MINUTES

CITY OF COCOA
REGULAR MEETING OF THE CITY COUNCIL

March 27, 2018

A Regular City Council meeting was held on Tuesday, March 27, 2018, in City Council Chambers, located in Cocoa City Hall, 65 Stone Street, Cocoa, Florida, as publicly noticed.

I. OPENING MATTERS:

Mayor Parrish called the meeting to order at 6:42 p.m.

Councilman Whipple provided the invocation and Councilman Boisvert led the assembly in the Pledge of Allegiance to the Flag of the United States of America.

The City Clerk took the roll.

PRESENT:	Henry U. Parrish III	Mayor
	Jeri Blanco	Deputy Mayor
	Don Boisvert	Councilman
	Brenda Warner	Councilwoman
	Clarence Whipple, Jr.	Councilman
	Anthony Garganese	City Attorney
	John Titkanich, Jr.	City Manager
	Matt Fuhrer	Assistant City Manager
	Carie Shealy	City Clerk

OTHER STAFF MEMBERS PRESENT:

Tammy Gemmati, Administrative Services Director; Jack Walsh, Utilities Director; Karen Hamilton, Community Services Director; Gene Prince, Fire Chief; Michael Cantaloupe, Chief of Police; Lora Howell, Interim Finance Director; Gina Maxwell, HR Manager; Abby Shoaf, Benefits Coordinator; and Tre Folston, Helpdesk Support Tech.

II. APPROVAL OF AGENDA AND MINUTES:

1. Agenda: Regular Meeting of March 27, 2018 (18-96)
2. Minutes: N/A

* **MOTION by Councilman Boisvert; Seconded by Deputy Mayor Blanco, to approve the Agenda as presented for the Regular meeting of March 27, 2018.**

AYES: Parrish, Blanco, Boisvert, Warner, Whipple

THE MOTION CARRIED UNANIMOUSLY (5-0)

Mayor Parrish apologized to Council for all of the discussion at the previous meeting and stated he should have handled it more efficiently.

III. AWARDS AND PRESENTATIONS:

1. Presentation from the City's Benefit Broker Gehring Group to review the 2017 utilization of the City's Health Center and the associated impact on the medical plan. (18-88). (Administrative Services Director)

Mr. Shawn Fleming from the Gehring Group was in attendance in order to provide a health center update[1].

Mr. Fleming advised that this was an annual review. He spoke in detail about the market landscape, health center utilization, medical plan utilization, return on investment, and partnership utilization statistics.

He provided a background on the clinic, noting it opened in September 2014 and pointed out that the City transitioned to self-funding for FY 2016.

Mr. Fleming mentioned that costs associated with catastrophic claims was the most significant inflationary cost driver.

Additionally, he pointed out that there were 21 members with claims exceeding $50,000 in 2017. There were seven claims that were related to cancer that were over $865,000.

[1] EXHIBIT A: City of Cocoa Health Center Update

Five claims were related to musculoskeletal issues with total costs of over $726,000 and 71% of claims were for employees. The remaining were spouses.

In 2017, there were 2,728 office visits at the health center. The utilization of the health clinic continues to increase.

Pharmacy use was discussed along with the partnership with Satellite Beach, Rockledge, and Cocoa Beach.

In summary, Mr. Fleming mentioned that the costs in the market continue to increase due to medical inflation. The medical plan utilization was up in 2017, which was driven by catastrophic cancer and musculoskeletal claims. Clinic utilization continues to be strong, which saves the City $1.92 for every $1 spent on the health center.

Mayor Parrish asked if there was a way to help employees with pre-determination of any illnesses, etc. In response, Mr. Fleming stated that the clinic offers the PHA and try to look at how many have done that each year. Nothing was diagnosed in the late stages, however, it is the prescriptions that drive the cost up.

Deputy Mayor Blanco asked about smoking and if incentives are offered for employees to quit smoking. Ms. Gemmati stated that the health center provides cessation products. Deputy Mayor Blanco advised that some places provide cost savings in their plans for smokers versus non-smokers.

Mr. Fleming discussed options and assured her this is always a topic of discussion.

Councilwoman Warner asked if other cities were experiencing the same savings. Mr. Fleming mentioned they do not have a true year of data yet since the other cities are new to the program but it is on the agenda to discuss with the other cities. Once data is received he can come back and provide an update.

Council thanked Mr. Fleming for his presentation.

Ms. Gemmati introduced the City's new Benefits Coordinator Abby Shoaf, and Gina Maxwell, HR Manager. Ms. Shoaf worked for the University of Delaware in benefits prior to working here.

Mayor Parrish thought the health center was going very well.

Councilwoman Warner has heard positive feedback from employees from other cities as well.

2. Proclamation: Proclaiming April Water Conservation Month. (18-91). (Utilities Director)

Mr. Walsh presented a Proclamation proclaiming April as Water Conservation Month.

3. Update by Cocoa Rotary regarding the concert in Riverfront Park on February 25, 2018. (18-94). (Mike Arnold, Cocoa Rotary)

Assistant City Manager Fuhrer introduced Mr. Mike Arnold, with Cocoa Rotary, and reminded Council of a Special Events Agreement that was executed in 2017 with the Cocoa Rotary.

Mr. Arnold spoke about the success of the concert in the park held on February 22, 2018. Country Music Artist, Jamey Johnson performed at Riverfront Park and it was by far the most successful concert so far.

He thanked Council and mentioned that this was the fourth event that they have had, counting the event at the Cocoa Village Playhouse. They raised a little over $18,000 for the Boys and Girls Club.

Both Deputy Mayor Blanco and Councilwoman Warner attended and agreed it was a great event.

Mr. Arnold told a story about Mr. Jamey Johnson, who is an eight year Marine Veteran. Mr. Arnold brought Mr. Melvin Morris, a Medal of Honor recipient, to the concert and they met. During one of his songs he called out Mr. Morris and acknowledged him.

Mr. Arnold mentioned that the dates of February 22nd, 23rd, and 24th have reserved for next year. He is also in talks with the Playhouse to do a smaller event there.

To date, they have raised about $400,000 for the Boys and Girls Club. The Rotary's membership has grown and he feels it will continue to grow if they continue to have these events in the City.

There was 2,100 people in attendance at the concert, they did not sell liquor, only beer, and they did not have too much trouble. He thanked Public Works in helping with the dividers.

Mayor Parrish believed that they have learned over the years that family oriented events work well. Council thought that country music and Jamey Johnson, specifically, was a good fit for this area.

Lastly, Mr. Arnold reiterated his thanks to the City and hopes they can continue helping the Boys and Girls Club. More sponsors are needed and he hoped to have more coming.

Deputy Mayor Blanco and Councilwoman Warner also thanked him for the VIP party. They thought it and the barbeque was great.

Council thanked Mr. Arnold again.

IV. DELEGATIONS:

Lorraine Koss, 2115 N. Indian River Drive, Cocoa, mentioned that a few weeks ago the Brevard County Commissioners passed the PACE Resolution. She explained what the program entailed and advised that it made it a little easier on those who cannot finance certain types of assessments. She requested that a presentation be made at a meeting by this group.

In response, City Manager Titkanich assured her that staff has been in discussion about this and the following up is already being done.

V. CONSENT AGENDA:

1. Award Bid # B-18-13-COC, Sludge Removal, to J&M Materials of Riverview, Inc., for the Removal of Existing Lime Sludge at the Dyal Water Treatment Plant; To Authorize the City Manager to Execute the Contract. (18-89). (Utilities Director)

2. Approve a Resolution establishing the City's intent to reimburse certain capital expenditures incurred in connection with refurbishing its Water and Sewer

System with proceeds of future tax-exempt financing(s). (18-103). (Interim Finance Director)

3. Approve a Budget Resolution Amending the FY2018 Budget through the use of General Fund Reserves for the one-time costs associated with the new phone system and to Approve a Budget Resolution Transferring funds from General Fund Contingency for Accrual Payouts and Professional Services. (18-110). (Interim Finance Director)

4. Approve a Resolution Amending the FY2018 Budget to Transfer Funds for Purchase Order #71499 to Garganese, Weiss, D'Agresta, & Salzman to Cover Estimated Non-Retainer Costs for the Remainder of FY 2018, through the use of General Fund Contingency. (18-107). (Chief of Police)

* **MOTION by Councilman Boisvert; Seconded by Deputy Mayor Blanco, to approve the Consent agenda.**

AYES: Parrish, Blanco, Boisvert, Warner, Whipple

THE MOTION CARRIED UNANIMOUSLY (5-0)

VI. PUBLIC HEARINGS:

None.

VII. COUNCIL BUSINESS:

1. Approve a Code Enforcement Lien Reduction request in the amount $5,000 for the property located at 2009 N Cocoa Blvd. (18-60). (Chief of Police)

Chief Cantaloupe presented this item and noted that the Code Enforcement Board held a public hearing on March 17, 2016, at which time the Board found the owner, Senturk Marketing Inc. in violation of the following: Section 6-900 (b)(1) a-d, Accumulation of Trash & Litter; Section 6-1001(d) Weeds/Overgrowth; and Section 6-1003 (f) Exterior Walls.

The Code Enforcement Board provided the owner sufficient time to correct the said violations. Consistent with the Code Enforcement Board's Order a fine ran at $250.00 per day from April 17, 2016 until compliance was achieved and documented on August 16, 2017. The lien is $121,500.00 and the current owner, Senturk Marketing, Inc. is requesting that the lien be reduced to the amount of zero.

Based on certain factors, staff recommends that the lien be reduced to $12,150.00. The Code Enforcement Board, at its regular meeting on January 18, 2018, recommended that the lien be reduced to $5,000.00.

Chief Cantaloupe further noted that this lien reduction case was brought before Council on February 13, 2018 and was tabled providing the property owner the opportunity to supply documents supporting the delays in the project which prevented his ability to comply with the City code. Staff has since spoke with Mr. Senturk regarding these documents and Mr. Senturk has yet to supply any documents as of March 19, 2018.

* **MOTION by Councilwoman Warner; Seconded by Deputy Mayor Blanco, to approve the Code Enforcement Lien Reduction request in the amount $5,000 for the property located at 2009 N Cocoa Blvd.**

AYES: Parrish, Blanco, Boisvert, Warner, Whipple

THE MOTION CARRIED UNANIMOUSLY (5-0)

2. Update on Heart of Cocoa Substitute Consent Decree. (18-72). (City Attorney)

City Attorney Garganese advised that a few meetings ago it was requested that an update be provided on the two federal consent decrees that the City is subject to. This particular one is in regards to the Heart of Cocoa and he pointed out it was approved in 1990. It only applies to a certain geographical area of the City, known today as the "Heart of Cocoa" neighborhood ("HCN"). He stressed that this item is intended to provide a history of the Heart of Cocoa neighborhood and the consent decree matter for the purposes of educating the current members of Council, City staff, and interested members of the public who did not experience firsthand the events leading up to the adoption of the consent decree and including the implementation.

Although the two consent decrees serve two totally different purposes, both consent decrees share a common threat involving the challenges faced by the black community in Cocoa. The Heart of Cocoa consent decree was adopted in the federal district court case, Beatrice Houston, et. Al. v. City of Cocoa, Civil action 6:89-CV-0082-PCF.

He mentioned that a plan was adopted that called for removal of homes in the Heart of Cocoa neighborhood. This neighborhood has roots and is a predominantly black neighborhood that started to populate as the city did in the late 1880's. There is a lot of significance in the area and there were several businesses created over the years in the area. Additionally, there were several historical black churches that are still in existence today. When the City began to move forward they also had to move forward with several zoning related ordinances.

At this time, the Heart of Cocoa was known as the "Core" redevelopment area of the City, and was identified as Project 12. Project 12 called for the development of townhouses, shopping centers, professional offices and park space within the HCN. However, Project 12 explicitly called for the removal of all of the existing homes in the HCN and the displacement of the residents through a very detailed relocation benefits program that was incorporated in the Plan in order to make way for the redevelopment of the Core area. This project was expected to displace approximately 300 households including the home owned by one of the plaintiffs in the case Ms. Beatrice Houston.

City Attorney Garganese referenced an old newspaper article that he was aware of that was published by the Orlando Sentinel that spoke about this dispute. He pointed out that in the agenda item there were some quotes which showed how people felt about this at the time.

The neighborhood retained the services of Central Florida Legal Services who in turn obtained assistance from the NAACP Legal Defense & Educational Fund, and a New York City law firm specializing in land use law. However, they were faced with three challenges: 1) objections to HUD 2) a petition challenging the City's Comprehensive Plan Amendments, and 3) a twelve count complaint in Federal Court.

He explained a series of legal events that occurred and explained HUD advised the City that their CDBG funds were in jeopardy. Additionally, the City's motion to dismiss the federal lawsuit was denied by the Federal District Court. Ultimately, the plaintiffs, City, and HUD engaged in settlement negotiations and a settlement was reached after the November 1989 City Council election when a more pro-neighborhood City Council took office. The original Consent Decree soon followed which included a variety of provisions intended to preserve and enhance the HCN including three extensive implementing ordinances.

Central Florida Legal Services could no longer represent the case and around the year of 2000 a new legal service came to the City and began to vigorously monitor the City's compliance with the decree that was originally approved.

A new consent decree was worked on which became the Substitute Consent Decree and this narrowed the purpose of the decree down to 6 ½ pages. This could be more easily reviewed and implemented. City Attorney Garganese reiterated that all of this, in detail was included in the agenda item.

He discussed in detail what the decree requires, which includes the following: Zoning, CRA's Redevelopment Plan, Consistency Clause, Future Assurances, and other miscellaneous items.

Basically, it required that the City maintain the low density character of the Heart of Cocoa neighborhood and to continue to use low intensive commercial uses.

The Cocoa CRA will continue to have policies supporting low income housing and this also requires that the City recognize and preserve historical resources in the Heart of Cocoa neighborhood. It is also agreed not to initiate any re-zonings or take any actions in the Heart of Cocoa Neighborhood that would affect the plaintiff's class.

He further explained what the City could be subject to if the City did not comply with the conditions set forth.

The City has taken various actions in regards to the Substitute Consent Decree, and these are all laid out in the item. One of which is the Community Meeting Room. He explained the history of the Community Meeting Room and mentioned that it has been a need and desire in the neighborhood for a long time.

City Attorney Garganese reiterated that the Heart of Cocoa has a significant root in the community and historically there have been some neighborhood commercial uses in the Heart of Cocoa. There was an addition in the Substitute Consent Decree that mentioned the possibility of enacting future regulations to add businesses back into the neighborhood, considering there are private businesses willing to do that when it comes in the future.

Councilwoman Warner asked about the neighborhood commercial aspect. She noted there were some businesses in that area whose licenses expired, such as Miles BBQ for instance. A few years later a family member came along who wanted to re-establish the business but they could not. She asked if that was now possible.

City Attorney Gargenese explained what had happened to those businesses at that time and noted that the City does now have the ability to regulate and allow those types of uses.

Councilman Whipple thanked both the City Attorney and City Manager for the updates on both of the consent decrees and believed it was educational for everyone going forward. There are a lot of developers looking at the area and there are things that have to be done in order to keep it a certain way. He is happy that the Community Meeting Room is going to be completed.

Councilman Whipple was glad that the City is holding up their end so there are not any future losses. He reiterated his thanks for the items.

City Manager Titkanich thanked Ms. Hamilton for her work on this agenda item. Council thanked staff for the update.

Councilwoman Warner remembered that this was a big deal in the City and it created a lot of tension. Attorney Garganese mentioned that he was not here for it initially but started with the City about three years later.

Deputy Mayor Blanco also thanked Councilman Whipple and staff for bringing this forward and for the research done on the item.

Mayor Parrish, Councilwoman Warner, and Councilman Whipple each spoke about various memories of the City during this time. They advised that this brings to light why the City operates in ways it does these days.

3. Approve changes to the date and times of the previously approved road closure for the Annual HCVA Spring Car Show. (18-93). (Community Services Director)

Ms. Hamilton provided an update and as previously submitted the date for this event was April 21, 2018, but the correct date is April 14, 2018.

* **MOTION by Councilman Boisvert; Seconded by Councilwoman Warner, to approve the item.**

AYES: Parrish, Blanco, Boisvert, Warner, Whipple

THE MOTION CARRIED UNANIMOUSLY (5-0)

4. Consider the appointment of Ms. Deva Thomas as a Regular member of U.S. 1 CRA, through June, 2018. (18-95). (Administrative Services Director)

* **MOTION by Deputy Mayor Blanco; Seconded by Councilwoman Warner, to approve the item.**

AYES: Parrish, Blanco, Boisvert, Warner, Whipple

THE MOTION CARRIED UNANIMOUSLY (5-0)

VIII. CITY BUSINESS:

1. Reject all prior bids associated with the Stone Street project; Authorize the City Manager to allow the bidders to rebid based on the reduced scope of work for the Stone Street project; Authorize the City Manager to negotiate and execute a contract with the lowest and best bidder for the revised scope of the Stone Street Streetscape project in an amount not to exceed the budgeted amount of $950,000.00; Approve a Resolution to Amend the FY 2018 Budget; and Approve a Resolution to allow for Project Contingency (Change Orders) in the amount not to exceed $50,000.00 (18-104). (Public Works Director)

Assistant City Manager Fuhrer presented this item and advised that it had previously gone out to bid on October 5, 2017. The bids received were higher than what the City had budgeted for, which was about $1.4 million. The bids received were approximately $600,000 over that amount.

He explained that the engineering staff worked and figured out unit costs. Staff re-worked the project in order to maintain all of the items in the updated DSRDA Plan. When bids were received it was about $600,000 over the amount.

Assistant City Manager Fuhrer explained details of the project and pointed out that without the improvements under the streets other areas can be done at a lower cost. Staff realizes that this is an item that both City Council and the Diamond Square CRA Board is desirous of happening in the immediate time frame.

If all goes as planned they are hoping to have a construction contract underway by the end of April. The annual repaving and a portion of the annual sidewalk reconstruction budgets will be utilized for the project.

Councilman Whipple thanked the Assistant City Manager for the information and asked for more clarification on the re-paving. In response, Assistant City Manager Fuhrer explained that this would be completed right away and it is budgeted yearly for paving citywide. He further explained that this road would be milled and upgraded.

Mayor Parrish questioned if pipes would be removed. Staff explained that they will not be at this time and that was one of the reasons that the costs jumped so high. Doing the project as proposed will get it done more efficiently, and will improve the corridor.

Councilman Whipple advised that he would love to see this completed.

* **MOTION by Councilman Whipple; Seconded by Councilwoman Warner, to approve the item.**

AYES: Parrish, Blanco, Boisvert, Warner, Whipple

THE MOTION CARRIED UNANIMOUSLY (5-0)

2. Accept the Brevard County Lucas Chest Compression Grant and Approve a Resolution Amending the FY2018 Budget. (18-108). (Fire Chief)

Chief Prince presented the item and pointed out that this device helps paramedics during CPR.

* **MOTION by Councilwoman Warner; Seconded by Councilman Boisvert,t o approve the item.**

AYES: Parrish, Blanco, Boisvert, Warner, Whipple

THE MOTION CARRIED UNANIMOUSLY (5-0)

MULTI-YEAR CONTRACTS:

3. Approve the First Amendment to Purchase Agreement with Anderson Diving, Inc. and Ferreira Construction Southern Division under RFQ-14-19-COC, Subaqueous Pipeline Assessment effective March 5, 2018 through March 4, 2020 for Anderson Diving, Inc., and May 26, 2018 through May 25, 2020 for Ferreira Construction Southern Division. (18-98). (Utilities Director)

Mr. Walsh advised that there was no money involved in this item and they are simply extending the contract so the companies are available in the event task orders or change orders need to be done.

* **MOTION by Deputy Mayor Blanco; Seconded by Councilman Whipple to approve the item.**

AYES: Parrish, Blanco, Boisvert, Warner, Whipple

THE MOTION CARRIED UNANIMOUSLY (5-0)

A brief discussion was held on the age of the pipes on Indian River Drive.

IX. INFORMATIONAL AGENDA:

1. Cumulative purchase approvals over $35,000 and under $50,000 for period 10/01/2017 to 02/28/2018. (18-85). (Interim Finance Director)

2. FY 2018 Budget Adjustment Report. (18-100). (Interim Finance Director)

3. Approved change orders to construction contracts that the City Council has authorized the City Manager, by resolution, to approve in excess of the City Manager's spending authority. (18-101). (Interim Finance Director)

4. Data showing the relation between the estimated and actual income and expenses to date. (18-102). (Interim Finance Director)

5. Cocoa Police Department District Event Statistics for the month of January, 2018. (18-105). (Chief of Police)

6. Strategic Plan Implementation Matrix Update. (18-113). (Assistant City Manager)

X. REPORTS:

Chief Prince updated Council on the progress of Fire Stations 2 & 3 and mentioned that they should be completed by April 15, 2018. The move in will happen around the beginning of May and grand openings will be scheduled.

Mr. Walsh advised that he would be meeting with Melbourne regarding the Pineda Causeway piping. This is a big deal and the meeting is tomorrow. He has been working with the City Attorney in order to get the contract done. He is hoping to be able to bring the contract back to the next meeting or the meeting after.

Mayor Parrish believed this was a good idea and discussion was held regarding the design. It is a complicated project.

Mayor Parrish asked if the Port had reached out to him in regards to putting in a tank. In response, Mr. Walsh stated that he and the City Manager had met with them and they are keeping the doors open.

Ms. Gemmati provided an update on the Summer Youth Program and pointed out that they are in the planning stages. She hoped to be able to announce the application process by the next Council meeting. They have been approved for eleven positions.

Assistant City Manager Fuhrer provided an update on Provost Park. He explained that City staff has been working with the County in order to address concerns as they arise. Additionally, Cocoa Police Department has been

working with individuals in the park when needed. This is going well and there has not been one single call received.

Mayor Parrish has seen some of the participants at Fern and Prospect Park.

City Manager Titkanich reminded Council that the April 9th Budget Workshop was pushed back two weeks. It will now be held on April 23, 2018 at 5:30 p.m. This was moved in order to allow Stantec more time to get the information together.

He further advised that he has not heard from CPSM as to when they can provide a police department study update.

Councilman Whipple thanked Chief Prince for agreeing to allow a fire truck to appear at a church function in west Cocoa. It was a wellness event and and thanked him again for being there.

Councilman Whipple announced that he had the pleasure of meeting State Attorney Aramis Ayala at the Zion Orthodox Primitive Baptist Church. She spoke and did an excellent job.

He thought it was nice to go through Provost Park and not have the usual traffic that they see there. He thanked the Assistant City Manager for his work on this.

He further thanked the Diamond Square CRA for being at the joint meeting prior to Council and thanked them for their comments. He reminded everyone that this was a proposal and is not set in stone. There are individuals spreading hate and lies and showing discontent. If anyone wants any of the information that was discussed they can request it from the City Clerk's office.

If there any concerns, he urged citizens to come to Board and Council meetings and not to listen to those out there. There are elected officials who are chosen by the majority of the people they represent and there are ways to contact your elected official.

Mayor Parrish thought that the joint meeting today was a great start. Councilman Whipple agreed and mentioned there was more to be done.

Councilwoman Warner announced the Annual Breakfast with the Chief which will be on April 12th beginning at 7:30 a.m. She has tickets and they are $25 each. There are raffle tickets and sponsorships also available.

In closing, Councilwoman Warner wished her daughter and mother each a Happy Birthday.

Councilman Boisvert thought there was a good turnout at the Neighborhood Watch Meeting that he and the Deputy Mayor both attended.

Councilman Boisvert voiced his concern as to why there was a CRA meeting held half an hour before the Council meeting. There were constituents here for the meeting who left because they were in the middle of the CRA meeting. He felt it should have been scheduled for earlier in the day, as Council is scheduled to start at 6 p.m.

Councilwoman Warner pointed out that some cannot get there that early and Councilman Boisvert felt that it should be done on another night if that was the case.

Deputy Mayor Blanco spoke about a tour of the YMCA that she went on and appreciated more than she did before. It is a great place for both families and students to go.

She further thanked everyone for the great turnout at the Neighborhood Watch Meeting.

Lastly, she thanked Mr. Wegerif for the tour of Public Works last week. He gave her a great overview of the staff of Public Works. She stated she had no idea of the scope of work that is done and the amount of employees that they have.

Mayor Parrish advised that since the hurricane hit one of the big things the City focused on was making sure we have services, such as trash pickup, etc. Another big issue was the County bridge in Merritt Island, which was deemed unsafe, and currently closed. He spoke about an interview that he did earlier in the day and there is a construction crew who is very confident that the bridge will be reopened. This is not the case as the County has not committed to making any further improvements or restarting traffic at this point on the bridge.

Mayor Parrish questioned the status of a workshop with Thomas Revin regarding the homeless situation. In response, Assistant City Manager Fuhrer advised that a meeting has been set for April 4th at 3 p.m. Mayor Parrish thought it might be possible to make that meeting.

In closing, Mayor Parrish mentioned letters being sent to him and the Code Enforcement Department and some are unsigned, or signed by the "Phantom". He mentioned where the person lives and visited him. He provided him with an earful of information and a lot of it made sense. He wants to see the City improved.

Mr. Walsh provided an update on the bridge in Merritt Island and reiterated that the closure is still in effect per the County.

City Manager Titkanich explained why Ms. Gemmati was in a tutu and bunny ears and they took a picture of her with Council.

XI. ADJOURNMENT.

* **MOTION by Councilman Boisvert; Seconded by Councilwoman Warner, to adjourn the Regular meeting of March 27, 2018.**

AYES: Parrish, Blanco, Boisvert, Warner, Whipple

THE MOTION CARRIED UNANIMOUSLY (5-0)

The meeting adjourned at 8:38 p.m.

Henry U. Parrish III, Mayor

ATTEST:

Carie Shealy, MMC, City Clerk

SEAL

GEHRING GROUP
EMPLOYEE BENEFITS | RISK MANAGEMENT

City of Cocoa
Health Center Update

Presented by:
Shawn Fleming, CSFS®
Senior Benefits Consultant
March 27, 2018

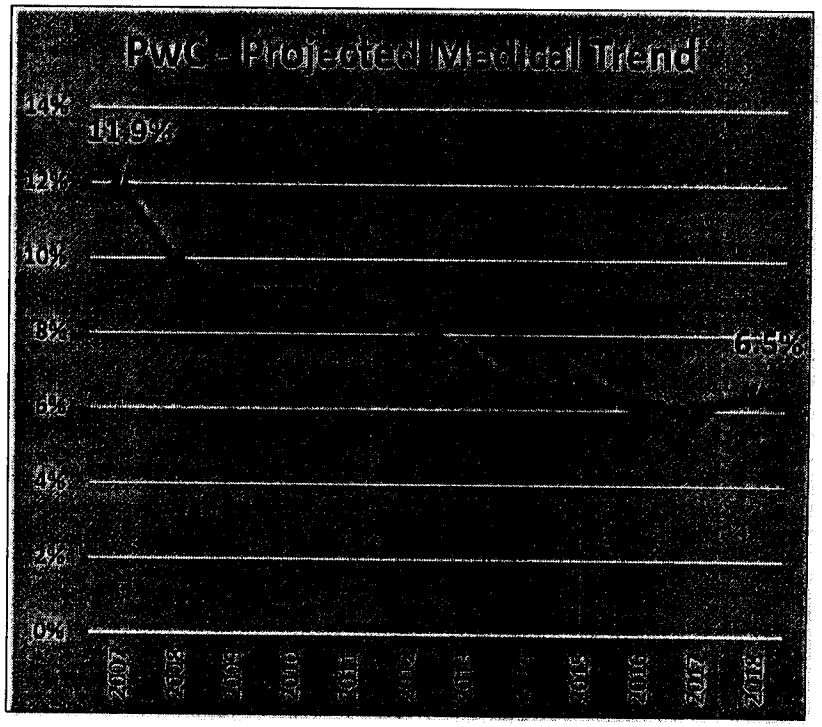
EXHIBIT A: City of Cocoa Health Center Update

Items for Discussion

- Market Landscape
- Health Center Utilization
- Medical Plan Utilization
- Return on Investment
- Partnership Utilization Statistics

The Landscape

- Costs in the marketplace continue to increase at rates significantly higher than CPI.
- PwC projects 2018 national trend to increase to 6.5%.
- Florida trends are higher than national averages.



PwC annual Medical Cost Trend Report: Behind the Numbers 2018

GEHRING GROUP
EMPLOYEE BENEFITS | RISK MANAGEMENT

Market Cost Drivers



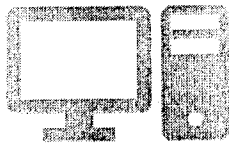
Higher Wages
and lower unemployment are associated with higher healthcare spending.



Demographics
Baby boomers are aging – with age comes higher healthcare spend.
Cocoa - 56% Age 40+.
57% are male.



Lifestyle
Growing health risks are resulting in higher spending. Over 70% of Americans are now overweight.



Technology
New products are being launched, leading to higher costs now with the hope of driving costs down in long run.



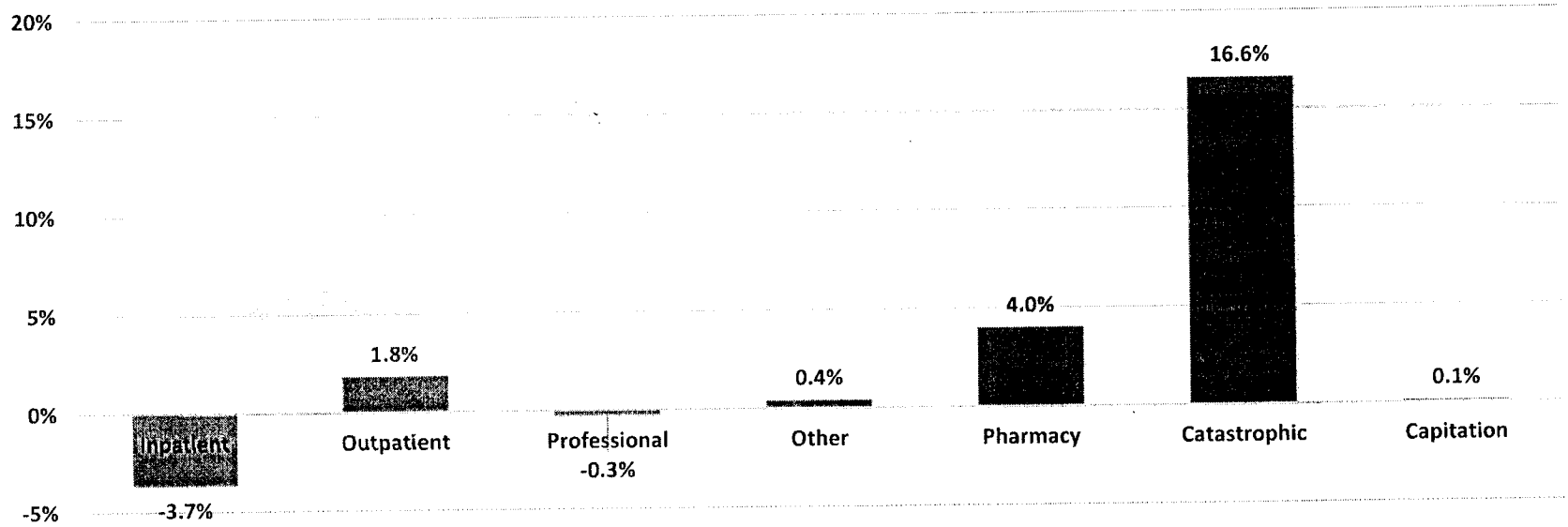
Payment Models
Fee-for-service has traditionally driven up medical trend, but new value based models are gaining popularity.

GEHRING GROUP
EMPLOYEE BENEFITS | RISK MANAGEMENT

Background

- Health Center Opened September, 2014.
- City Transitioned to self-funding for Fiscal Year 2016.
- City was facing a 15% proposed increase:
  - Increase was driven largely by increased catastrophic claims.
  - Overall initial savings of over $380,000 plus $110,000+ in annual savings by avoiding insurer fee from the Affordable Care Act tax on fully-insured premiums.
- Self-funding ensures the City capitalizes on cost reductions achieved from the Employee Health Center.

What is Driving Cocoa's Plan Spend

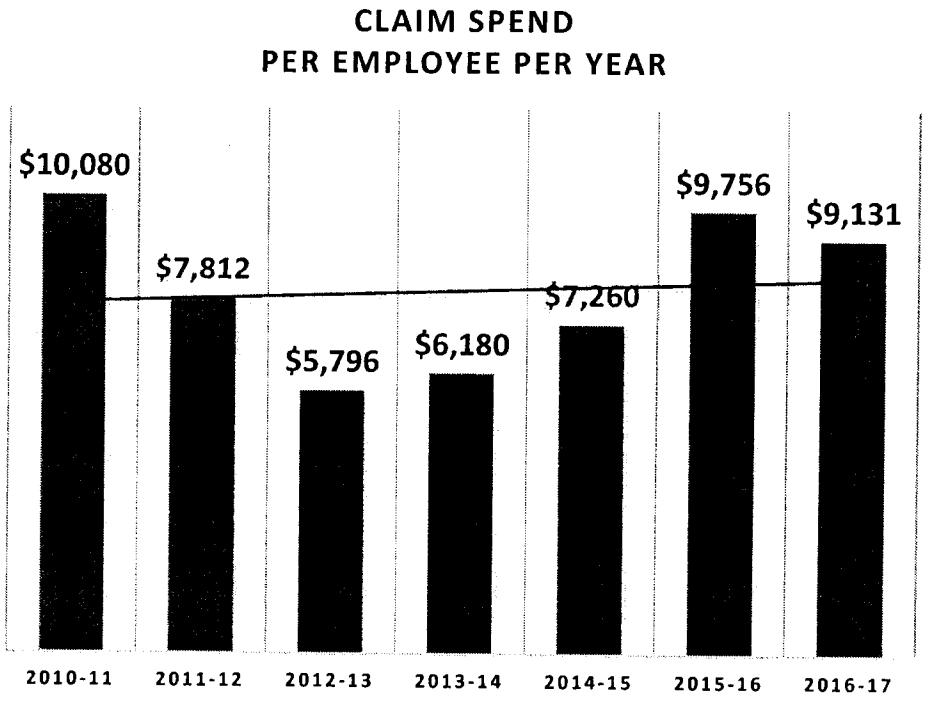


Costs associated with catastrophic claims is the most significant inflationary cost driver.

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EMPLOYEE BENEFITS | RISK MANAGEMENT

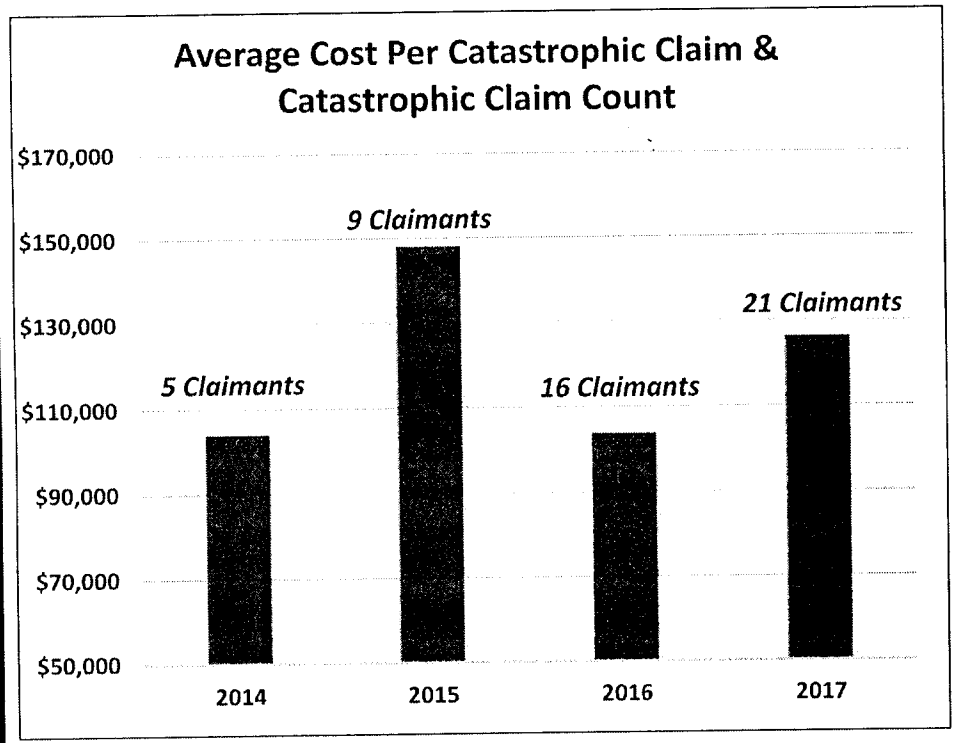
Medical Claim Averages

- Overall trend for the plan is 5% over the past 6 years, significantly lower than national and Florida averages.
- Claims have increased in the past two years due to the higher catastrophic claims.
- Pharmacy costs have increased over 15% due to the release of new specialty medications, not new medical conditions.



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Catastrophic Claims



- Members with claims exceeding $50,000* have increased from **5** in 2014 to **21** in 2017.
- Overall plan spend per member **increased 18.9%.**
- Plan spend per member without catastrophic claims **decreased 4.5%.**

**Not adjusted for inflation*

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Catastrophic Claims (2017)



21 Claims exceeded **$50,000.**



7 Claims were related to cancer with a total spend of over **$865,000.** ***(*2015: *0;* 2016: *3)***

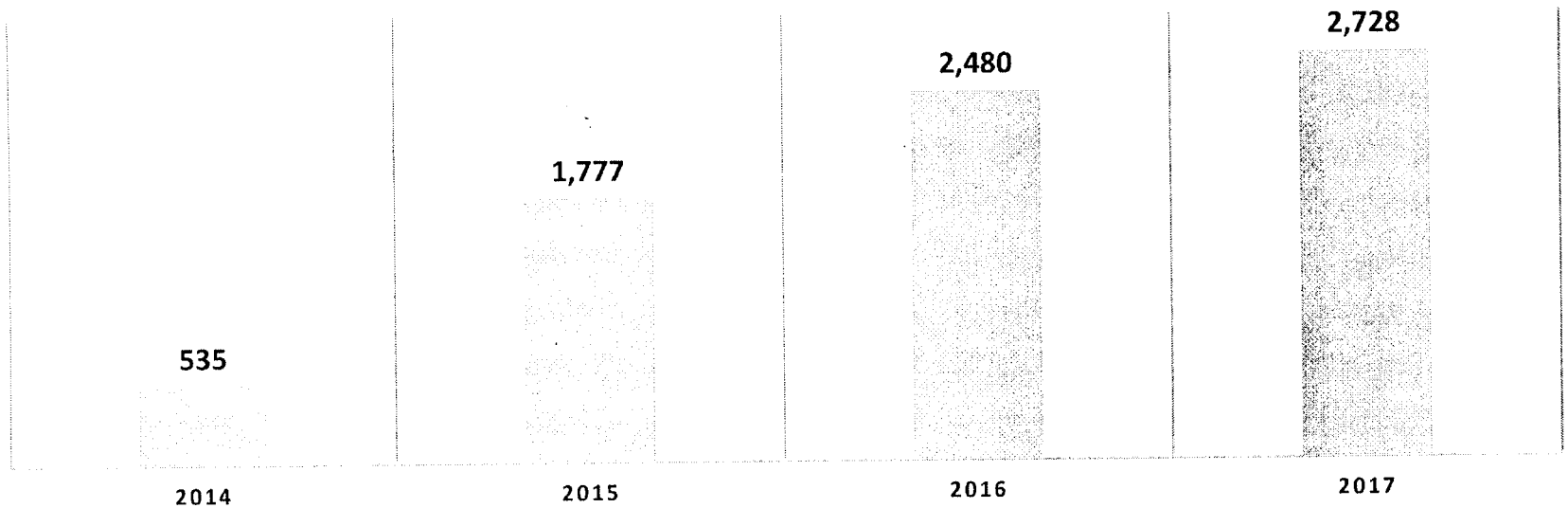


5 Claims were related to musculoskeletal issues with a total spend of over **$726,000.**



71% of claims were for employees. The remaining were spouses.

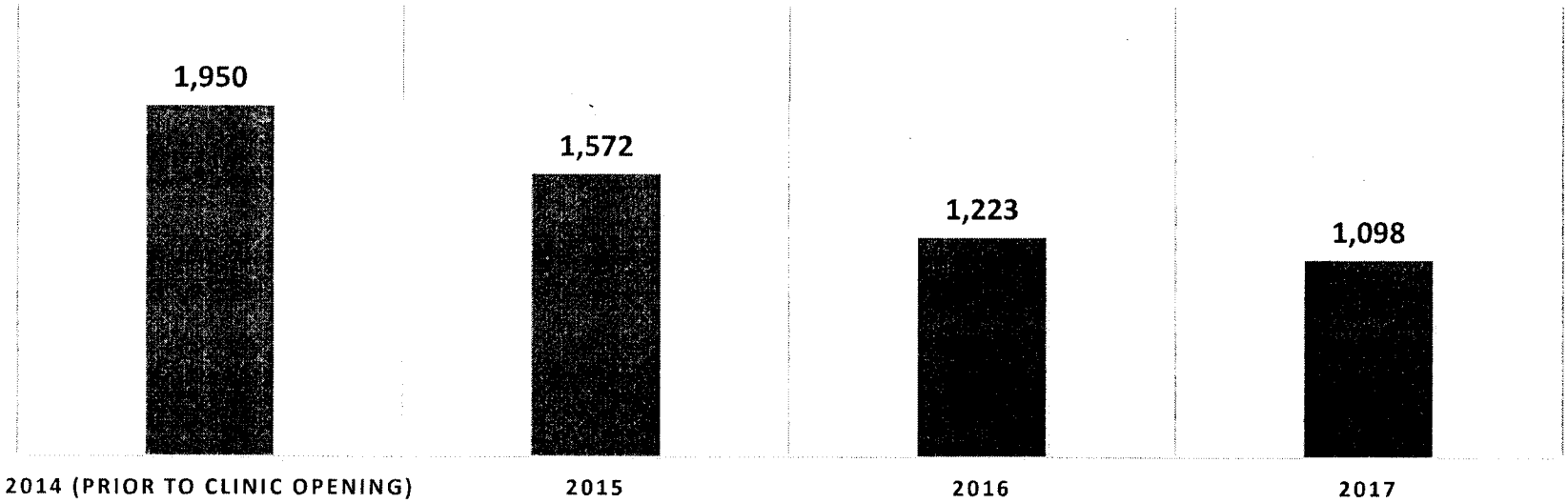
Office Visits (Health Center)



Utilization of the health center as a replacement for primary and acute care continues to increase.

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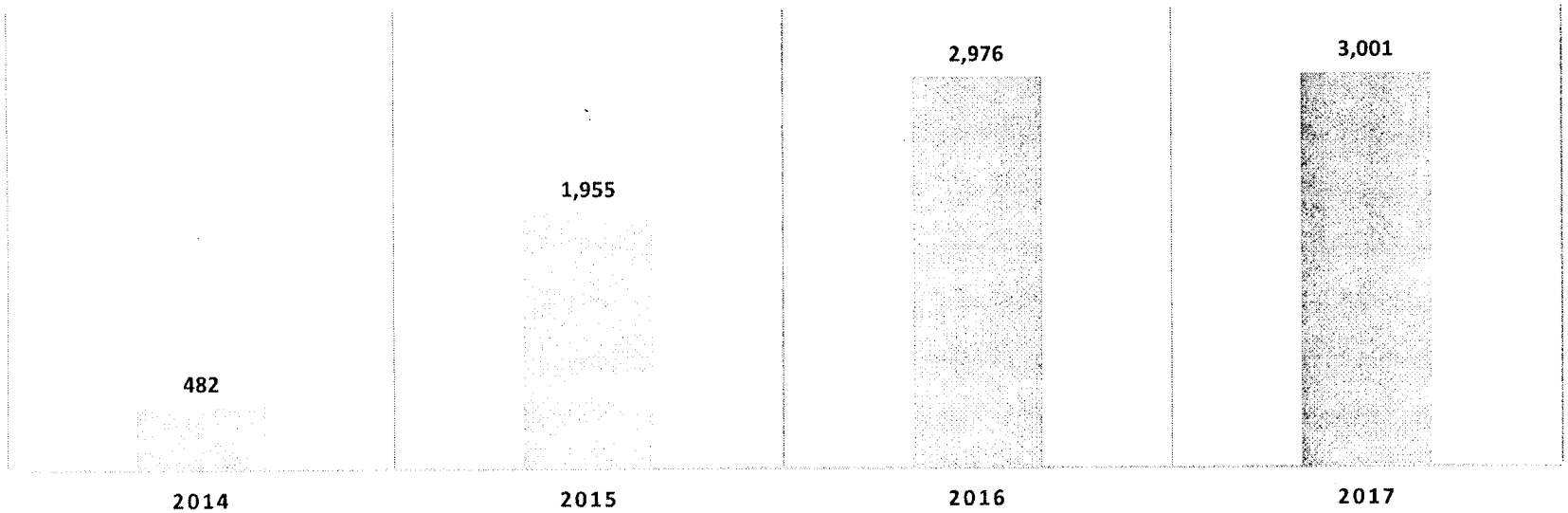
Office Visits (Medical Plan)



Usage of office visits through the medical plan is down 43% since opening of the Health Center.

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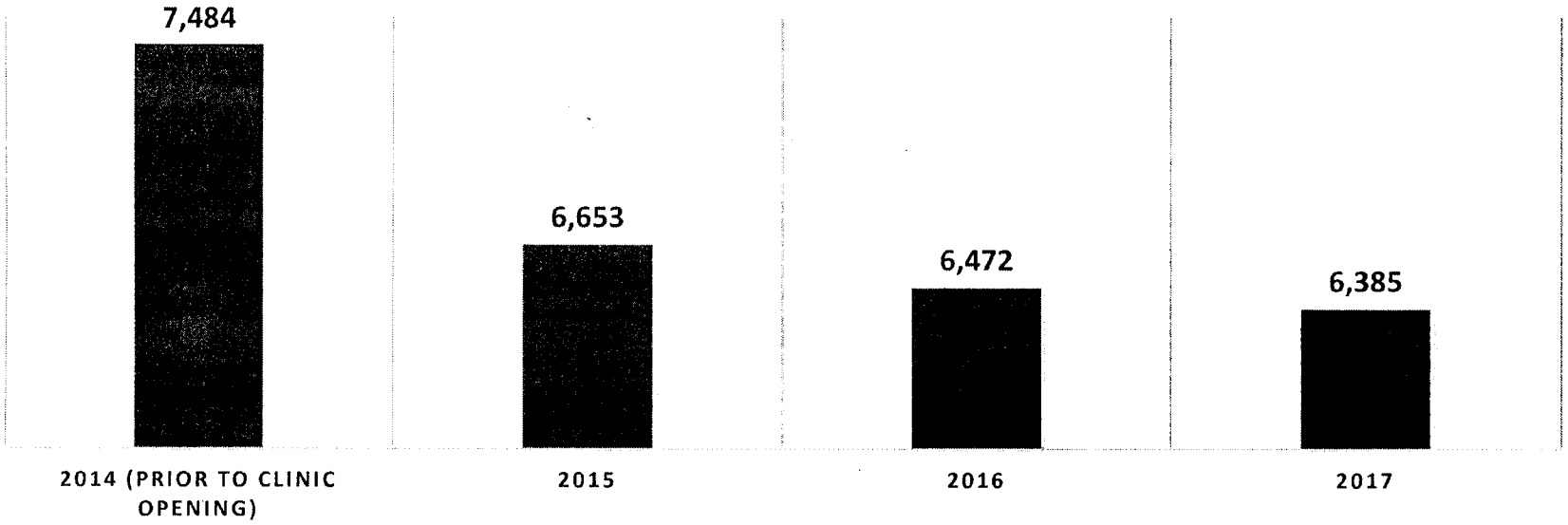
Pharmacy Usage (Health Center)



Prescription dispensing through the Health Center has reached consistent dispensing levels.

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Pharmacy Usage (Medical Plan)



Usage of prescriptions through the medical plan is down 43% since opening of the Health Center.

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Health Center Return on Investment

Item	EHC Utilization	Average Cigna Cost (before EHC opened)	Cost Avoidance	Total EHC Cost*	Return On Investment
Office Visits (includes labs)	7,520	$188 per visit	$1,413,760	$1,314,390	$1.08:1
Pharmacy	11,323	$120 per script	$1,358,760	$131,408	$10.34:1
Subtotal			**$2,772,520**	**$1,445,798**	**$1.92:1**
Employee Savings	7,520 @ $25 11,323 @ $15		$357,845		

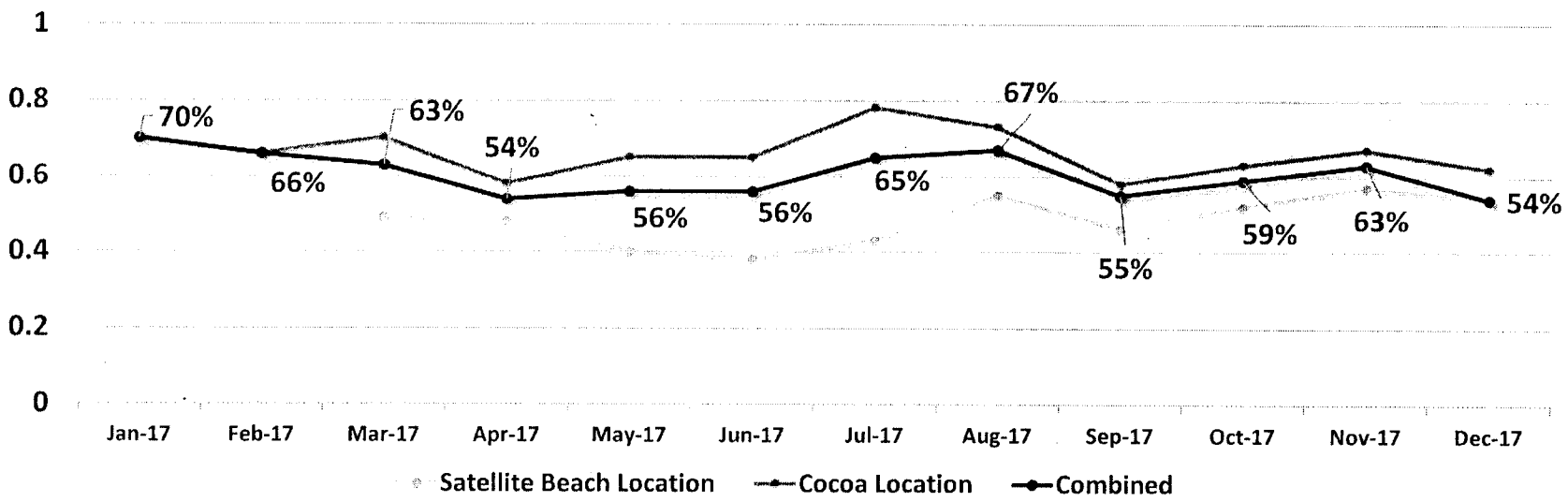
*Excludes startup costs.

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Clinic Partnership and Utilization

- Interlocal agreement with Satellite Beach, Rockledge, and Cocoa Beach has added expanded hours and two clinic locations, with no new expense for Cocoa.
- Costs are shared based on proportionate usage.
- Results are in-line with expected utilization based on employee counts of the four cities.
- Current capacity is sufficient to meet demand.

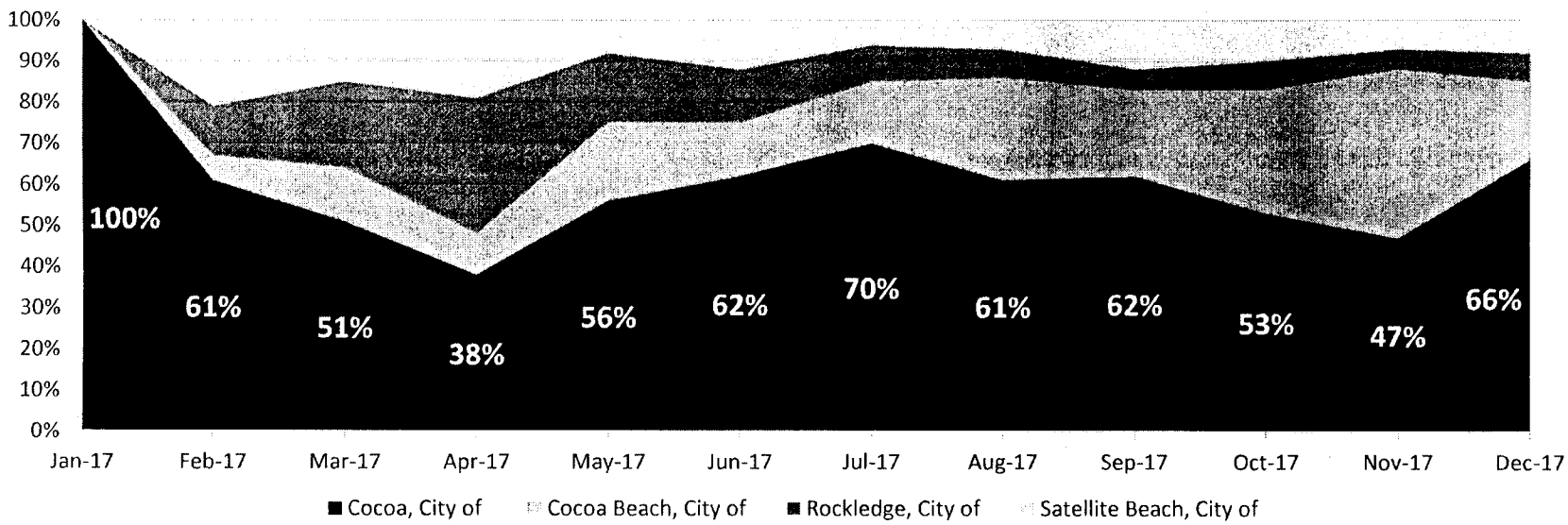
Capacity Utilization by Location



Overall utilization of the combined facilities is averaging 61% of capacity, with higher utilization at Cocoa location.

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Utilization by City



The City of Cocoa has used 57% of utilized appointments since all 4 cities began participating in March 2017.

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Summary

- Costs in the market continue to increase due to medical inflation.
- Medical plan utilization was up in 2017, driven by catastrophic cancer and musculoskeletal claims.
- Clinic utilization continues to be strong, saving the City $1.92 for every $1 spent on the health center.