

**CITY OF OXFORD**  
**BOARD OF COMMISSIONERS' MONTHLY AGENDA MEETING**  
**Monday, December 1, 2014 - 5:30 p.m.**  
**Commissioners' Board Room**

Mayor Pro Tem Howard G. Herring, Sr.  
Commissioner James (Danny) Currin  
Commissioner Robert Williford, Sr.



Commissioner Calvin (CJ) Harris, Jr.  
Commissioner Frank Strickland  
Commissioner S. Quon Bridges  
Commissioner Patricia T. Fields

Randy Hemann, City Manager  
Barbara Rote, City Clerk

J. Thomas Burnette, City Attorney

Jackie Sergent, Mayor

[ **CALL TO ORDER** ]

**[Please be reminded to turn off or mute all cell phones and/or electronic devices]**

1. Consider approving a FSA (flexible spending account) plan for all benefit eligible employees. and adopting the *MedCost Health & Dependent Care Flexible Spending Account Administrative Services Proposal*.

Adding a FSA (Flexible Spending Account) as a complement to our existing offering of benefits will allow our employees' earned income to go much further when spending on health or dependent care related expenses. Flexible spending accounts help employees set aside pre-tax money to pay for eligible expenses. This money is never taxed - not when it goes into their account and not when reimbursements are made for eligible expenses. By contributing pre-tax, employees lower their taxable income and increase their spendable income (take-home pay). In fact, they are using dollars they would have paid in taxes to help pay for their eligible costs. The City also benefits. We save FICA matched taxes for every dollar employees set aside in their FSA. MedCost would be the administrator for the plan. (Attachment 1)

**Recommended action:** Staff recommends approving a FSA plan for all benefit eligible employees, and adopting the *MedCost Health & Dependent Care Flexible Spending Account Administrative Services Proposal* as presented.

2. Set the Agenda for the December 9, 2014 Regular Session. (Separate document)

[ **ADJOURNMENT** ]

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**REMINDERS:**

If you need additional information about the following items, please see the City Clerk.

- December 5 – Lighting of the Greens and Christmas Parade: 4:30 PM, Parade Line-up 5:00 PM
- December 13- Breakfast with Santa – contact Parks & Rec. for more information 603-1135
- December 16 – Cookies & Milk with Santa – contact Parks & Rec. for more information -603-1135
- December 17 – Sr. Christmas Social – contact Parks & Rec. for more information – 603-1135
- December 24, 25, & 26 – City Officers Closed – Christmas Holiday



## CITY OF OXFORD STAFF REPORT

TO: Mayor Sergent and the Board of Commissioners

VIA: Randy Hemann, City Manager

FROM: Justin Ayscue, Human Resources Director

DATE: December 1, 2014

SUBJECT: Adding a FSA (Flexible Spending Account) Benefit for all benefit eligible employees, and adopting the *MedCost Health & Dependent Care Flexible Spending Account Administrative Services Proposal*.

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### SUMMARY STATEMENT

Adding a FSA (Flexible Spending Account) as a complement to our existing offering of benefits will allow our employees' earned income to go much further when spending on health or dependent care related expenses. Flexible spending accounts help employees set aside pre-tax money to pay for eligible expenses. This money is never taxed - not when it goes into their account and not when reimbursements are made for eligible expenses. By contributing pre-tax, employees lower their taxable income and increase their spendable income (take-home pay). In fact, they are using dollars they would have paid in taxes to help pay for their eligible costs. The City also benefits. We save FICA matched taxes for every dollar employees set aside in their FSA.

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### REVIEW

The maximum contributions employees may make in 2015 are as follows:

- Health Care FSA - \$2,500/annual
- Dependent Care FSA - \$5,000/annual
- The amount you choose to put into an FSA is divided by the number of pay periods you will have during the calendar year (January through December). This amount is deducted from your pay throughout the year before taxes are calculated. Depending on your tax bracket, you can expect savings between 22 and 38 percent on your elected amount, roughly about \$30 for every \$100 you elect to defer.

Employees who want to participate will be given the opportunity to enroll between now and Christmas for an effective date of January 1.

# ATTACHMENT 1

Medical FSAs help you pay for healthcare expenses not covered or only partially covered by your insurance plans (for example, office visit co-pays, prescription co-pays, specialized dental work, eyeglasses and contact lenses, laser eye surgery, etc.). The FSA can be used to pay eligible expenses that are not reimbursed by insurance or any other source for you or any of your qualified dependents. Funds in the account are available on the first day of the plan year.

Dependent Care FSAs help you pay for certain dependent care expenses (for example, licensed childcare facilities, before/after school programs, summer day camp, nursery or pre-school programs, in-home dependent care, etc.). Childcare expenses are eligible for dependent children through age 12; disabled or elder daycare expenses are eligible, regardless of age, for a spouse or other dependent who is physically or mentally disabled. Funds in the account are available for reimbursement after receipts are submitted.

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## RECOMMENDATION

Staff recommends approving a FSA plan for all benefit eligible employees, and adopting the *MedCost Health & Dependent Care Flexible Spending Account Administrative Services Proposal* as presented.



**Health & Dependent Care Flexible Spending Account (FSA)  
Administrative Services Proposal  
*for member groups of*  
NC Municipal Insurance Trust**

Health & Dependent Care Flexible Spending Accounts allow employees to use pre-tax dollars to pay out of pocket dependent and medical care expenses not covered by health insurance. The FSA reduces payroll taxes for both the employer and the employee making it a popular benefit option. For the employee it's like getting a 30% discount on dependent, medical, dental and vision care expenses.

**How does the FSA Plan work?**

Each year the sponsoring employer allows an FSA open enrollment period where each employee is given the opportunity to decide how much money they estimate they'll spend in dependent, medical, dental and vision care expenses for the coming year. Employees are encouraged to be conservative in their calculations so they don't over estimate. Each employee then elects this amount to be divided into regular payroll deductions and deposited into their FSA account.

Employees then turn in receipts for qualifying dependent, medical, dental and vision care expenses to be reimbursed from their tax-free FSA account. A FSA Debit Card allows employees to access the funds in their account without having to spend their own money and wait for reimbursement. The debit card may not be used for dependent care.

**Do I need a Trust Account or Special Bank Account to hold the funds?**

No trust account is required by the IRS Code. ERISA, however, may require a special trust account. Department of Labor, who enforces ERISA, has decided not to enforce the need for a trust account. **You will still need to establish a separate bank account specific to your FSA Plan.**

**What administrative support is provided by MedCost Benefit Services for the FSA Plan?**

- One time set-up fee includes ERISA compliant Plan Document preparation. An original will be provided to you for printing. If printing services are requested, cost will be passed through. **NOTE that the employer must adopt the Plan Document PRIOR to the Plan's effective date.**
- Optional Direct Deposit – employer may provide banking information to allow for direct deposit of funds into individual employee accounts. **The fees outlined in this proposal assume Direct Deposit will be implemented. If Direct Deposit is not desired, please contact an MBS marketing representative as the fees are subject to change.**
- MedCost Benefit Services web portal access – employer and participants may access FSA Plan details 24/7 at [www.mbstpa.com](http://www.mbstpa.com). The web portal also provides access to claim forms, ability to provide substantiation for a questionable debit card transaction and a guide to IRS defined eligible expenses
- Quarterly account statements for each participant.

**What about non-discrimination testing?**

The IRS requires annual non-discrimination testing for **all** Section 125 Plans. Section 125 includes Premium Only Plans (enables employees to pay accident and health plan premiums pretax) and Health & Dependent Care FSA Plans. The annual test is conducted at the end of each Plan year. All Plans are required to complete end of the year testing to determine whether a Plan discriminates in favor of Highly Compensated Employees or Key Employees. No Plan is exempt from testing.

MedCost Benefit Services does not perform non-discrimination testing. If you need assistance with the required IRS testing, we have access to a qualified tax attorney who will provide basic testing service.

**What fees does MedCost Benefit Services charge for FSA Plan administration?**

Client with Medical Claims Administration provided by MBS  
\$3.50 per participant per month + \$1.35 per Debit Card

Stand Alone or Client with only Dental Claims Administration provided by MBS  
\$4.50 per participant per month\* + \$1.35 per Debit Card\*\*

Optional Non-Discrimination Testing  
\$600 per test

Initial Set-Up/Implementation Fee  
\$500 (waived if compliant Plan Document/SPD is provided)

*\*Minimum monthly Administration Fee is \$100 (waived for clients with Medical Claim Administration provided by MBS.*

*\*\*Debit card fees are in addition to \$100.00 monthly minimum for FSA administration.*

**Checklist of Steps to Set Up a Health & Dependent Care FSA Plan**

1. Develop a detailed plan and timeline for implementing the FSA Plan. MBS will work closely with you to develop and implementation timeline.
2. Prepare the Plan Document and other items related to the Plan PRIOR to the Plan's effective date. The employer must adopt the Plan Document PRIOR to the Plan's effective date and should maintain records of the Plan's adoption. Document preparation is included in the MBS set-up fee.
3. Revise payroll system to accommodate salary reductions. Be sure to consider how salary reductions must be treated for purposes of state worker's compensation laws, state income tax withholding, state unemployment insurance, FUTA, FICA, etc.
4. Schedule employee meetings. Having a MBS representative available at employee meetings is often helpful. MBS will provide standard communication material at no additional cost.
5. After the initial enrollment, perform a non-discrimination test before the effective date. Catching problems before they arise can prevent expense and frustration later.

**CITY OF OXFORD**  
**BOARD OF COMMISSIONERS' REGULAR MONTHLY MEETING**  
**Tuesday, December 9, 2014 - 7:00 p.m.**  
**Commissioners' Board Room**

Mayor Pro Tem Howard G. Herring, Sr.  
Commissioner James (Danny) Currin  
Commissioner Robert Williford, Sr.



Commissioner Calvin (CJ) Harris, Jr.  
Commissioner Frank Strickland  
Commissioner S. Quon Bridges  
Commissioner Patricia T. Fields

Randy Hemann, City Manager  
Barbara Rote, City Clerk

Jackie Sergent, Mayor

J. Thomas Burnette, City Attorney

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**MISSION**

The mission of the City of Oxford is to serve and improve our community by providing high quality, affordable services, sound planning for growth and development, and offering the highest possible quality of life - while maintaining the public's trust through open communication and ethical standards at all times.

**VISION**

The City of Oxford will partner with the community to build upon the charm and character of our historic, vibrant, and walkable city to create an extraordinary quality of life for all.

**Core Values - ETHICORE**

The elected officials, staff, and volunteers of the City of Oxford value and commit to model the following:

**EQUAL TREATMENT** for everyone with **DIGNITY**, **COURTESY**, and **RESPECT**  
**TEAMWORK** within our organization and our community  
**HONESTY** in all of our dealings with citizens, fellow workers, and other organizations  
**INTEGRITY** in every action and service  
**COST-EFFECTIVE** and **QUALITY** services for our community  
**OPEN** and **TRANSPARENT COMMUNICATION** with all parties  
**RESPONSIBILITY** for our decisions and actions  
**EXCELLENCE** in every deed

**\*\*The mnemonic ETHICORE was adopted as a helpful tool to remind us of our core values\*\***

[ CALL TO ORDER ]

[Please be reminded to turn off or mute all cell phones and/or electronic devices]

[ MISSION, VISION, VALUES ]

1. Prayer by Bishop Phillip Betts, Cornerstone Christian Church
2. Pledge of Allegiance led by Mayor Pro Tem Howard Herring
3. Consider adjustments to and approval of the Agenda:
4. Opening Remarks by Mayor Sergent

*In order to provide for the highest standards of behavior and transparency in governance, the Board of Commissioners has approved a Code of Ethics to establish guidelines for ethical standards for Board Members and to provide guidance in determining appropriate conduct. Among those: Board members should avoid impropriety in the exercise of their official duties and should conduct the affairs of the board in an open and public manner. The Mayor now inquires whether any Board Member knows of any conflict of interest, or appearance of conflict, with respect to matters before the Board. If any Board Member knows of a conflict of interest, or appearance of a conflict, please state so at this time.*

[ DELEGATIONS ]

**No Delegations**

[ PUBLIC COMMENT ON AGENDA and NON-AGENDA ITEMS ]

*Citizens may speak on Agenda as well as Non-Agenda items at this time. Citizens wishing to address the Board must sign in on the form located with the City Clerk prior to the beginning of the meeting. When recognized by the Mayor, come forward to the podium, state your name, address, if you are a City resident, and identify the subject about which you wish speak. Please review the Public Comment Guidelines that are provided alongside the sign in form.*

[ PUBLIC HEARINGS ]

*Citizens may only speak on public hearing items at this time. Citizens do not need to sign up in order to speak at a public hearing. When recognized by the Mayor, come forward to the podium, state your name, address, and if you are a City resident. Please review the Citizen Comment Guidelines that are provided at the end of this Agenda.*

**No Public Hearings**

[ OLD BUSINESS ]

**No Old Business**

[ NEW BUSINESS ]



5. Consider approving a contract with Tyler Technologies in the amount of \$118,380, and authorizing City Manager Hemann to sign the contract to purchase new financial software including General Ledger, Water & Sewer, Accounts Payable and Payroll.

On June 30, 2014, the City's financial system crashed. Until August 2014, Finance could not process general ledger, water & sewer, accounts payable checks and payroll. Beginning in September, Finance began its due diligence looking at software packages and getting input from other municipalities. We chose to have two companies come onsite to present the modules to city employees from all departments. Subsequently, the two companies were also required to present a webinar to answer City specific questions. As a result, staff selected Tyler Technologies to provide software to include General Ledger, Water & Sewer, Accounts Payable and Payroll. The contract, in the amount of \$118,380 is within the FY 2015 budget allocation for this item. (Attachment)

**Recommended action:** Staff recommends approving a contract with Tyler Technologies in the amount of \$118,380, and authorizing City Manager Hemann to sign the contract to purchase new financial software including General Ledger, Water & Sewer, Accounts Payable and Payroll.

6. Consider budget amendment in the amount of \$11,000, payable from the General Fund to purchase and install emergency lights, security cages and decals for recently purchased patrol cars.

The items are needed to adequately equip the vehicles prior to putting them in service. (Attachment)

**Recommended action:** Staff recommends approving a budget amendment in the amount of \$11,000, payable from the General Fund to purchase and install emergency lights, security cages and decals for recently purchased patrol cars.

7. Consider adopting the franchise ordinance with Waste Industries as the first of two required adoptions and incorporate the ordinance by reference. The term of the ordinance is 16 months beginning February 1, 2015 and ending June 30, 2016.

The City has a current Agreement for Solid Waste Collection, Transportation and Disposal with Waste Industries, LLC that extends through June 30, 2016. The Board previously approved the removal of brush collection from this contract. The new Agreement reflects a starting date for Oxford handling yard waste collection of February 1, 2015. This will allow the City time to get through leaf collection, procure the knuckle boom truck, and train on the new equipment prior to going live with the service.

This agreement reflects the removal of both yard waste collection and bulky item pickup from the contract as well as a 2.9% increase for CPI as outlined in the original agreement. The savings to the City from the removal of those two services is anticipated to be around \$78,000 annually (will vary with fuel usage/cost). Those savings will fund the new equipment which has already been budgeted. The two services will commence without the addition of staff but Public Works Director James Proctor will monitor the work load and report back to the Manager on future staffing needs. (Attachment)

**Recommended action:** Staff recommends adopting the franchise ordinance with Waste Industries as the first of two required adoptions and incorporate the ordinance by reference.

8. Consider authorizing the City Manager to apply for up to \$15,000 in grant funds for the downtown masterplan from the Economic Development Competitive Grant Program for Underserved and Limited Resource Communities (ULRC), under the Rural Economic Development Division of the North Carolina Department of Commerce.

The City has an opportunity to get additional funding for our downtown master plan through the Economic Development Competitive Grant Program for Underserved and Limited Resource Communities (ULRC), under the Rural Economic Development Division of the North Carolina Department of Commerce. The program requires a match which we have already budgeted. Applications are due by December 19 and require authorization by formal action of the Board of Commissioners. Awards will be announced January 16, 2015.

The City has budgeted \$15,000 for the downtown Master Plan. The process will likely take a full year and if done properly will cost more than \$15,000. The City Manager would like to be authorized to apply for up to \$15,000 for the downtown master plan.

**Recommended action:** Staff recommends authorizing the City Manager to apply for up to \$15,000 in grant funds for the downtown masterplan from the Economic Development Competitive Grant Program for Underserved and Limited Resource Communities (ULRC), under the Rural Economic Development Division of the North Carolina Department of Commerce.

## [ REPORTS ]

9. November Financial Report - Finance Officer Harold Belton
10. City Update - City Manager Hemann
11. DOEDC Update – Commissioner Currin
12. Kerr-Tar Council of Government Update – Commissioner Bridges

13. KLRWS Advisory Board Update-- Commissioner Strickland/City Manager Hemann
14. County Board Meeting Update – Commissioner Currin
15. 200th Anniversary Update – Commissioners Williford and Strickland

[ CONSENT AGENDA ]

16. Accept the November Financial Report by Finance Officer Harold Belton.
17. Approve change to November 2015 Regular Meeting date from Tuesday, November 10, 2015 to Monday, November 9, 2015. November 10 is election day and November 11 is Veteran’s Day.
18. Approve the following 2014 meeting minutes:  
\* November 3, Agenda Session \* November 10, Regular Session

[ BOARD COMMENTS ]

[ ADJOURNMENT ]

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**REMINDERS:**

If you need additional information about the following items, please see the City Clerk.

- December 13- Breakfast with Santa – contact Parks & Rec. for more information 603-1135
- December 16 – Cookies & Milk with Santa – contact Parks & Rec. for more information -603-1135
- December 17 – Sr. Christmas Social – contact Parks & Rec. for more information – 603-1135
- December 24, 25, & 26 – City Officers Closed – Christmas Holiday

**CITY OF OXFORD**  
**PUBLIC COMMENT GUIDELINES:**

The Mayor and Board welcome and encourage citizens to attend City Board Meetings and to offer comments on matters of concern to them. Citizens are requested to review the following public comment guidelines prior to addressing the Board:

- a) Citizens are requested to limit their comments to five minutes. However, the Mayor, at his or her discretion, may limit comments to three minutes should there appear to be a large number of people wishing to address the Board.
- b) Comments should be presented in a civil manner and be non-personal in nature, fact-based, and issue oriented. Except for the public hearing comment period, citizens must speak for themselves during the public comment periods.
- c) Citizens may not yield their time to another person.
- d) Topics requiring further investigation will be referred to the appropriate City official, Board Committee or agency, and may, if in order, be scheduled for a future meeting Agenda.

- e) Individual personnel issues are confidential by law and will not be discussed. Complaints relative to specific individuals are to be directed to the City Manager.
- f) Comments involving matters related to an on-going police investigative matter and/or the court system will not be permitted.
- g) Citizens should not expect specific Board action, deliberation, and/or comment on subject matter brought up during the public comment section unless and until it has been scheduled as a business item on a future meeting Agenda.