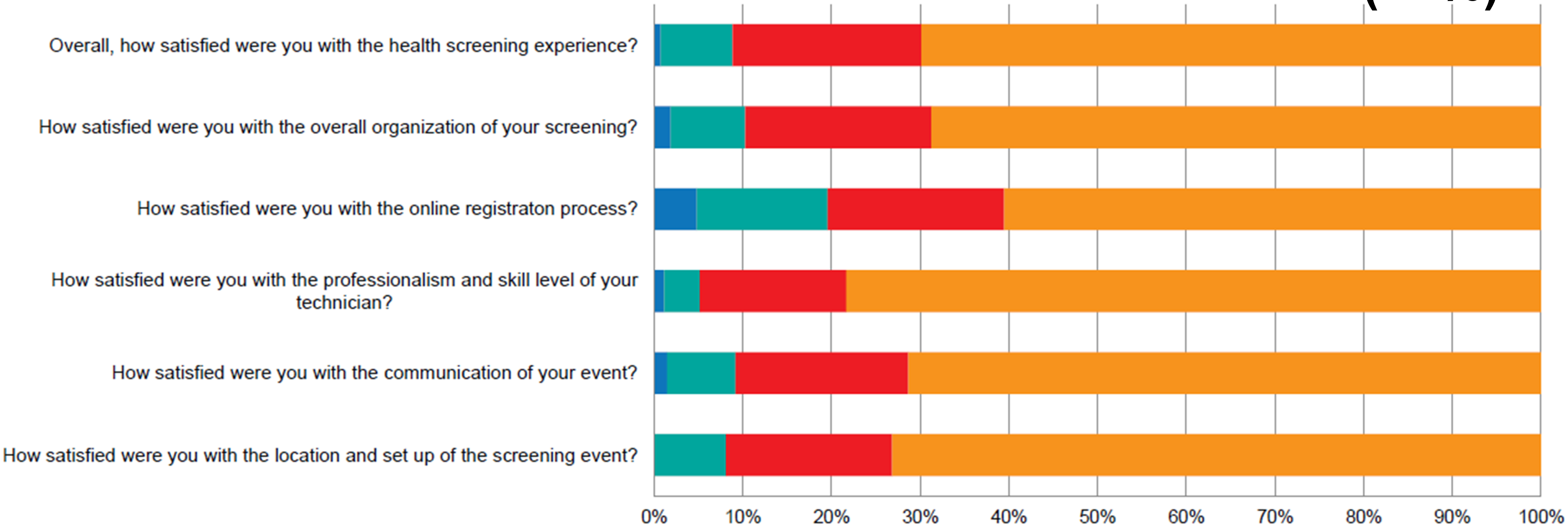
	All of the Time	Most of the Time	Sometimes	Not at All
I follow sensible eating habits.	16.6%	**56.6%**	26.0%	0.8%

Sleep

	Less than 5 Hours	5 to 6 Hours	More than 7 Hours
How many hours do you sleep?	3.3%	41.7%	**55.0%**

Participant Survey Summary - 2024

Participation: 272 (47%)



	How satisfied were you with the location and set up of the screening event?	How satisfied were you with the communication of your event?	How satisfied were you with the professionalism and skill level of your technician?	How satisfied were you with the online registraton process?	How satisfied were you with the overall organization of your screening?	Overall, how satisfied were you with the health screening experience?
Not satisfied	0.0%	1.5%	1.1%	4.8%	1.8%	0.7%
Satisfied	8.1%	7.7%	4.0%	14.8%	8.5%	8.1%
Very satisfied	18.8%	19.5%	16.5%	19.9%	21.0%	21.3%
Extremely satisfied	73.2%	71.3%	78.3%	60.5%	68.8%	69.9%

Overall: 99.3% Satisfied or Above

PPCN HealthMapRx™
336.899.8475
ppcn.org

HealthMapRx™

Diabetes Management Enrollment

Enrollment	2024	2025	Budget	Eligible
HealthMapRx-Diabetes	19	0	32 (50%)	19/64 (30%)
Inactive Participants	1	0		

Inactive Reason	2024	2025
Insurance Terminated	1	0
Patient Preference/Opted Out	0	0
Non-Compliance / No Response	0	0

HealthMapRx™ Diabetes Mgmt vs. Industry Standards

Clinical Goals	2025	Baseline (n=19)	Industry (HEDIS)*	PPCN (n=1099)
Blood Glucose (A1C < 7%) **(goal: >60%)**		**32%**	34.9%	49.0%
Blood Glucose (A1C < 8%) **(goal: >80%)**		**58%**	49.9%	74.1%
Blood Glucose (A1C > 9%) **(goal: <10%)**		**0%**	42.5%	12.3%

*2021 HEDIS Measures for Commercial Insured PPO; https://www.ncqa.org/hedis/measures/

HealthMapRx™ Medical Weight Mgmt Demographics & Baseline

Start Date	Enrollment	Gender	Avg. Age
07/01/24	23 (Budget:23)	76% (F), 24% (M)	41

Black	Hispanic	Caucasian	Other
22%	4%	74%	0%

	Weight	Hemoglobin A1c
Baseline	293.0	5.7 (21)

Normal	Prediabetes	Diabetes
← 5.6%	5.7% - 6.4%	6.5% →

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HealthMapRx™ Medical Weight Mgmt Clinical Trending

Customers	Parts.	Baseline Wt.	Current Wt.	Decrease (%)
Monroe	**19**	**293.0**	**274.4**	**-5.7%**
9-Customers	135	277.9	253.9	-8.7%

Customers	Parts.	Baseline A1c	Current A1c	Decrease (%)
Monroe	**19**	**5.7**		
9-Customers	81	5.6	5.4	-3.6%

STAFF REPORT

TO:	City Council
VIA:	Mark Watson, City Manager
DATE:	February 11, 2025
FROM:	Rob Miller, General Manager of Energy Services and Water Resources
PREPARED BY:	Rob Miller, General Manager of Energy Services and Water Resources
SUBJECT:	Energy Services, Purchasing and IT Warehouse Project

SUMMARY STATEMENT

Energy Services, Purchasing, and IT have been working together on the design, construction of a new warehouse, office space, and renovation of the Energy Services building.

REVIEW

The City of Monroe completed a Request for Qualifications (RFQ) process in August 2023 where Vannoy Construction was the most qualified candidate to contract for the warehouse, office space, and renovation project using the Construction Manager at Risk (CMAR) process. Vannoy has received bids for all trades required for the construction and has provided the Guaranteed Maximum Price (GMP) for the project. Staff will provide an overview of the civil site work, roadway improvements, new warehouse/office space, and renovation of the Energy Services building. The project will include a loan from the Electric Fund balance to the General Fund as a 20 year loan for the General Fund share of the project.

This item was approved by the Public Enterprise Committee on February 4, 2025.

RECOMMENDATION

The Public Enterprise Committee and Staff recommend that the City Council adopt a Capital Project Budget Ordinance, approve a General Fund Promissory Note, approve the Construction Services contract with Vannoy Construction in the amount of $20,971,944 and authorize the City Manager to execute any and all necessary documents.

Attachments: Warehouse Presentation; Budget Ordinance; and, Promissory Note

CAPITAL PROJECT BUDGET ORDINANCE
ENERGY SERVICES WAREHOUSE PROJECT
BO-2025-01

WHEREAS, the City desires to build a new warehouse for Energy Services, office space for the Purchasing and Information Technology Departments, remodel the existing Energy Services warehouse and make property improvements; and

WHEREAS, Energy Services completed an RFQ and selected Vannoy Construction as the most qualified candidate for the project using the Construction Manager at Risk process; and

WHEREAS, Energy Services is recommending award of the construction contract for the Warehouse Project to Vannoy Construction in an amount not to exceed $20,971,944; and

WHEREAS, $6,500,000 will be provided by the City's General Fund toward the General Fund share of the project; and

WHEREAS, $6,500,000 will be advanced to the General Fund and paid back over 20 years at an interest rate of 2%.

NOW, THEREFORE, BE IT ORDAINED that the City Council of Monroe amends the following accounts to provide for the advance to the General Fund, update/correct the amounts that were adopted in the FY 25 annual budget and provide for the transfer of the General Fund share of the funding for this Energy Services Warehouse Project.

General Capital Project Fund:	
Revenue:	
Transfer from General Fund GB2501	($6,500,000)
Expense:	
Construction/Improvements GB2501	($6,500,000)
General Fund:	
Revenue:	
Other Financing Sources (Installment Financing)	($6,500,000)
Transfers in from Other Funds (Advance from Electric)	$6,500,000
Expenses:	
Transfer to Electric Capital Project Fund	$6,500,000
Transfer to General Capital Project Fund	($6,500,000)
Electric Fund:	
Revenue:	
Transfer from Electric Capital Project Fund	$6,500,000
Expense:	
Transfer to General Fund (Advance to General Fund)	$6,500,000

Electric Capital Project Fund:

Revenue:

Transfer from General Fund EL2501	$6,500,000

Expenses:

Reserve for Future EL9900	($6,500,000)
Transfer to Electric Fund EL9900	$6,500,000
Project Costs EL2501	$6,500,000

Adopted this 11th day of February, 2025.

Attest:

Robert A. Burns, Mayor

Bridgette H. Robinson, City Clerk

Energy Services, IT, Purchasing Warehouse Project

City Council

February 11, 2025

Outline

1. Project Team
2. Project Location
3. Civil, Site, Transportation Improvements
4. PIT (Purchasing, IT)/Warehouse
5. Energy Services Renovations
6. Construction Cost
7. Financial Information
8. Approvals
9. Questions

Project Team

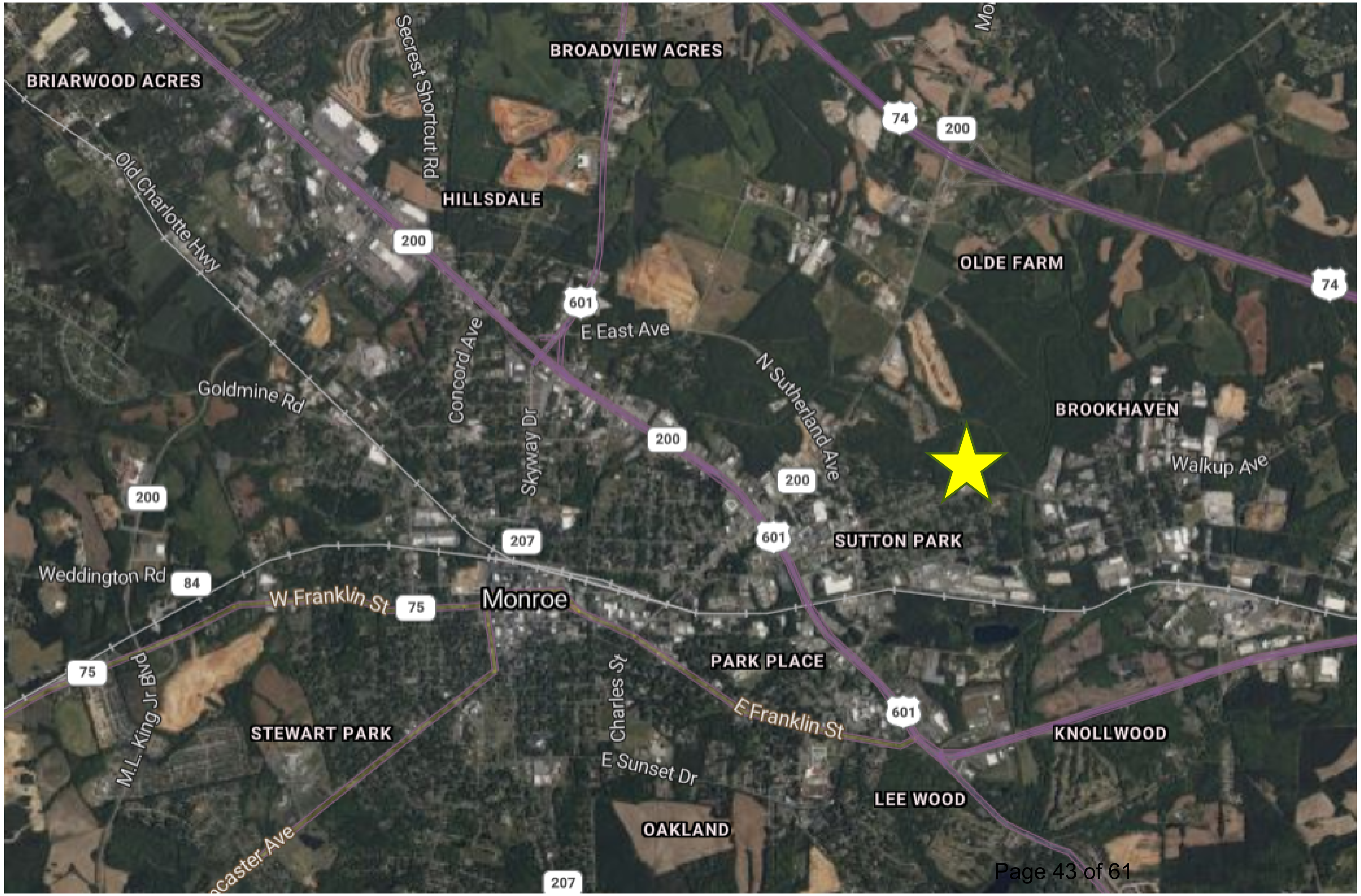
Construction

Architect

Civil, Survey

Environmental

Project Location

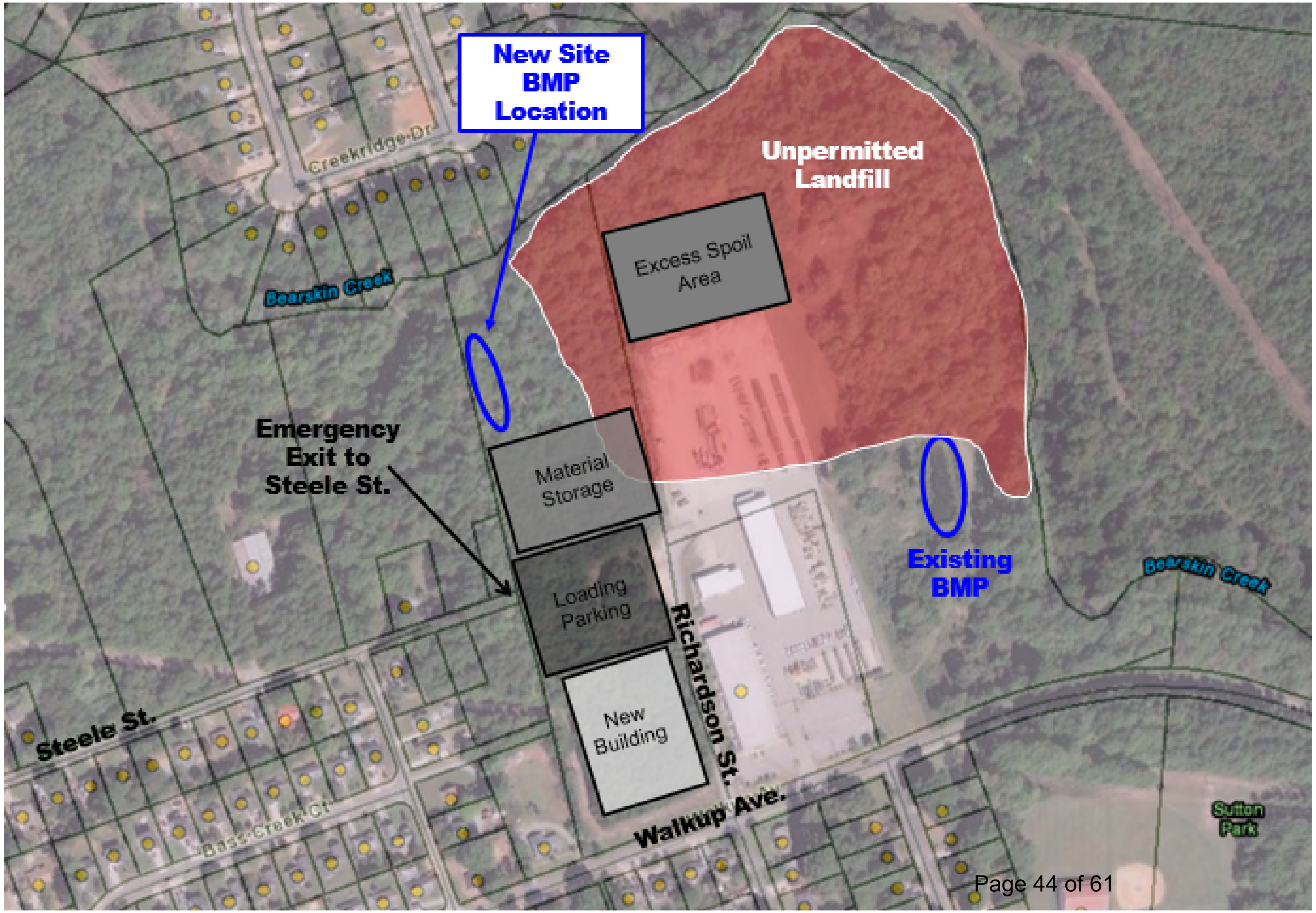


Energy Services
2201 Walkup Ave.

New Building
2125 Walkup Ave.

Located at the intersection of Walkup Ave. and Richardson St.

Civil, Site



8.15 Acres to be Disturbed

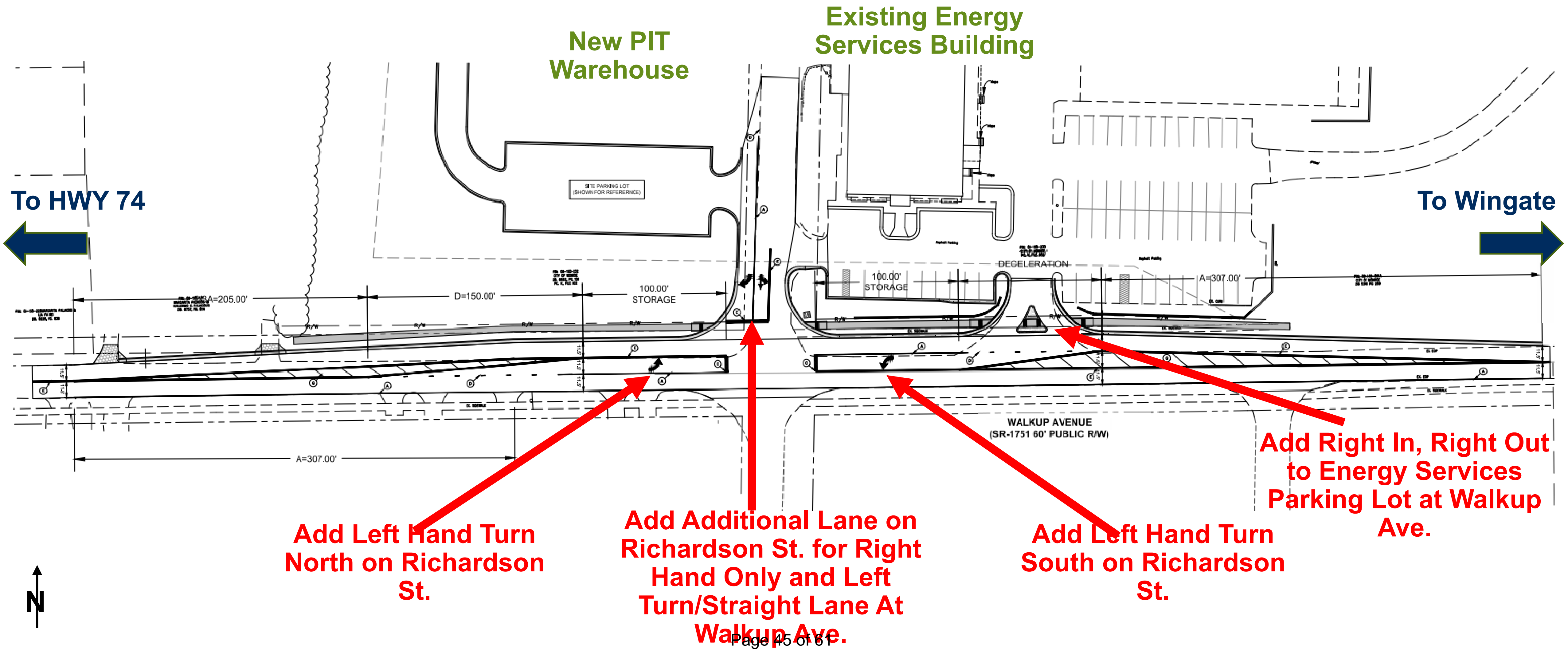
BMP

Excess Spoil

Erosion Control Permit is approved

Stormwater Permit is pending

Roadway Improvements

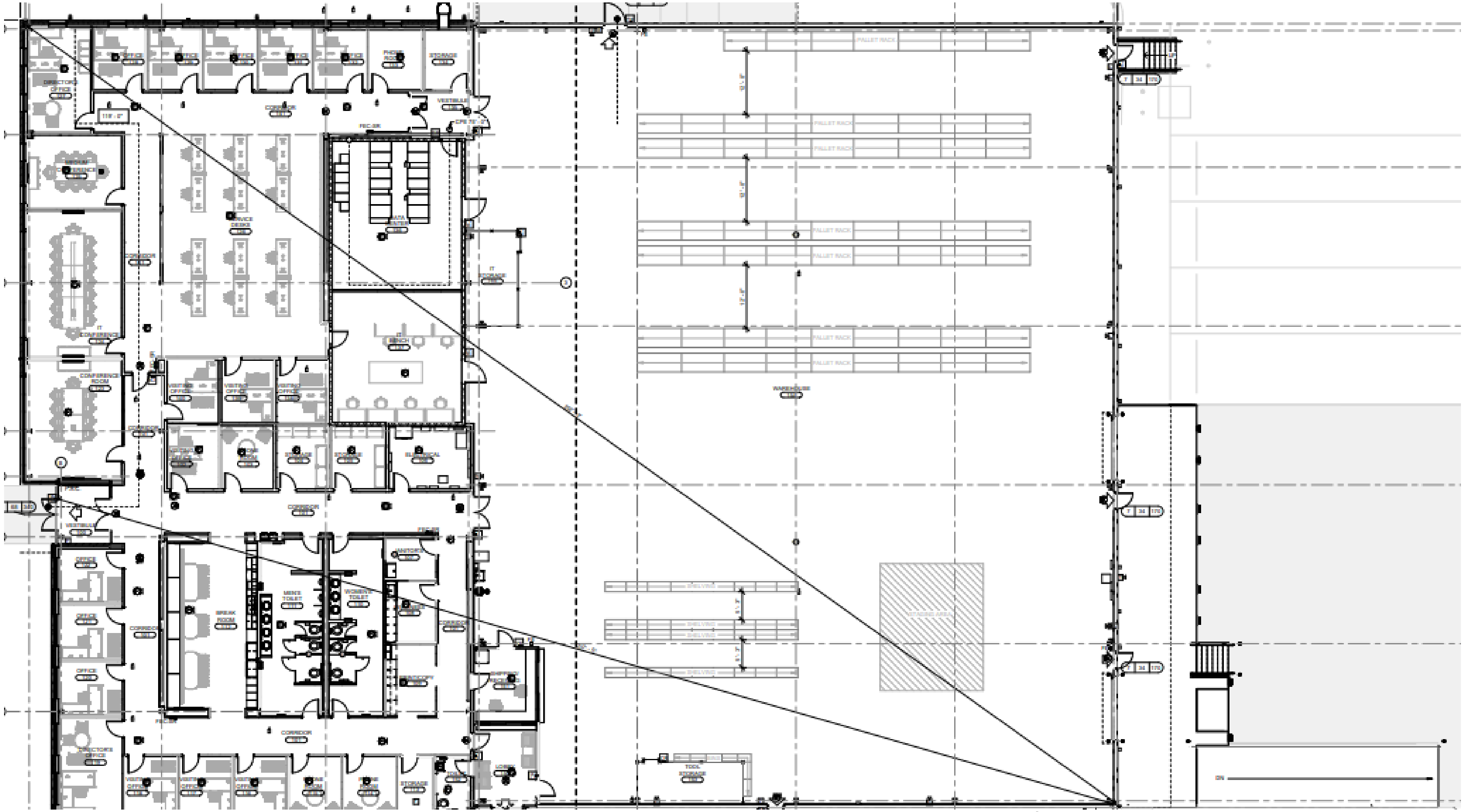


Civil, Site, Roadway Improvements Objectives

- Roadway Safety for Employees and Citizens
- Environmental – Meet all stormwater requirements for the site
- Compliance – Meet all requirements for unpermitted landfill
- Increased material, equipment storage area
- Increased material, equipment storage for Water Resources
    - Energy Services will relocate the large transformer stock from Water Resources to Energy Services

PIT/Warehouse

PIT/Warehouse



29,072 sq ft

Warehouse = 17,127 sq ft

Storage = 1,024 sq ft

IT = 5,602 sq ft

Purchasing = 1,915 sq ft

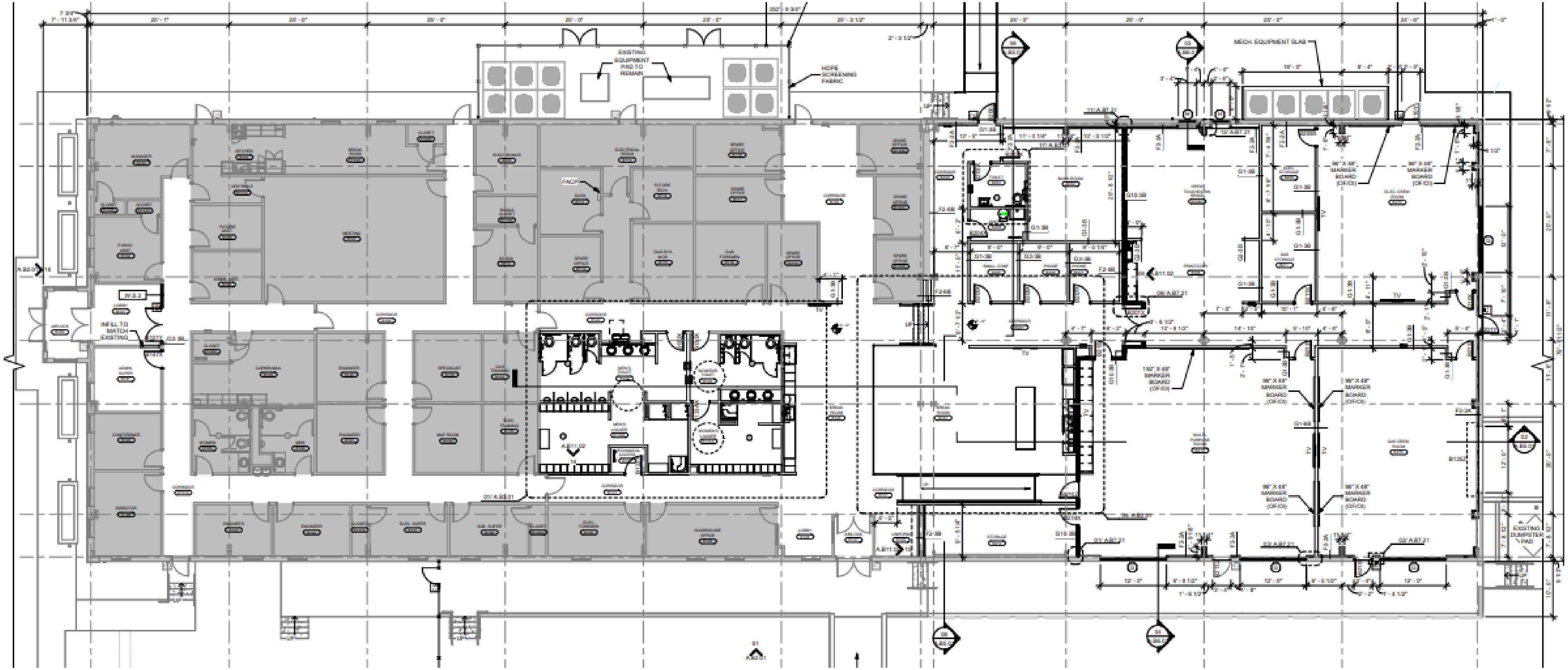
Shared = 4,022 sq ft

PIT/Warehouse Objectives

- IT work space for immediate need and for 20+ year
  - 9 Offices, 12 Work Spaces, Conference Room, Work Bench, Storage
- Data Center
- City Network Redundancy, Resilience

- Purchasing work space for immediate need and for 20+ years
  - 10 Offices, 5 Work Spaces, Conference Room, Storage
- Warehouse space for immediate need and for 10+ years
- Warehouse designed so it can be expanded in the future

Energy Services Renovations



Renovate

13,089 sq ft

Energy Services Renovation Objectives

- Energy Services work space for immediate need and for 20+ year
  - 5 Offices, 15 Work Spaces
  - Larger Electric Crew Room
  - Larger Natural Gas Crew Room
  - Large Department Meeting Space
  - Bunk Room, Locker Room
  - Improved, larger common lunch area for employees

Construction Cost

Total Cost = $20,971,944

Total $/sq. ft. = $502.26

- Site Cost = $5,473,229
- Fencing/Security/Landscaping = $550,600
- Concrete/Masonary/Steel = $,577,322
- Project Contingency = $1,250,000
- CMR FEE = $685,319

Cost does not include furnishings, warehouse racks.

Construction Cost Responsibility

Energy Services = $14,885,620

- Energy Services Renovation, Warehouse

General Fund = $6,045,324

- IT Workspace, Data Center, Purchasing Workspace

The Electric Fund will loan the General Fund $6,500,000

20 Year Term, Low Interest Loan (2% versus 4.5% - 5%)

Debt Service = $397,519/year

Financial Information

Capital Project EL 2003 Balance = $16,217,783.54

Electric Fund Balance 7/1/2024 = $65,529,381 + $32,992,792 = $98,522,173

- Reserved for Future Capital Projects = $21,264,832
- Rate Stabilization Fund = $11,727,960

Minimum Electric Fund Balance Policy Requirement = $40,610,675

Electric fund maintains a minimum fund balance of 60% of the Council Adopted budget less capital purchases and transfers out.

Approvals

Approve the Budget Ordinance to transfer funds $6,500,000 to General Fund as a 20 year loan. Approve Budget Ordinance to transfer from General Fund to Project Fund.

Approve the Contract to Vannoy Construction in the amount of $20,971,944.

Authorize the City Manager to execute the contract documents.

Questions

PROMISSORY NOTE
FOR
CONSTRUCTION OF GENERAL FUND OFFICES AT
MONROE ENERGY SERVICES WAREHOUSE

CITY OF MONROE

UNION COUNTY

NORTH CAROLINA

11TH day of February, 2025

$6,500,000.00

WHEREAS, the City of Monroe operates an electric utility enterprise through an enterprise fund (the “Electric Enterprise Fund”) which is maintained separate from the City of Monroe General Fund (the “General Fund”); and

WHEREAS, the Electric Enterprise Fund is constructing a new Warehouse with adjoining offices that will be occupied by the Information Technology Department and the Purchasing Division of the Finance Department; and

WHEREAS, the Electric Enterprise Fund does hereby agree to finance the sum of $6,500,000 for the General Fund’s share of the warehouse construction; and

WHEREAS, the City of Monroe General Fund will use prospective operating revenues collected by the City to repay the Electric Enterprise Fund for moneys borrowed to construct the Information Technology and Purchasing offices pursuant to this Promissory Note.

NOW THEREFORE, FOR VALUE RECEIVED, the City of Monroe does hereby promise to pay from the City of Monroe General Fund to the City of Monroe Electric Enterprise Fund, or order, the principal sum of $6,500,000.00, on or before June 30, 2045, with interest on the entire principal sum from the date hereof at the rate of two percent (2.00%) per annum until paid. Said principal and interest shall be due and payable in twenty (20) equal annual installments of three hundred and ninety-seven thousand five hundred and nineteen dollars and 00/100 ($397,519.00) due by July 1 of each year until paid in full with the first annual payment occurring July 1, 2025.

Payment shall be made in lawful money of the United States of America, at the office of City of Monroe Finance Director or at such other place as the holder of this Note may direct in writing.

This Note may be prepaid in full or in part at any time without penalty or premium. Partial prepayments shall be applied first to payment of accrued interest then due on the unpaid principal balance, with the remainder applied to unpaid principal.

All parties to this Note, including the makers and any sureties, endorsers, or guarantors, hereby severally waive protest, presentment, notice of dishonor, and notice of acceleration of maturity and agree to continue to remain bound for the payment of principal, interest, and all other sums due under this Note notwithstanding any change or changes by way of release, surrender, exchange, modification, or substitution of any security for this Note or by way of any extension or extensions of time for the payment of principal and interest; and all such parties waive all and every kind of notice of such change or changes and agree that the same may be made without notice or consent of any of them.

This Note shall be governed by, and construed in accordance with, the laws of the State of North Carolina.

This Note is **unsecured**.

IN WITNESS WHEREOF, each maker has hereunto set his hand and adopted as his seal the word "SEAL" appearing beside his name, the day and year first above written.

CITY OF MONROE:

____

Robert A. Burns, Mayor

ATTEST:

____

Bridgette H. Robinson, City Clerk

City of Monroe
Where Heartland Meets High Tech

STAFF REPORT

TO:	City Council
VIA:	Mark Watson, City Manager
DATE:	February 11, 2025
FROM:	Ronald D. Fowler, Fire Chief
PREPARED BY:	Alice Withers, Administrative Assistant II - Fire
SUBJECT:	Fire Department Strategic Plan Input

SUMMARY STATEMENT

Staff seeks Council's input on the Fire Department's Strategic Plan.

REVIEW

The Fire Department is beginning the process of updating the department's five-year strategic plan. Part of this process involves seeking community input for the community-driven component of the plan and likewise Staff wants to provide an opportunity for Council input on the plan.

Staff and a facilitator with the Center for Public Safety Excellence will seek input from Council on the plan.

RECOMMENDATION

Provide input as desired on the Fire Department's Five-Year Strategic Plan.

STAFF REPORT

TO:	City Council
VIA:	Mark Watson, City Manager
DATE:	February 11, 2025
FROM:	Franco McGee, Council Member Gary Anderson, Council Member
PREPARED BY:	Bridgette H. Robinson, City Clerk
SUBJECT:	Boards and Committees' Access to City Council Agenda

SUMMARY STATEMENT

City Council is requested to discuss boards and committees' access to the City Council Agenda.

REVIEW

Request to hold a discussion on the boards and committees' access to the City Council Agenda.

RECOMMENDATION

City Council is requested to discuss the boards and committees' access to the City Council Agenda.

City of Monroe
Where Heartland Meets High Tech

STAFF REPORT

TO:	City Council
VIA:	Mark Watson, City Manager
DATE:	February 11, 2025
FROM:	Julie Thompson, Council Member Robert Burns, Mayor
PREPARED BY:	Bridgette H. Robinson, City Clerk
SUBJECT:	Awards and Recognitions

SUMMARY STATEMENT

City Council is requested to discuss awards and recognitions.

REVIEW

Request to hold a discussion on awards and recognitions.

RECOMMENDATION

City Council is requested to discuss awards and recognitions.