CITY OF PRESCOTT
Everybody's Hometown

AGENDA

PRESCOTT CITY COUNCIL
COMBINED WORKSHOP & SPECIAL VOTING MEETING
Tuesday, March 4, 2014
3:00 PM

Council Chambers
201 South Cortez Street
Prescott, Arizona 86303
(928) 777-1100

The following Agenda will be considered by the Prescott City Council at its **Combined Workshop and Special Voting Meeting** pursuant to the Prescott City Charter, Article II, Section 13. Notice of this meeting is given pursuant to Arizona Revised Statutes, Section 38-431.02. One or more members of the Council may be attending the meeting through the use of a technological device.

♦ **CALL TO ORDER**

♦ **INTRODUCTIONS**

♦ **INVOCATION** — Reverend Kimball Arnold, St. Luke's Episcopal Church

♦ **PLEDGE OF ALLEGIANCE** — Mayor Pro Tem Lamerson

♦ **ROLL CALL**

MAYOR AND CITY COUNCIL

Mayor Kuykendall	
Mayor Pro Tem Lamerson	Councilman Kuknyo
Councilman Arnold	Councilman Lazzell
Councilman Blair	Councilwoman Wilcox

♦ **ANNOUNCEMENTS**

♦ **PRESENTATIONS**

A. Presentation of Above and Beyond Award to Joan Pappas, Community Volunteer in the Field and Facilities Services Department

B. 2014 Arizona Wildlife Academy, presented by Tony Sciacca

I. REGULAR AGENDA - SPECIAL VOTING MEETING

A. Presentation by Yavapai County Attorney Sheila Polk opposing the legalization of non-medical marijuana and consideration of adoption of Resolution No. 4218-1427

RECOMMENDED ACTION**:** ***If Council wishes to act on the request, an appropriate motion would be: MOVE to adopt Resolution No. 4218-1427.***

B. Appeal of Prescott Preservation Commission denial of HP14-003 requesting fencing and landscaping in lieu of previously approved improvements at 146-150 S. Montezuma Street (Property Owner: Holiday Ventures, LLC)

RECOMMENDED ACTION**:** ***After hearing the appeal, the Council may approve or deny it. An appropriate motion would be: MOVE to (approve/deny) the appeal by Holiday Ventures, LLC, of HP14-003 requesting fencing and landscaping at 146-150 S. Montezuma Street.***

II. WORKSHOP - DISCUSSION ITEMS

A. Presentation and discussion of Patient Protection and Affordable Care Act (PPACA) and effects on the City

B. Legislative Update

C. Solid Waste educational outreach presentation

D. Open Space presentation

III. ADJOURNMENT

SPECIAL MEETING - EXECUTIVE SESSION

- **CALL TO ORDER**
- **ROLL CALL**

MAYOR AND CITY COUNCIL

Mayor Kuykendall
Mayor Pro Tem Lamerson
Councilman Arnold
Councilman Blair
Councilman Kuknyo
Councilman Lazzell
Councilwoman Wilcox

CALL TO ENTER INTO EXECUTIVE SESSION

Upon a public majority vote of the members constituting a quorum, the Council may hold an executive session that is not open to the public for the purposes set forth below. When the executive session ends, Council may adjourn or return to open session.

RECOMMENDED ACTION: **MOVE to recess into executive session.**

EXECUTIVE SESSION

I. LEGAL MATTERS

A. The City Council will meet with the city's attorneys for discussion and consultation for legal advice, and discussion and consultation with designated representatives of the city to consider its position and instruct its representatives regarding negotiations for the purchase, sale or lease of real property. A.R.S. §38-431.03(A)(3) and (7)

1. Property located in North Prescott

II. ADJOURNMENT

EXECUTIVE SESSION

Upon a public majority vote of a quorum of the City Council, the Council may hold an executive session, which will not be open to the public, regarding any item listed on the agenda but only for the following purposes:

(i) Discussion or consideration of personnel matters (A.R.S. §38-431.03(A)(1));
(ii) Discussion or consideration of records exempt by law (A.R.S. §38-431.03(A)(2));
(iii) Discussion or consultation for legal advice with the city's attorneys (A.R.S. §38-431.03(A)(3));
(iv) Discussion or consultation with the city's attorneys regarding the city's position regarding contracts that are the subject of negotiations, in pending or contemplated litigation, or in settlement discussions conducted in order to avoid litigation (A.R.S. §38-431.03(A)(4));

(v) Discussion or consultation with designated representatives of the city to consider its position and instruct its representatives regarding negotiations with employee organizations (A.R.S. §38-431.03(A)(5));

(vi) Discussion, consultation or consideration for negotiations by the city or its designated representatives with members of a tribal council, or its designated representatives, of an Indian reservation located within or adjacent to the city (A.R.S. §38-431.03(A)(6);

(vii) Discussion or consultation with designated representatives of the city to consider its position and instruct its representatives regarding negotiations for the purchase, sale or lease of real property (A.R.S. §38-431.03(A)(7)).

Confidentiality

Arizona statute precludes any person receiving executive session information from disclosing that information except as allowed by law. A.R.S. §38-431.03(F). Each violation of this statute is subject to a civil penalty not to exceed $500, plus court costs and attorneys' fees. This penalty is assessed against the person who violates this statute or who knowingly aids, agrees to aid or attempts to aid another person in violating this article. The city is precluded from expending any public monies to employ or retain legal counsel to provide legal services or representation to the public body or any of its officers in any legal action commenced for violation of the statute unless City Council takes a legal action at a properly noticed open meeting to approve of such expenditures prior to incurring any such obligation or indebtedness. A.R.S. §38-431.07(A)(B).

CERTIFICATION OF POSTING OF NOTICE

The undersigned hereby certifies that a copy of the foregoing notice was duly posted at Prescott City Hall on ______________at ______________m. in accordance with the statement filed by the Prescott City Council with the City Clerk.

____

Dana R. DeLong,CMC, City Clerk

CITY OF PRESCOTT
Everybody's Hometown

COUNCIL AGENDA MEMO

MEETING DATE/TYPES: COMBINED WORKSHOP & SPECIAL VOTING MEETING 3-4-14

DEPARTMENT: Police

AGENDA ITEM: Presentation by Yavapai County Attorney Sheila Polk opposing the legalization of non-medical marijuana and consideration of adoption of Resolution No. 4218-1427

Approved By: **Date:**

Police Chief:	Monahan, Jerald	02/21/2014
City Manager:	McConnell, Craig	02/24/2014

Item Summary

Yavapai County Attorney Sheila Polk is requesting that the Prescott City Council adopt this resolution opposing the legalization of the use of recreational (non-medical) marijuana.

Attachment

Resolution No. 4218-1427

Recommended Action: If Council wishes to act on the request, an appropriate motion would be: **MOVE** to adopt Resolution No. 4218-1427.

RESOLUTION NO. 4218-1427

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF PRESCOTT, YAVAPAI COUNTY, ARIZONA, OPPOSING LEGALIZATION OF THE USE OF RECREATIONAL (NON-MEDICAL) MARIJUANA.

RECITALS:

WHEREAS, the City of Prescott ("Prescott") is committed to the success and positive future of our youth; and

WHEREAS marijuana, like cigarettes, is addictive; and

WHEREAS teen use of marijuana has been on the rise in Arizona since 2007; and

WHEREAS marijuana use is harmful to the adolescent brain, affecting the parts of the brain that influence pleasure, memory, thinking, concentration, sensory and time perception, and coordinated movement; and

WHEREAS teens who smoke marijuana regularly can see an 8 point drop in IQ by the time they reach 38 putting a person of average intelligence into the lowest third of the IQ range; and

WHEREAS marijuana use can lead to high school dropout and failure in college; and

WHEREAS teens who use marijuana heavily are more likely to develop mental illness such as schizophrenia; and

WHEREAS marijuana use reduces inhibitions and can lead to risky behaviors, distorted perception, impaired coordination, and can cause difficulty with thinking, problem-solving and difficulty with learning and memory; and

WHEREAS, according to the 2012 Arizona Youth Survey,

- 2012 was the first time in Arizona's history that past 30-day use of marijuana by teens surpassed their use of cigarettes; and
- Arizona's teens are getting younger for first use of marijuana; and
- The perception of marijuana's risks by Arizona's youth, both users and non-users of marijuana, is decreasing and their use is increasing; and

WHEREAS, if marijuana were legalized an additional 32,000 high school students in Arizona would be more likely to use marijuana.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF PRESCOTT:

Section 1. THAT the City of Prescott opposes legalizing the use of recreational (non-medical) marijuana; and

Section 2. THAT the City of Prescott supports public education on the harms of marijuana, and proven prevention interventions such as community-based drug prevention efforts, drug treatment courts, offender re-entry programs and probation reform; and further support making drug treatment available to all who need it.

PASSED, APPROVED AND ADOPTED by the Mayor and Council of the City of Prescott this _____ day of ________________, 2014.

MARLIN D. KUYKENDALL, Mayor

ATTEST:

DANA DeLONG
City Clerk

APPROVED AS TO FORM:

JON M. PALADINI
City Attorney

CITY OF PRESCOTT
Everybody's Hometown

COUNCIL AGENDA MEMO

MEETING DATE/TYPES: COMBINED WORKSHOP AND SPECIAL VOTING MEETING 3-4-14

DEPARTMENT: Community Development

AGENDA ITEM: Appeal of Prescott Preservation Commission denial of HP14-003 requesting fencing and landscaping in lieu of previously approved improvements at 146-150 S. Montezuma Street (Property Owner: Holiday Ventures, LLC)

Approved By:		**Date:**
Director:	Guice, Tom	02/25/2014
City Manager:	McConnell, Craig	02/27/2014

Item Summary

The Prescott Preservation Commission reviewed and denied the request for fencing and landscape improvements at this location on S. Montezuma Street. The Applicant is appealing the decision and requesting approval of a revised plan.

Background

This property contained a building with three storefronts that burned in a fire on May 8, 2012. The site has been cleared and a temporary pedestrian walkway is in place along the Whiskey Row (S. Montezuma Street) frontage.

A request for front wall demolition and the temporary pedestrian walkway now in place was approved by the Preservation Commission in August 2012.

A previous proposal for an infill building with a central walkway was subsequently approved by the Preservation Commission in August 2012. This work did not reach building permit stage.

A revised proposal for a smaller front retail building with a courtyard space and stage area was submitted for review by the Preservation Commission in October 2013, but was pulled from the agenda by the Applicant.

A further revised proposal for just the front façade wall was approved by the Preservation Commission in November 2013. The property owners submitted plans for the front façade wall, and received bids for the construction; however, it reportedly exceeded available funding.

The present proposal for fencing and landscape improvements was submitted to the Preservation Commission and denied in February 2014. The Applicant proposed to construct an 8'4" high wrought iron fence with founders block columns (material from the previously approved front wall design) along the front of the property. Two columns would flank the entry gate which would have a metal arched panel to identify the space as "Holiday Court". A 6ft wide concrete walkway would allow passage through the space to a gate in the rear.

The interior of the space would be finished in compacted, decomposed granite on either side of the walkway, and would be used for temporary vendor spaces. At the rear of the space a wooden stage would be constructed from the reclaimed lumber from the sidewalk barricade. This stage may have either a canvas or wood awning to cover the performance area. Trees were proposed to provide shade to the space, and low shrubs would provide a buffer just behind the front fence. Ivy was proposed on the north facing wall of the adjacent building, also owned by the Applicant.

The rear property line was shown on the plans as a matching wrought iron fence with a gate. This would be the option if building a masonry wall at the rear of the space (as depicted on previous submittals) proved to be too costly. The Applicant would prefer to build the stuccoed and painted wall with a gate if at all possible, but would use the full rear fence if necessary.

The Applicant has a long term goal of constructing two storefronts flanking the front entry gate that also have restrooms, an elevator shaft and an upper story patio space that will serve both this space and the hotel next door. In order to fund these improvements, they are trying to generate income from the property by opening the space to interim use, while not precluding the construction of the storefronts at a future date.

Attached are a timeline summary, and design renderings for more details on all the designs presented.

The Preservation Commission considered this request based on the established criteria of the Courthouse Plaza Historic District. Applicable design quidelines include:

- Replace demolished buildings with building of massing and scale similar to contributing buildings in the district
- Require brick or stone as the major exterior material
- Use only integral and natural colors of a neutral tone, compatible with the building and the district

- Encourage detailing in the design; details must be historically consistent with the district and generally constructed of materials already on the building

- Encourage the use of fabric awnings throughout the district

- Encourage continued alley use for service to take the burden off of the front of the property; encourage and coordinate safer alley use by pedestrians

The Commission, after review and discussion, determined that the request did not satisfy the design criteria of the Courthouse District, and denied the application. By letter dated February 21, 2014, the Applicant appealed the denial.

Appeal Process

The Historic Preservation Code, amended by Ordinance No. 4132, sets forth the appeal process:

> "Any applicant aggrieved by said decision made under this Code may appeal to the City Council. Appeals shall be in writing, and shall be made within thirty-five (35) days after the decision appealed from, and a copy thereof shall be mailed concurrently to the person or body from whom the appeal is taken. The appeal stays all proceedings in the matter appealed from. Each appeal shall be accompanied by a fee of twenty-five dollars ($25.00) payable to the City of Prescott."

Attachments

1. Appeal dated 2/21/14
2. Timeline
3. Aug 2012 design
4. Oct 2013 design
5. Nov 2013 just wall
6. Feb 2014 fence

Recommended Action: After hearing the appeal, the Council may approve or deny it. An appropriate motion would be: **MOVE** to (approve/deny) the appeal by Holiday Ventures, LLC, of HP14-003 requesting fencing and landscaping at 146-150 S. Montezuma Street.

HOLIDAY VENTURES LLC
813 Black Drive
Prescott, Arizona 86301
Howard Hinson (cell)928-710-3987 **Nancy Hinson (cell)928-710-3488**

February 21, 2014

PRESCOTT CITY COUNCIL
City of Prescott
201 South Cortez Street
Prescott, AZ 86303

HAND DELIVERED

Re: Prescott Preservation Commission denial of HP14-003,
APN 10902016A

The Applicant in the above-referenced matter appeals the decision of the Commission made February 14, 2014.

A check for the fee on appeal is enclosed.

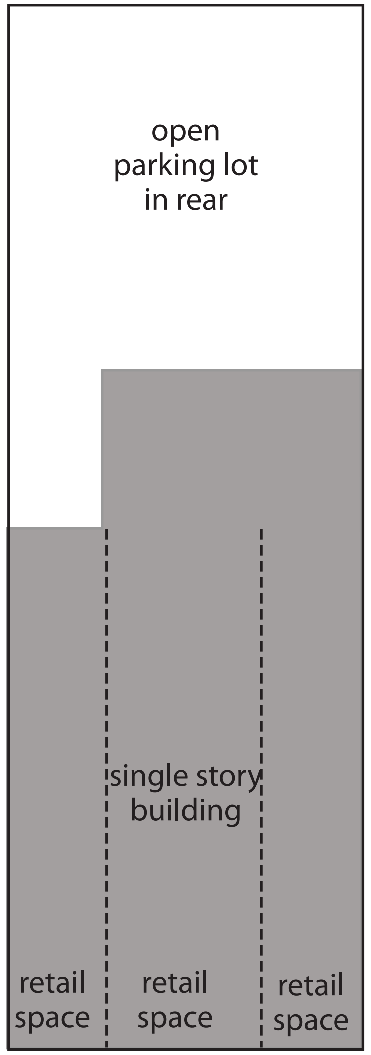
RESPECTFULLY SUBMITTED,

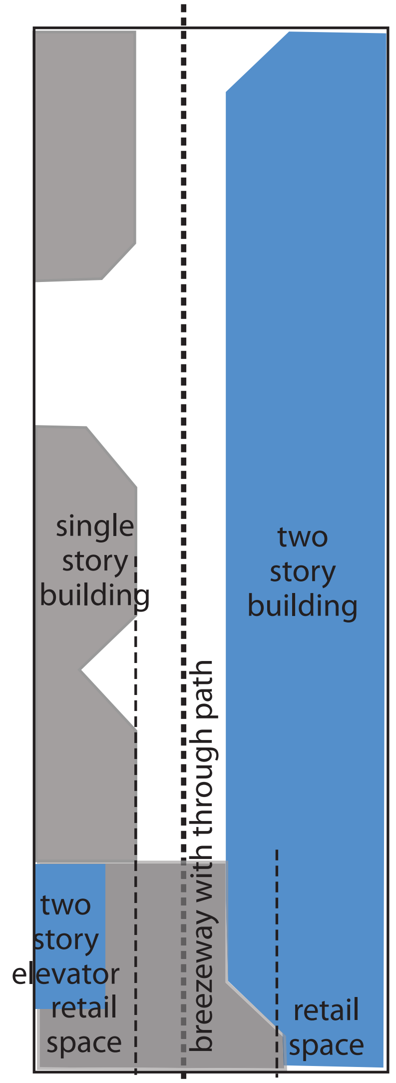
Holiday Ventures, LLC

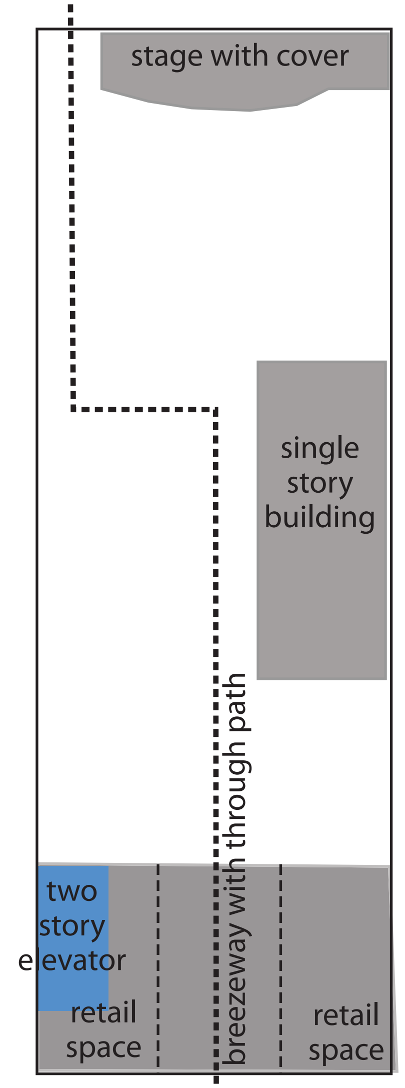
Howard Hinson, Jr. Nancy L. Hinson

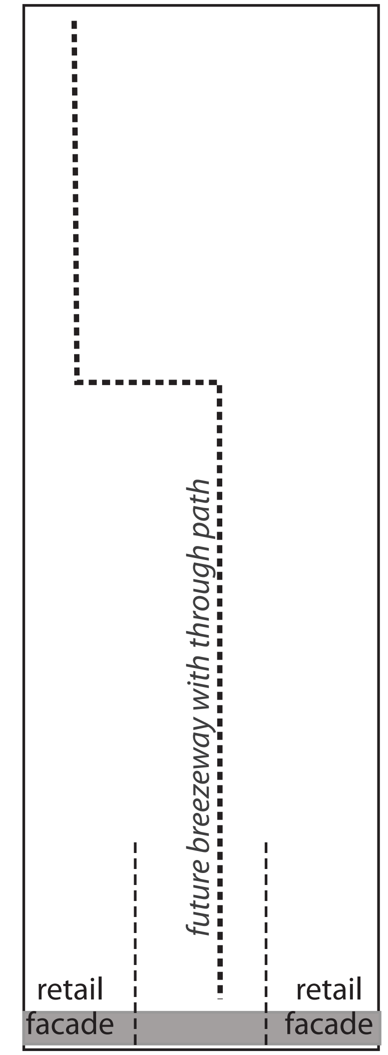
Cc: Prescott Preservation Commission
C/o Cat Moody
City of Prescott
Community Development Department
201 S. Cortez Street
Prescott, AZ 86301

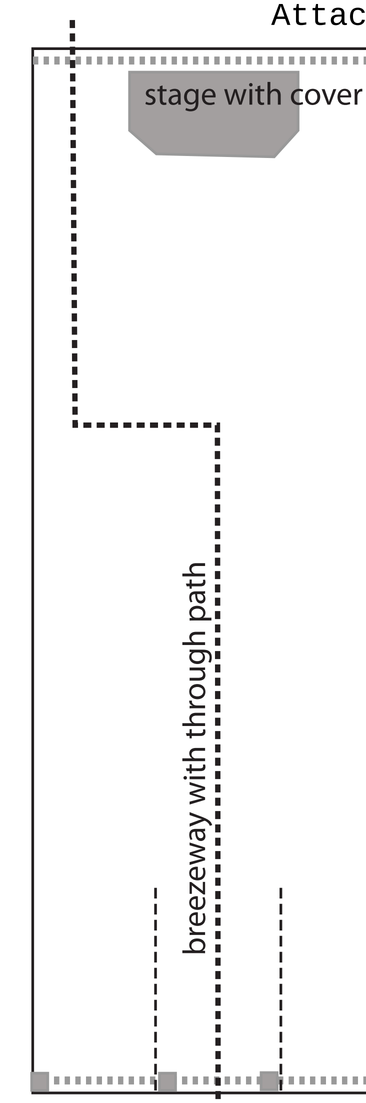
Attachment #2

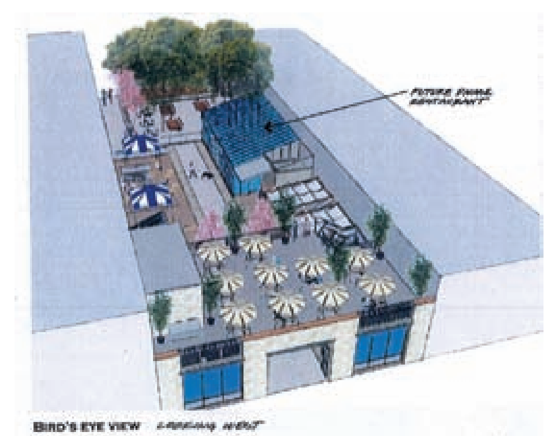


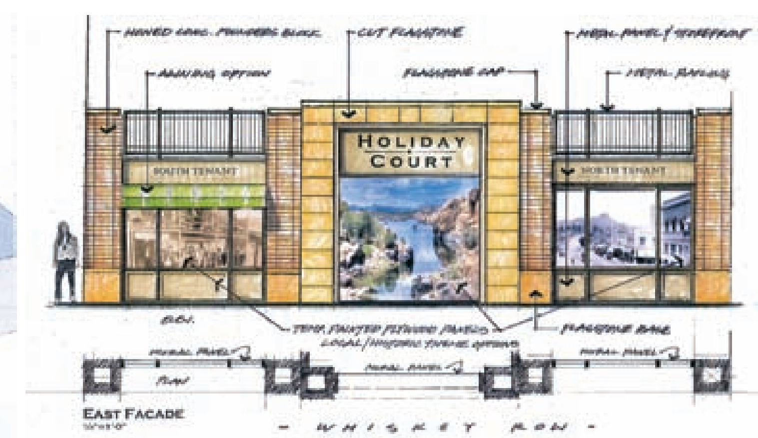


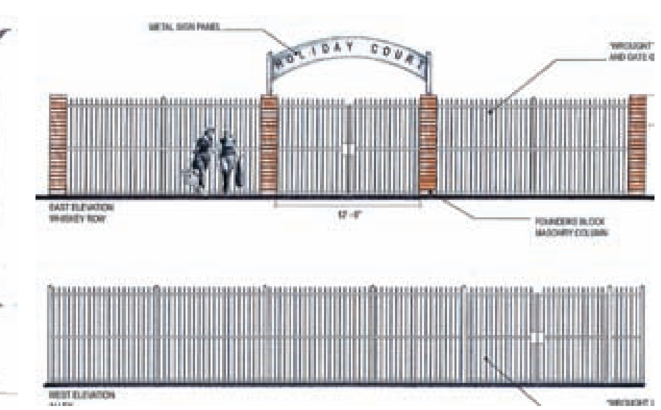












May 2012
May 8th Fire
three store fronts

Aug 2012
Demo pemit for front wall
Pedestrian walkway
Infill building approval

Oct 2013
Revised plan submitted
then pulled from agenda
by Applicant

Nov 2013
Front facade wall only approval

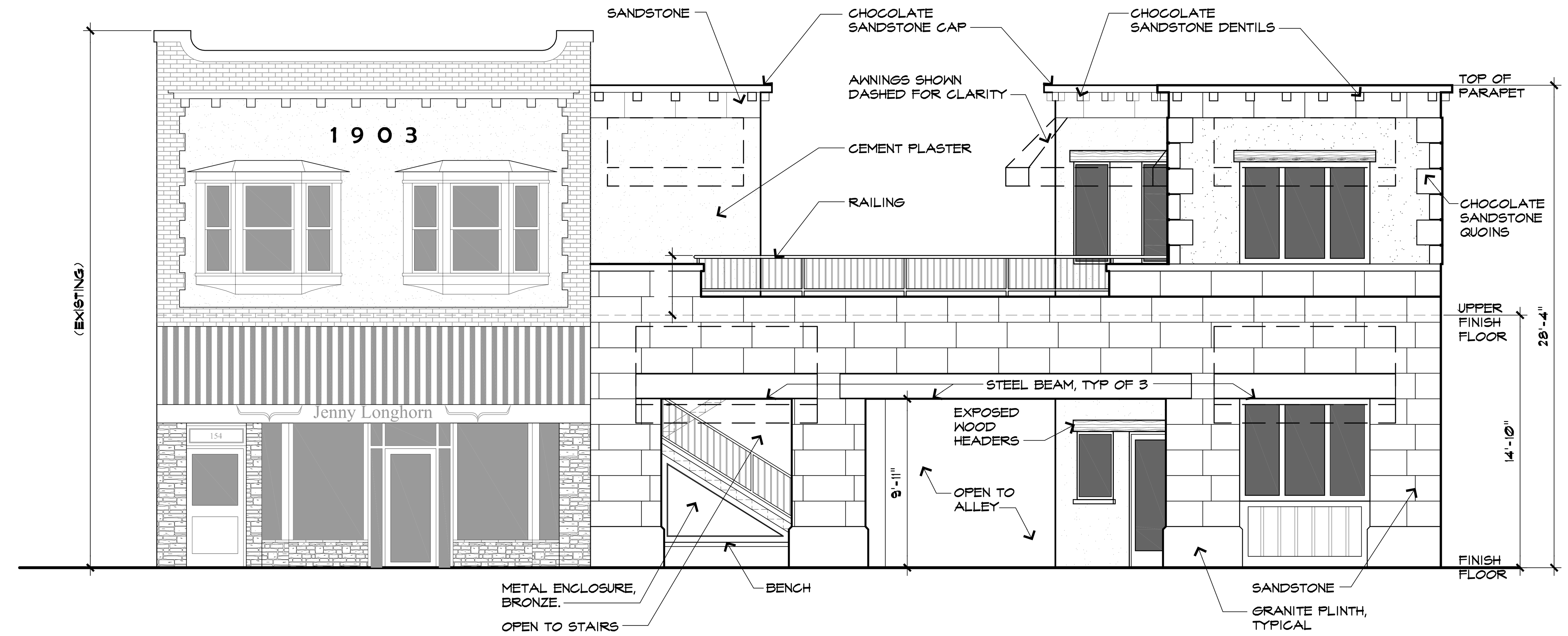
Feb 2014
Fencing and landscape denied

148 S Montezuma St Prescott Preservation Commission Review Timeline

Attachment #3

EXISTING FACADE

NO SCALE



EAST ELEVATION

3/16" = 1'-0"

PROPOSED EAST ELEVATIONS

NO SCALE

EXPIRES 12-31-12

OTWELL ASSOCIATES ARCHITECTS

121 East Goodwin Street, Prescott, Arizona 86303 (928) 445-4951

otwell-architects.net

HINSON REBUILD

THE GRAND HIGHLAND HOTEL

PRESCOTT & HOLIDAY COURT ARIZONA

REVISIONS:

DATE: 7/27/12

DRAWN BY: BMP

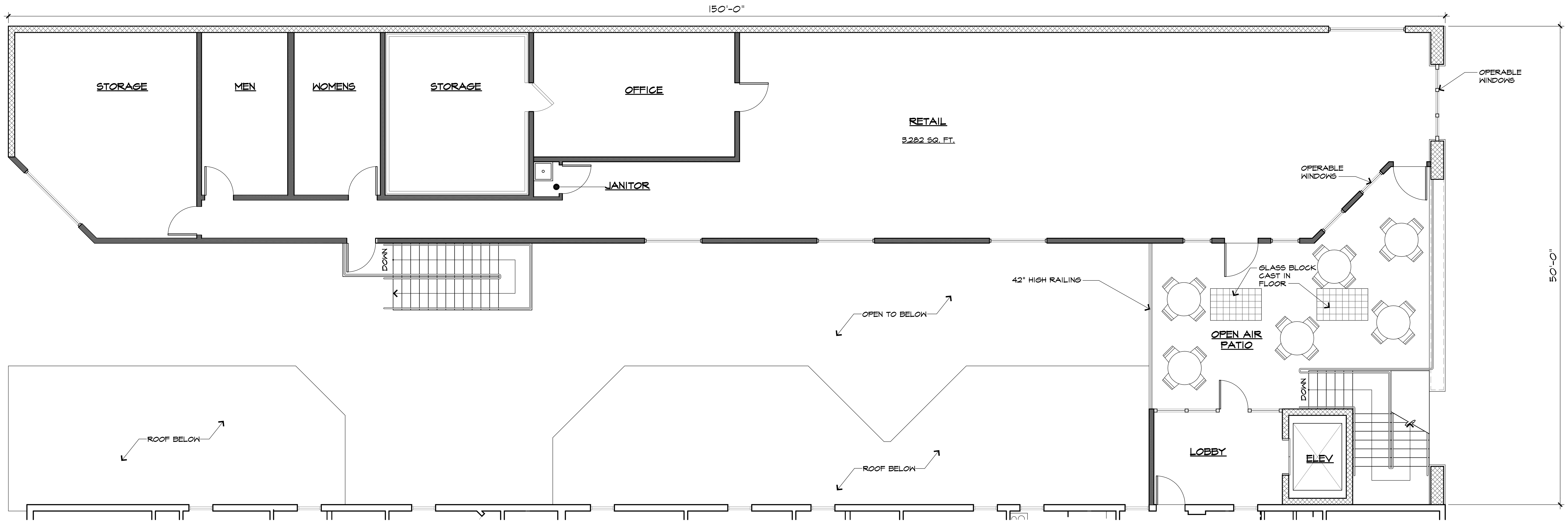
CHECKED BY: W.O.

JOB NO.: 1218

SHEET NO.

A3

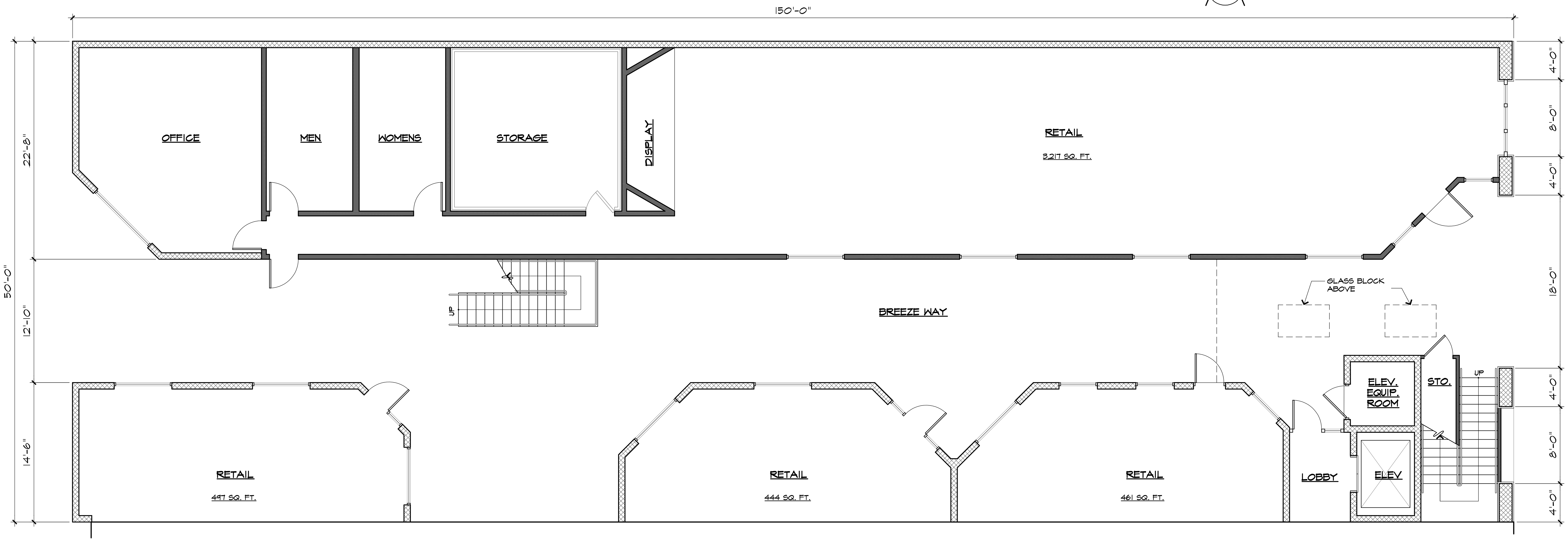
OF



A.P.N. 109-02-016A
UPPER LEVEL 3,282 SQ. FT.

PROPOSED FLOOR PLAN SECOND FLOOR

3/16" = 1'-0"



A.P.N. 109-02-016A
LOWER LEVEL 4,684 SQ. FT.

PROPOSED FLOOR PLAN FIRST FLOOR

3/16" = 1'-0"

REGISTERED ARCHITECT
CERTIFICATE NO. 12645
WILLIAM OTWELL
Date Signed 7-27-12
ARIZONA, U.S.A.

EXPIRES 12-31-12

OTWELL
ASSOCIATES
ARCHITECTS
121 East Goodwin Street, Prescott, Arizona 86303 (928) 445-4951
otwell-architects.net

HINSON REBUILD
HOLIDAY COURT
PRESCOTT ARIZONA

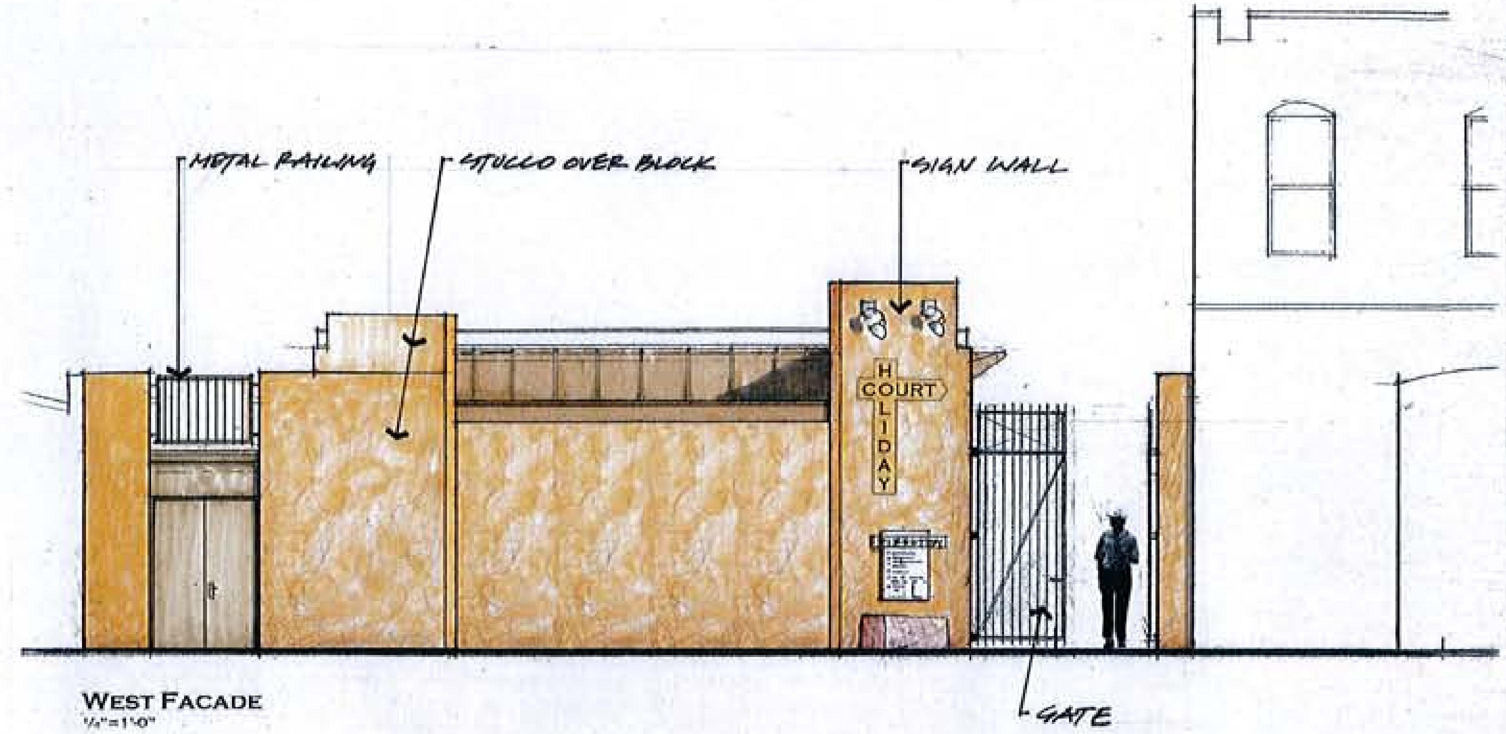
REVISIONS:

DATE: 7/27/12
DRAWN BY: BMP
CHECKED BY: W.O.
JOB NO.: 1218

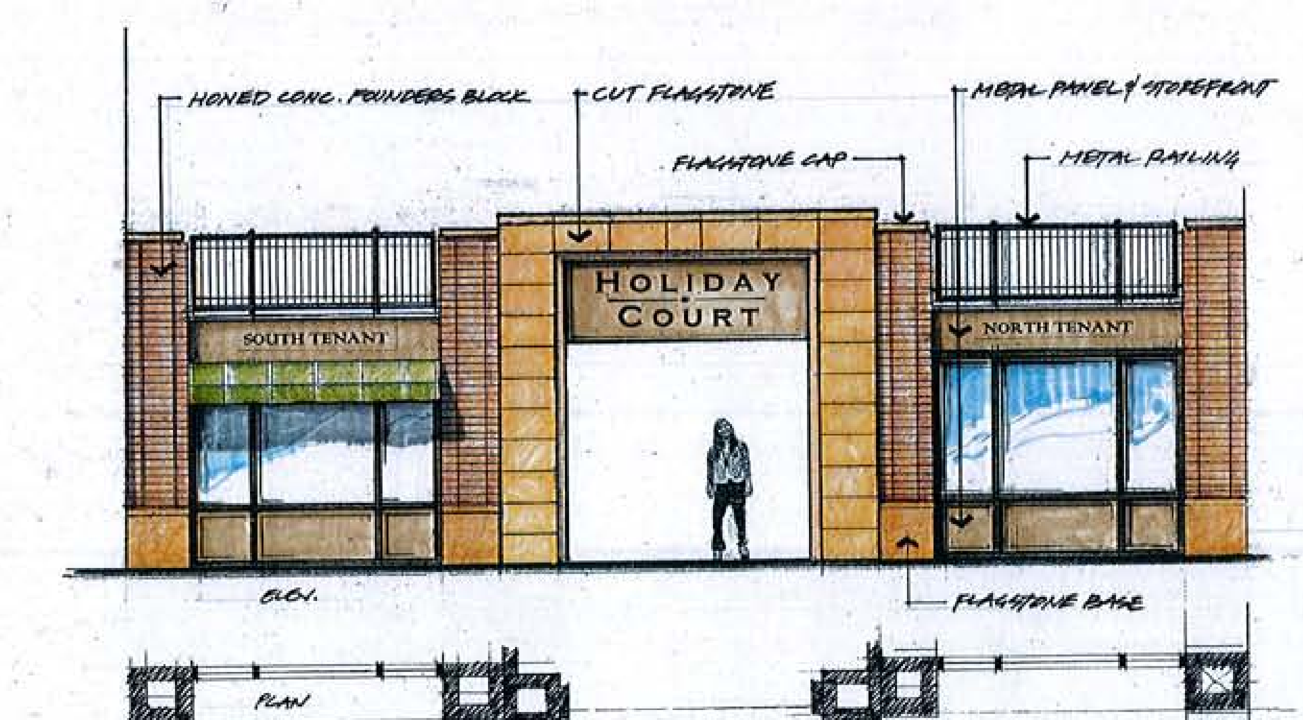
SHEET NO.
A2.1
OF

Attachment #4

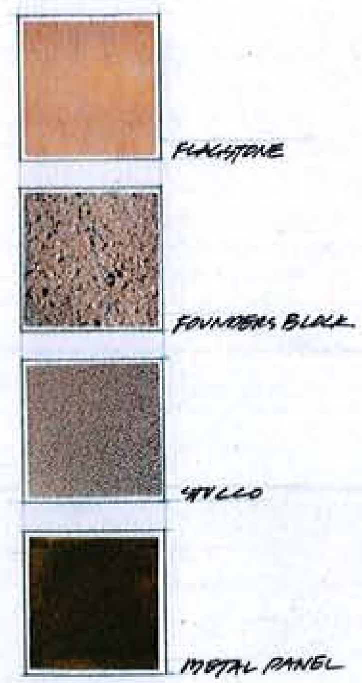
EYE LEVEL VIEW   LOOKING EAST

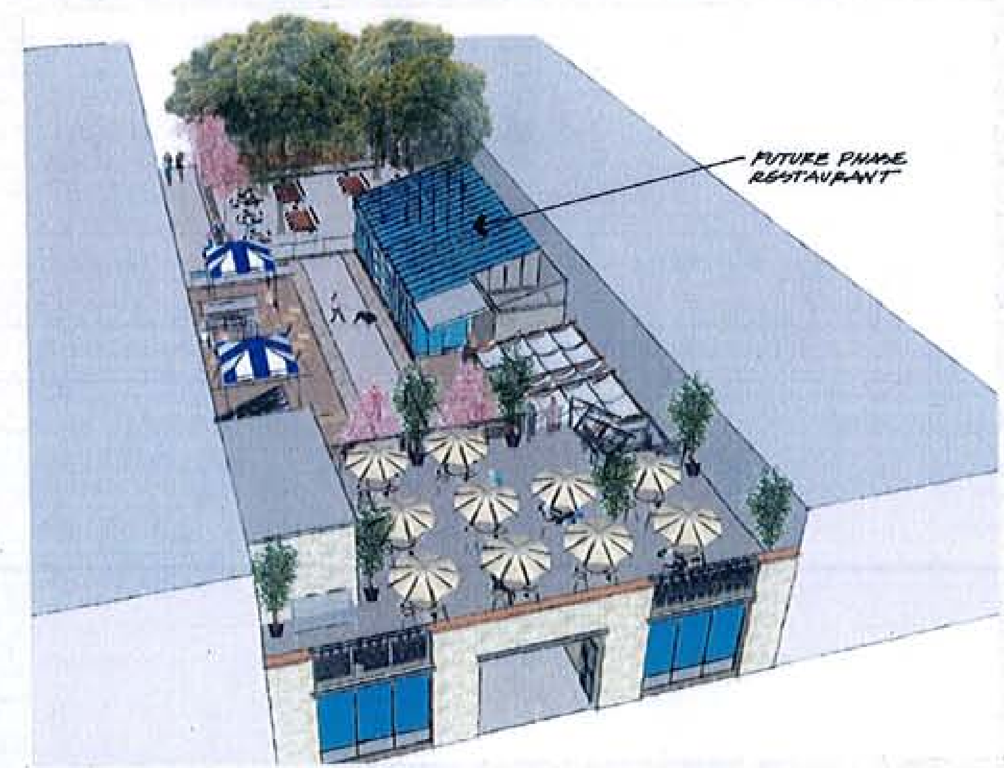


WEST FACADE
1/4"=1'-0"



EAST FACADE
1/4"=1'-0"





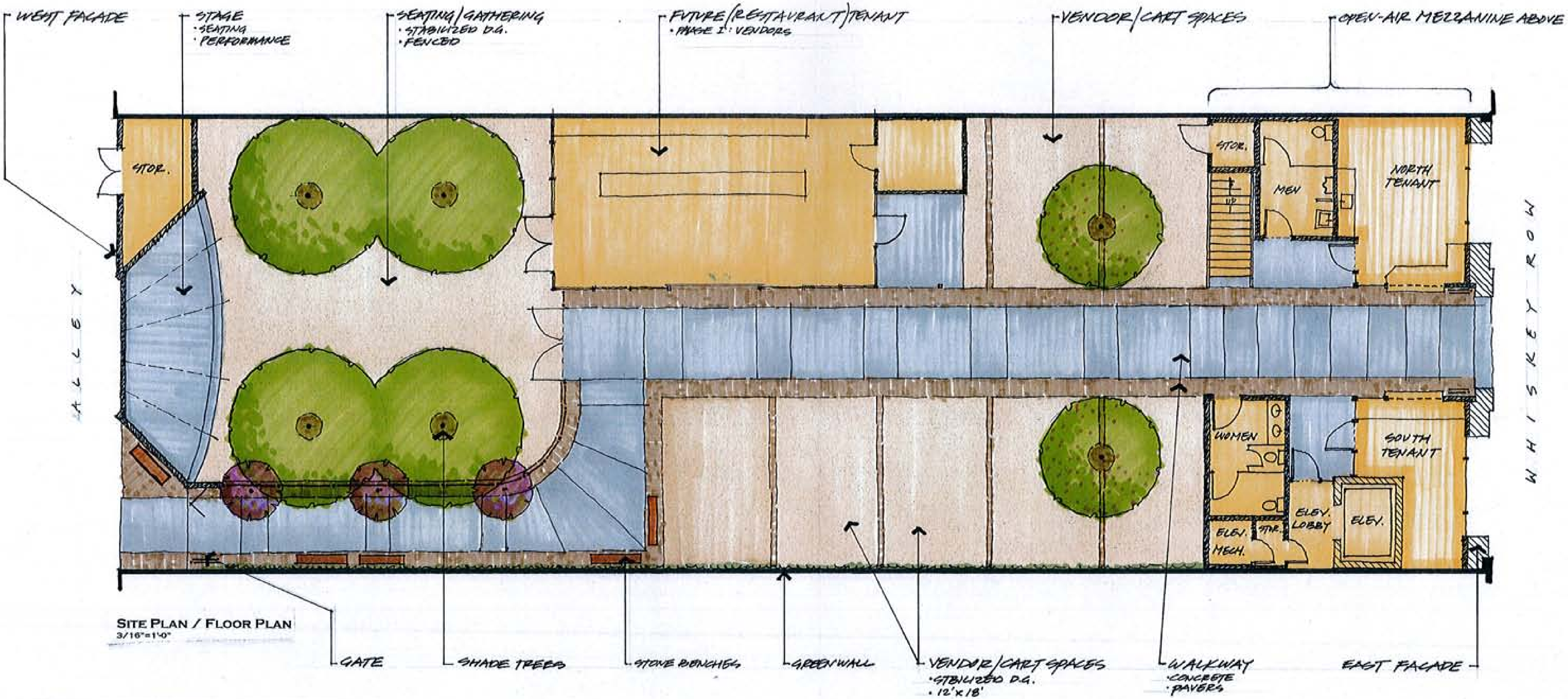
BIRD'S EYE VIEW   LOOKING WEST

tbk
t barnabas kane & associates
LANDSCAPE ARCHITECTURE

SEPT. 20, 2013

HOLIDAY COURT

148 S. MONTEZUMA PRESCOTT, ARIZONA   TBK



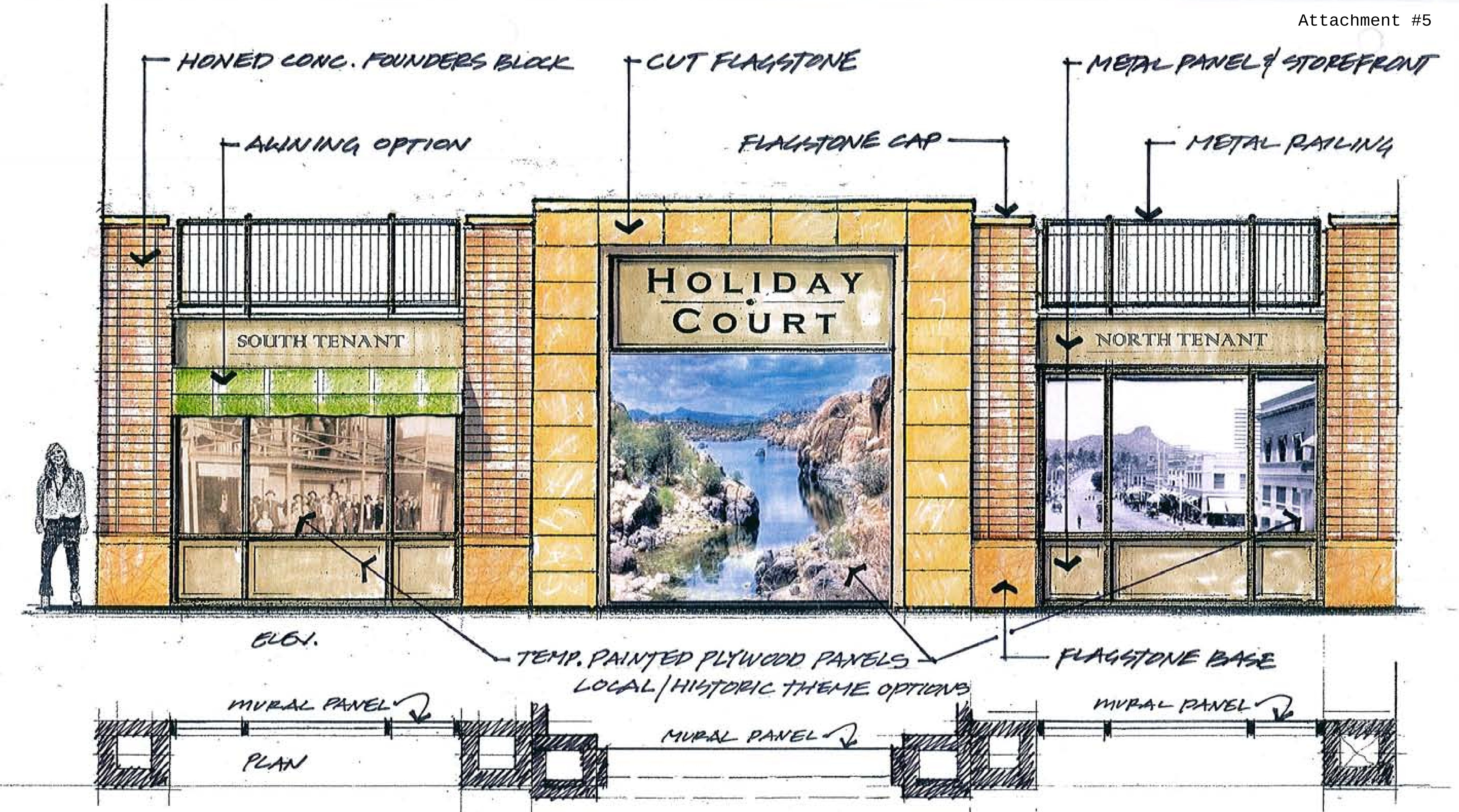
SITE PLAN / FLOOR PLAN
3/16"=1'-0"

tbk
t barnabas kane & associates
LANDSCAPE ARCHITECTURE

SEPT. 20, 2013

HOLIDAY COURT
148 S. MONTEZUMA PRESCOTT, ARIZONA TBK

Attachment #5



EAST FACADE
1/4"=1'-0"

- WHISKEY ROW -

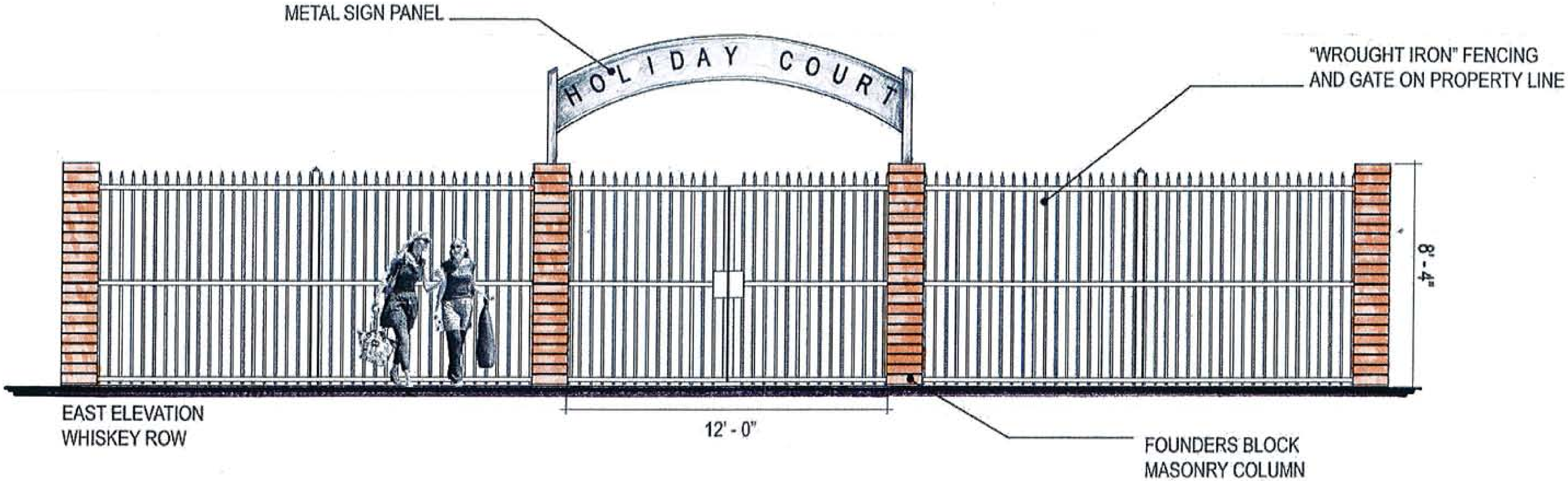
tbk
t barnabas kane & associates
LANDSCAPE ARCHITECTURE

HOLIDAY COURT
148 S. MONTEZUMA, PRESCOTT, AZ

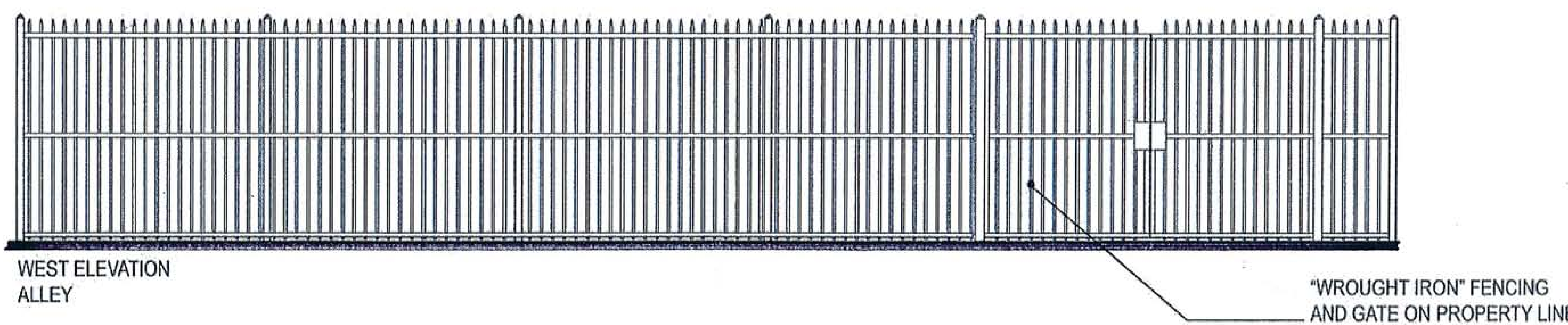
OCTOBER 29, 2013

TBK

Attachment #6



EAST ELEVATION
WHISKEY ROW



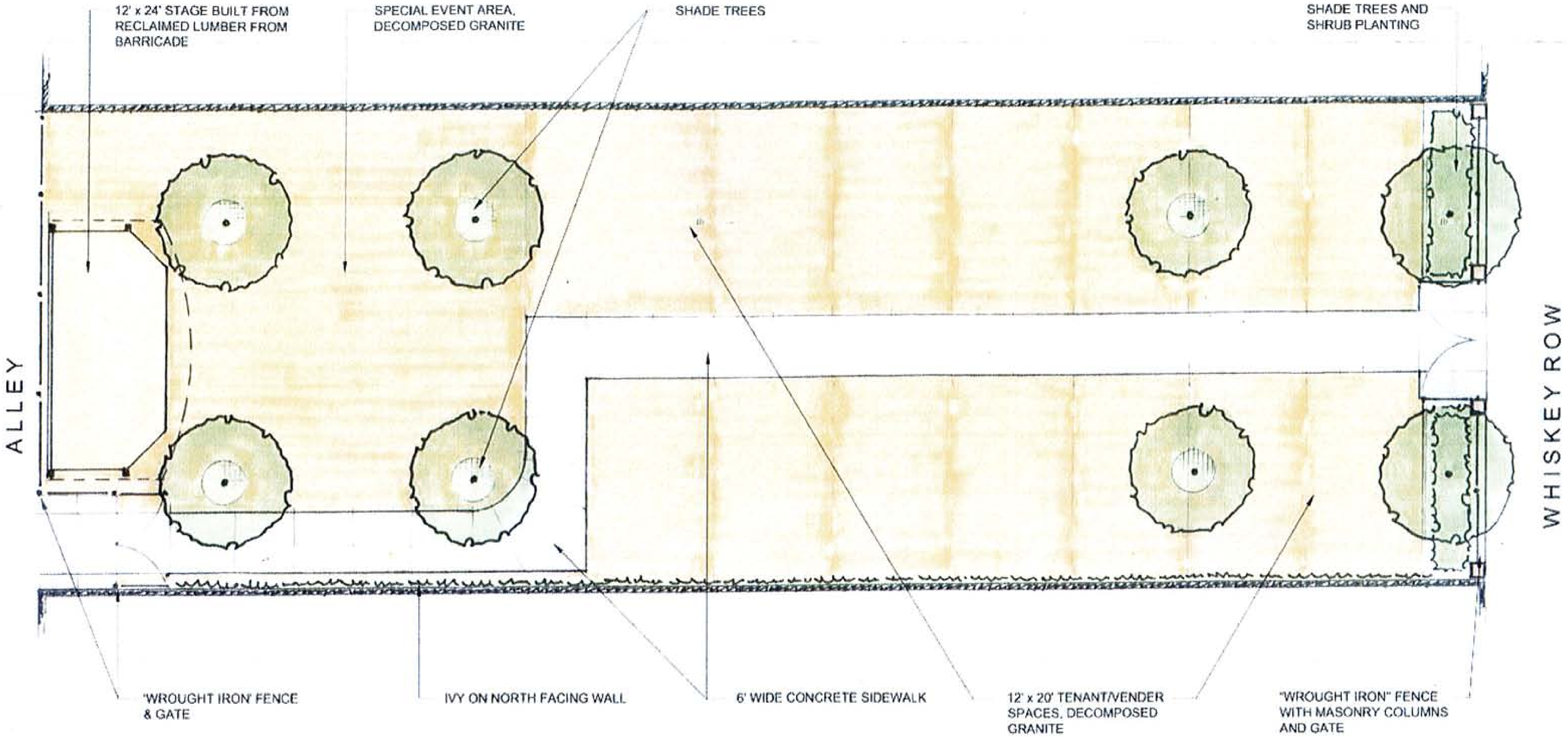
WEST ELEVATION
ALLEY

tbk
t barnabas kane & associates
LANDSCAPE ARCHITECTURE®

HOLIDAY COURT
148 S. MONTEZUMA, PRESCOTT, AZ

JANUARY 4, 2014

SCALE - 1/4" = 1' - 0"



tbk
t barnabas kane & associates
LANDSCAPE ARCHITECTURE

HOLIDAY COURT

148 S. MONTEZUMA, PRESCOTT, AZ

FEBRUARY 4, 2014

SCALE - 1" = 10' - 0"

CITY OF PRESCOTT
Everybody's Hometown

COUNCIL AGENDA MEMO

MEETING DATE/TYPES: WORKSHOP 3-4-14

DEPARTMENT: Human Resources

AGENDA ITEM: Presentation and discussion of Patient Protection and Affordable Care Act (PPACA) and effects on the City

Approved By:		**Date:**
Director:	Jacobson, Mary	02/14/2014
City Manager:	McConnell, Craig	02/20/2014

Item Summary

Presentation and discussion by Aaron Polkoski, Segal Company, on the Affordable Care Act. Mr. Polkoski is the insurance industry consultant for Yavapai Combined Trust, of which the City is a member.

Background

The Yavapai Combined Trust, which also includes the Town of Chino Valley, Yavapai College, and Yavapai County, provides health insurance for full-time City employees. The Affordable Care Act (ACA) passed by Congress in March of 2010, is being phased in with constant changes, differing analyses, and effective dates, necessitating professional interpretation. Mr. Polkoski will be presenting an overview of this complicated federal law, mandates, and probable costs for City implementation by July 1, 2015.

Recommended Action: Presentation and Council discussion; no formal action to be taken.

Health Care Reform Update

Aaron Polkoski – Segal Consulting

March 4, 2014

Impacts of the Affordable Care Act (ACA)

- **What has been done so far? - Yavapai Combined Trust**
  - ✓Expanded eligibility to dependent children up to age 26
  - ✓Eliminated the medical plan lifetime maximum
  - ✓Removed the annual dollar maximum on “essential” benefits
  - ✓Eliminated pre-existing conditions for individuals under 19 years
  - ✓Provided required PPACA plan notices (grandfather notice, SBC’s, marketplace notice)
- **Individual Responsibilities**
- **Employer Responsibilities**
- **What’s next?**

In 2014: Our Individual Mandate Tax

- Individual Shared Responsibility Mandate *(IRC section 5000A)*: Non-exempt individuals will be required to obtain "minimum essential coverage*" beginning in 2014 or pay a monthly personal income tax penalty for each month they are without coverage.

For each month a taxpayer does not maintain minimum essential coverage, they will be assessed a tax penalty that is the **greater of** a flat dollar amount or a percentage of household income.

- In 2014, the annual penalty is the greater of: $95 per adult ($47.50 per child), up to $285 for a family (3x the single penalty) or, 1.0% **of taxable income.**
  - For a child under the age 18, the penalty is one half of the adult amount.
- 2015: annual penalty is the greater of $325/adult or 2% of taxable income
- 2016: annual penalty is the greater of $695/adult or 2.5% of taxable income
- 2017 and beyond: amount is indexed for future years (cost-of-living adjustments)
- **Penalty is capped at the national average premium of a bronze level plan purchased on Marketplace**

*"Minimum Essential Coverage (MEC)" that satisfies the individual mandate includes eligible employer sponsored plan whether insured or self-funded including COBRA, employer sponsored retiree health plan, Medicare Part A, Medicare Advantage Plans, Medicaid, CHIP, TRICARE, coverage under the Health Insurance Marketplace, self-funded student health coverage. For 2014 plan years, self-funded student health and state high risk pool will also be considered MEC, thereafter they must apply to HHS for continued recognition. MEC is NOT coverage only for vision care or dental care, workers' compensation, or coverage only for a specific disease or condition

In 2014: Health Insurance Exchange (HIX)

- Beginning January 1, 2014, medical coverage is to be available from a public Health Insurance **Exchange (also called a Health Insurance Marketplace)** for eligible individuals and small businesses
  - **Individuals** (and small employers with 50 or less employees unless state defines differently) **can purchase medical plan coverage through the public Exchange:** 3 types of exchanges… state based, partnership, federal exchange.
    - **1st open enrollment in Exchange** = 6 month period of Oct. 1, 2013 thru Mar. 31, 2014
    - **2nd open enrollment in Exchange:** Nov. 15, 2014 thru Jan. 15, 2015
    - Small employer enrollment in SHOP Marketplace delayed until November 2014.
  - 2016: Small business employers with 100 or fewer employees can also purchase medical plan coverage in an Exchange
  - Large employers cannot purchase medical plan coverage as a plan sponsor through the Exchange until 2017 (and only if their state approves large employers to purchase coverage in the Exchange)

Health Insurance Exchanges

- An Exchange allows individuals & small employers to purchase health coverage from a menu of insurance products
- Govt. has rebranded the term "Exchange" as a "Marketplace"
  - **Group rates can vary only by** geographic area, age (no more than 3 to1), tobacco use (no more than 1.5 to 1) and individual vs family. **Cannot vary by** gender, a person's health status or pre-ex conditions, claims history, medical underwriting, group size or industry
  - Plans on Marketplace may mostly be narrow networks or HMOs. Pay attention to details of plans when shopping. Will individual consumers care about the lack of choice of providers?
  - Health plans on the Exchange **must offer "essential health benefits" (EHB)**, plus **must offer one Silver plan and one Gold plan**
- **Financial assistance in the form of federal subsidies (both advance premium assistance tax credits & cost-sharing reductions) will be available to help many people buy coverage on the exchange.**
  - About 26 million Americans are expected to be eligible for a subsidy.
  - Kaiser estimates average subsidy will be $4,600/year. The Congressional Budget Office (CBO) projects $5,290/year.
- Medicaid coverage expands to 133% of the Federal Poverty Level (if state adopts the expansion…and about ½ the states have)

Can Individuals with Employer-Sponsored Coverage Receive the Premium Assistance Tax Credit?

- Generally, No
- However, employees may apply for the premium assistance tax credit when the employer-sponsored coverage they are offered is:
  - Below 60% of actuarial value (not minimum value), or
  - Not affordable (i.e., the employee premium for lowest cost self-only medical coverage exceeds 9.5% of household income)
- Premium assistance money from the govt. **goes to the insurance companies** to subsidize the cost of coverage for low income individuals in the Exchange
- Premium assistance tax credit is based on the premium cost of the 2nd lowest cost Silver Plan

5 Exchange Plan Benefit Levels

All plans in the Exchange must offer Essential Health Benefits (EHB)
The higher the actuarial value, the less cost-sharing the enrollee will have, on average.

Platinum: 90% of the full actuarial value

Gold: 80% of the full actuarial value

Silver: 70% of the full actuarial value (keyed to subsidies)

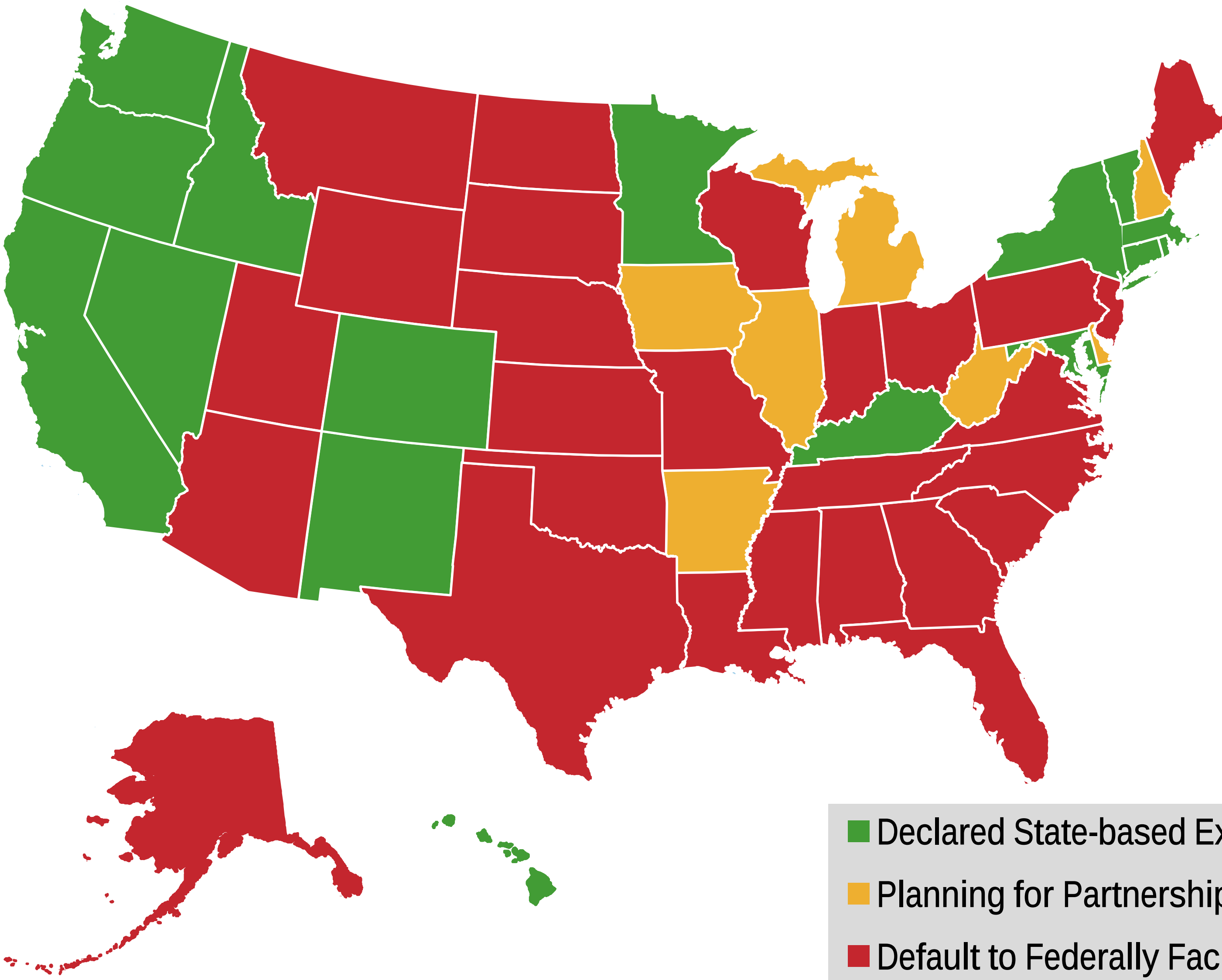
Bronze: 60% of the full actuarial value

Young Invincible
(catastrophic plan for individuals under 30)

A plan with an actuarial value of 70% (referred to as a "silver" plan) means that for a standard population, the plan will pay 70% of their health care expenses, while the enrollee will pay 30% through some combination of deductibles, copays, and coinsurance.

All Exchange plans must cover preventive services at 100%
Plans falling between the defined metallic levels are not permitted.

3 Types of Health Insurance Marketplaces *(as of May 10, 2013)*



First open enrollment begins October 2013

Employers with more than 100 employees <u>may be eligible</u> to purchase medical plan coverage as a plan sponsor through the Exchange starting in 2017 (if their state approves this)

- Declared State-based Exchange—17
- Planning for Partnership Exchange—7
- Default to Federally Facilitated Exchange—27

Data Source: Kaiser Family statehealthfacts.org

Employer Shared Responsibility Penalty (4980H)

- Beginning with the **<u>first day of the plan year in 2015*</u>**, certain large employers may be subject to a penalty tax, called an **Employer Shared Responsibility Penalty**, for failing to offer minimum essential health care coverage to full-time employees and their dependent children **OR** offering such coverage that is not affordable **and/or** does not offer a minimum value.

- * On July 2, 2013, the Treasury Department announced that it is **delaying until 2015, the employer shared responsibility penalties that were to have started with the 2014 plan year**. Treasury is also delaying by one year, the detailed reporting requirements for employers and insurers that would have applied to coverage provided during 2014. This transition relief <u>does not **currently** apply to any other provisions of the ACA</u>, including the individual mandate.

Transition Rule for Fiscal Year Plans

- **Proposed regulations include transitional relief for employers maintaining fiscal-year plans.**
- **Fiscal year means a NON-calendar year plan**
  - **If an employer maintained a fiscal-year plan as of December 27, 2012, then the employer may maintain that fiscal-year plan into ~~2014~~ 2015, and no 4980H penalties will be assessed <u>prior to the start of the ~~2014~~ 2015 plan year</u>.**
    - For example, if the plan year begins July 1, then the 4980H penalties would not apply until the beginning of the July 1, ~~2014~~ 2015 plan year.
    - The employer must maintain the same plan year. **Employers cannot change their plan year in 2013 to take advantage of the transitional relief.**
      - In other words, an employer whose plan year began on July 1, 2012, may not move the start of the plan year to October 1.

NOTE: Awaiting guidance on how the 4980H delay affects this information on this slide

Employer Shared Responsibility Penalty (4980H)

- The Congressional Budget Office has projected that employers will **pay $150 BILLION in penalty payments** over a 10-year period.
- As a large employer, how much do you want to contribute to this revenue goal?

Large employers will need to learn the "ins and outs" of this (4980H) penalty tax in order to avoid it.

Paying the Penalties

- **4980H penalty applies to "large" employers starting on the first day of their <u>plan year in 2015</u>**
- "**Large employer**" means an employer who employed an average of at least 50 "full-time employees" on business days during the preceding calendar year *(include FT equivalencies of part-time employees based on 120 hours = 1 FTE for 1 month. Employees references a <u>common law relationship</u> between employer and employee.)*
  - "**Full-time employee**" means an employee who works **<u>on average 30 "hours of service" or more per week</u>** (e.g., 130 hours of service or more per month)
    - "**Hour of Service**" includes:
      - Hours Worked (meaning each hour for which the employee is paid, or entitled to payment, "for the performance of duties"); AND
      - Paid-Time Off (meaning each hour for which the employee is paid, or entitled to payment, for the period of time due to vacation, holiday, illness, incapacity (including disability), layoff, jury duty, military duty, or leave of absence)
- **<u>4980H penalty not applied if employee worked <3 months</u>**

Employer Shared Responsibility Penalty 4980H(a)

➢ No Coverage Penalty (also known as "Pay or Play" or 4980H(a))

- **For the 2015 plan year,** if a "large employer" **does not offer to 70% of its "full-time employees"** (and their dependent children up to age 26) an opportunity to enroll in minimum essential coverage (group medical plan coverage), and at least **one full-time employee enrolls in the Exchange and receives a government subsidy** to help pay for Exchange coverage, then the large employer is subject to a penalty.
  - **Starting with the 2016 plan year the percentage rises to 95%.**
  - **<u>The 4980H(a) penalty is $2,000/year** times EACH of an employer's full-time employees</u>.**
  - (** adjusted for inflation)
  - **In calculating the penalty for 2015 plus any calendar months of 2016 that fall within a large employer's 2015 plan year, the 1st 80 full-time employees are excluded, thereafter 30 FT EEs excluded.**
  - **Minimum essential coverage** means any employment-based group health plan of any actuarial value, insured or self-insured, except one that consists only of HIPAA "excepted benefits" like insured dental and vision coverage.

Final Regs: http://www.ofr.gov/OFRUpload/OFRData/2014-03082_PI.pdf

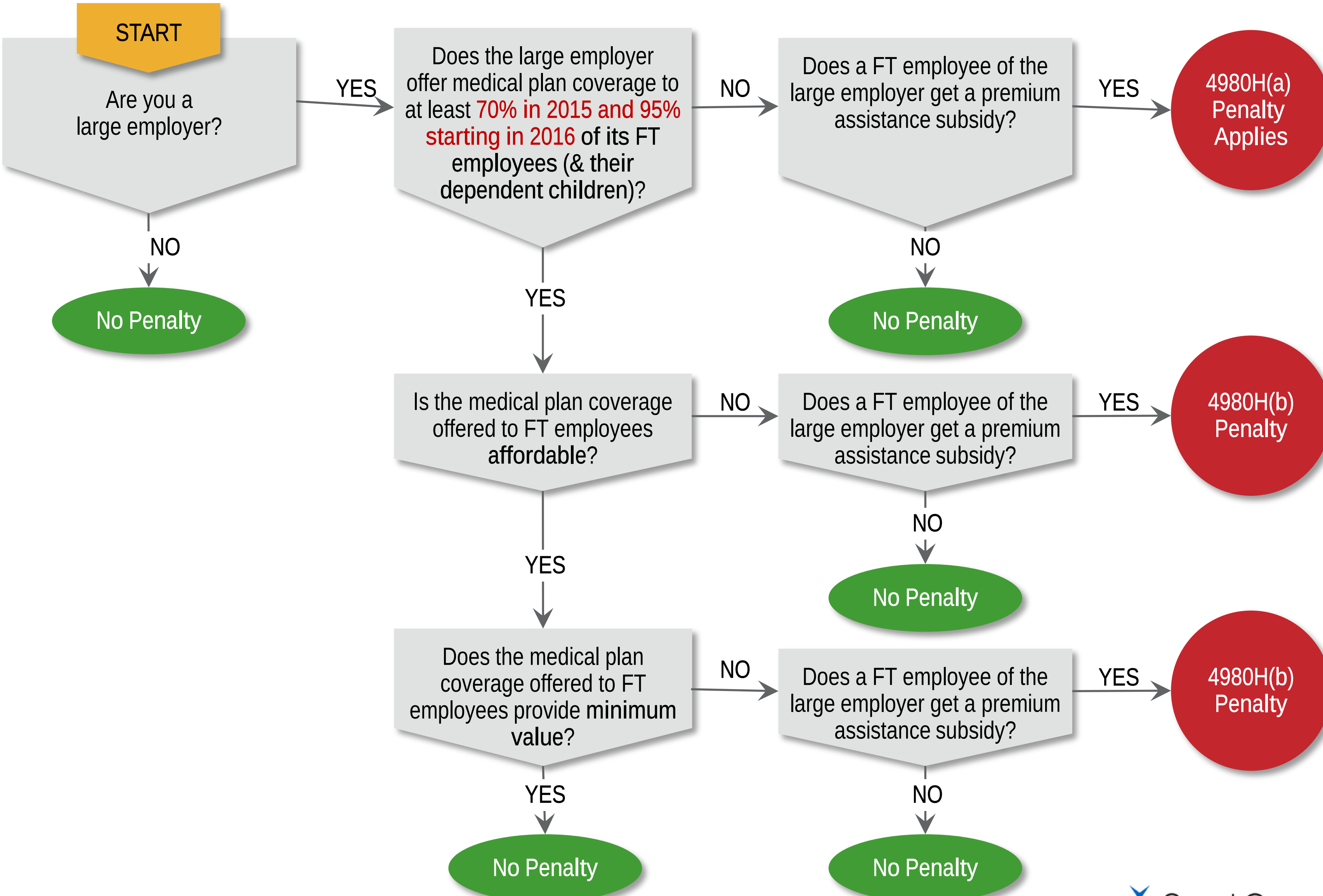
Employer Shared Responsibility Penalty 4980H(b)

Unaffordable Coverage (also known as "Free Rider" or 4980H(b)) Penalty

- If a large employer offers to at least **70% in 2015** ***(95% for 2016 +)*** of its full-time employees (and their dependent children) an opportunity to enroll in minimum essential coverage, that alone will not necessarily avoid penalties, because the coverage offered must be both **affordable** **and** **valuable** to the employee
- If at least one full-time employee enrolls in the Exchange and that employee is able to receive a government subsidy because the employer's coverage is considered to be **unaffordable and/or of low-value**, then the employer is subject to the 4980H(b) penalty
- **The 4980H(b) penalty is $3,000/year** times each full-time employee who is certified to receive a government subsidy**
  - (**adjusted for inflation)
  - This 4980H(b) penalty is capped at the level of the value of the 4980H(a) penalty
  - Note that this (b) penalty could be applied to any full-time employees that you fail to offer minimum essential coverage, if they receive a subsidy toward Exchange coverage.
- On 2-10-14 the final regulations allow a **one year delay, to 2016,** for employers with 50 to 100 full-time workers from having to comply with the 4980H(b) mandate to offer employees affordable health coverage.

Final Regs: http://www.ofr.gov/OFRUpload/OFRData/2014-03082_PI.pdf

The 4980H Penalty Process



Safe Harbor for Determining Hours of Service

- The IRS safe harbor method allows a large employer the opportunity to assess whether or not certain employees constitute a “full-time” employee to whom coverage must be offered or else a 4980H penalty could apply.
- Large employers have the option to use a “look back” measurement period of between 3 and 12 months to determine whether variable-hour employees or seasonal employees are full-time employees, without being subject to a 4980H penalty.
  - **Thus a key advantage of the safe harbor is that a variable hour or seasonal employee does not have to be offered coverage during the measurement period.**
- Using the safe harbor method is voluntary
- Do not need to use the safe harbor if it is reasonably clear which employees have 30 or more **hours of service** per week (130 hours per month) and which have fewer hours than that

Large Employer: 4980H "To Do" List

How BIG is your 4980H penalty possibility?

A. Investigate all the **people that work for you that are NOT paid using a W-2**….which of these people do you think will continue to work for you on the first day of your 2015 plan year? Are these people your <u>common law employees</u>? Check with your legal counsel on potential common law employee issues and have counsel review contracts!

B. Determine **how many employees you have where you are NOT offering them benefits?** How many of these employees work close to or over 130 hours/month…be sure to add together the employee's hours worked in multiple departments/locations?

C. How many **employees don't work 130 hours/month yet are <u>still</u> offered benefits**? Can you afford to continue this?

D. Can you **afford to offer coverage in 2015 to the people in "A," "B" and "C" above**? If not, discuss strategy with Segal. Do you need to alter the amount you subsidize for coverage, focusing on subsiding employees more so than dependents?

E. Are there PT employees for whom you will NOT offer benefits starting in 2015? If so, you must closely **monitor their hours worked to avoid reaching the level of a 4980H penalty** or, put aside money so you can pay the 4980H penalties you could incur.

F. Do you need to redesign your eligibility rules? Be mindful of the 90-day waiting period for people who are benefits eligible. Discuss workforce redesign options with legal counsel.

More Changes Coming

- **2014** – More Plan Changes (YCT)
  - **No overall annual medical plan benefit maximum.**
  - **Also, no annual dollar limits on essential health benefits* in medical plans…convert to visit/day limits or remove or mirror a benchmark plan.**
  - **No pre-existing condition limitation for any plan participant** (currently applies to individuals over age 19)
  - For benefits-eligible individuals, **no "waiting period" for coverage in excess of 90 days**
- **2016** – Large Employer reporting to IRS (about prior 2015 year) regarding coverage for full-time employees
- **2018** – Excise Tax ("Cadillac Tax") on health plans over certain dollar thresholds

Ongoing: SBC Distribution, W-2 Reporting, Comparative Effectiveness Research Fee/PCORI, Temporary Reinsurance Program Fee, Auto-enrollment of new hires (awaiting guidance), Reporting related to transparency in coverage (awaiting guidance)…

Questions?

Don’t sit back and relax….You have steps to take to comply with PPACA!

Segal Group

As always, plan sponsors should rely on legal counsel for authoritative advice on the interpretations and application of federal laws and regulations.

CITY OF PRESCOTT
Everybody's Hometown

COUNCIL AGENDA MEMO

MEETING DATE/TYPES: WORKSHOP 3-4-14

DEPARTMENT: Field and Facilities Services

AGENDA ITEM: Solid Waste educational outreach presentation

Approved By:		**Date:**
Director:	Miller, Stephanie	02/21/2014
City Manager:	McConnell, Craig	02/24/2014

Item Summary

This brief presentation will provide an overview of the MyWaste application for smartphones and personal computers, providing easy and convenient access to the City's solid waste programs for residents.

Education is a key component of a successful municipal solid waste and recycling program. The MyWaste smartphone application can be downloaded for free, enabling customers to personalize collection calendars, set collection event reminders, read about recycling information, locate Transfer Station operating hours, and report problems such as a missed collection, broken container, graffiti, and potholes.

Recommended Action: Presentation for Council information and discussion – no formal action to be taken.

CITY OF PRESCOTT
Everybody's Hometown

COUNCIL AGENDA MEMO

MEETING DATE/TYPES: WORKSHOP 3-4-14

DEPARTMENT: Recreation Services

AGENDA ITEM: Open Space presentation

Approved By:		**Date:**
Director:	Baynes, Joe	02/21/2014
City Manager:	McConnell, Craig	02/24/2014

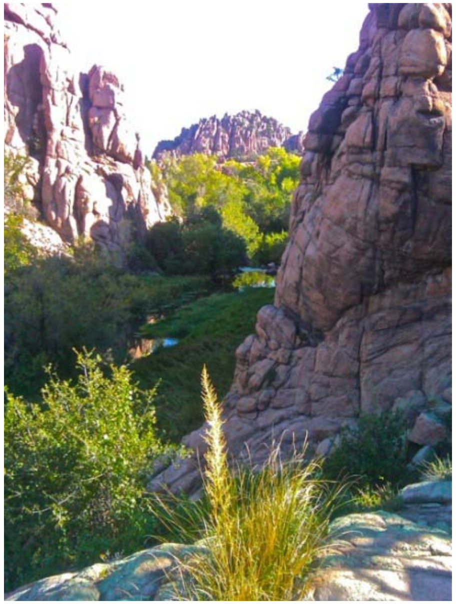
Item Summary

This presentation will provide information regarding the City's Open Space Program, including a chronology of properties purchased since the inception of the voter-approved 1% streets and open space tax.

Recommended Action: Presentation for Council information and discussion - no formal action to be taken.

City of Prescott
Open Space Program

March 2014



CITY OF PRESCOTT
Everybody's Hometown

The City, working with non-profit partners and citizen groups, has been conserving selected parcels and lineal corridors since the 1990s. Now City-owned, these properties have special recreational and natural parkland characteristics. Open Space also affords preservation of views while supporting active recreation opportunities.

2008 Council-Adopted Open Space Master Plan Value Criteria for Properties

-Recreational

- Economic

- Scenic

- Ecological

- Pre-Historic

- Historic

- Cultural

- Connectivity

History and Key Milestones

Early 1990s	Process to conserve former railroad corridors begins
1995	Watson Woods Riparian Preserve established
1997	Lots on Thumb Butte conserved
1998	Voters approve purchase of Willow and Watson Lakes
Late 1990s	Special conservation status designated to Badger “P” Mountain and Glassford Hill
1999	First City of Prescott Open Space Plan adopted by Prescott City Council
1999	Prescott Peavine Trail dedicated and opened on National Trails Day
2000	Voters approve 1% sales tax extension to include funds for open space acquisitions
2003	Mayor’s Open Space Advisory Committee is formed
2001 to 2009	City completes nine (9) individual purchases in Granite Dells region totaling 215 acres. Recreation trail construction followed with 16 miles completed thus far.
2009	New Open Space Plan adopted by Prescott City Council

History and Key Milestones (Cont.)

Other notable Open Space purchases completed include:

2001 – 32-acre hill east of Thumb Butte

2006 – 18-acre Community Nature Center

2007 – Prescott Rodeo Grounds and associated Open Space

2011 – 31 acres in west Prescott (recreation trail construction followed)

2014 – 6.6 miles of right-of-way lease on State Trust Lands for 50-mile Prescott Circle Trail

Notable land donations:

2001 to present –

Rights-of-way secured along Miller and Granite Creeks for Prescott's Greenways

2003 – 10-acre Boyle DeBusk Open Space Preserve

2003 – 7-acre White Spar Granite Creek Parcels

2005 – 5-acre lower Granite Greek parcel

Open Space Expenditures from 1% Sales Tax

2001	**$2,027,186.00**
2002	**$13,048.00**
2003	**$31,996.00**
2004	**$1,518,266**
2005	**$ 0**
2006	**$190,113.00**
2007	**$1,813,521.00**
2008	**$1,473,365.00**
2009	**$8,146,666.00**
2010	**$849,635.00**
2011	**$ 0**
2012	**$67,285.00**
2013	**$96,411.00**
	Total $16,227,496.00

Benefits of Open Space

- **Open space parcels and trails connect neighborhoods, businesses, schools, and parks**
- **Expanded trail-related recreation opportunities for residents and visitors**
- **Wildlife corridors**
- **Trails and open space are commonly used as marketing tools in home sales**
- **Open space and trails can be used to attract new businesses**
- **Attractive to potential residents**
- **Contributes to a healthy community**
- **Provides additional opportunities for the City to increase market share of outdoor recreation visitation**

Outdoor Recreation Economic Factors

- **Outdoor recreation supports 103,000 jobs in Arizona**
- **Generates approximately $787 million in annual state and local tax revenue**
- **Prescott is positioned to increase its market share of outdoor recreation tourism because of climate, beauty and topographical diversity**
- **Outdoor recreation activities on open space include bicycling, hiking, wildlife viewing, geo-caching, rock-climbing, kayaking, canoeing and fishing**
- **Outdoor recreation is largely a year-round activity**
- **The outdoor recreation economy grew approximately five percent annually between 2005 and 2011 during an economic recession when many sectors contracted**

Visitation to Conserved Properties

City of Prescott's Mile-High Trail System

54 miles total as of early 2014

Sample Visitation Statistics (i.e., electric eye trail counters)

Granite Dells Region:

Constellation Trails (near Phippen Museum) – 29,443 visits per

Prescott Peavine Trail – 52,582 visits per year

Flume Trail (north of Watson Lake Dam) – 13,129 visits per year

Prescott's Greenways (downtown linear corridors):

Near Sam Hill Warehouse – 47,562 visits per year

Willow Lake Trail – 58,035 visits per year

NOTE: Trail counters are found on 22 of the 54 miles of the Mile High trail system and total 374,000 visits

Strategies and Tools for Open Space Acquisition

- Land donations
- Land exchanges
- Fee simple purchases
- Public trail easements
- License agreements
- Third party facilitators (e.g., The Trust for Public Land)
- State land reclassifications
- State Land right-of-way Leases
- Bargain sales
- Rails-to-Trails conversions
- Long-term leases
- Public/private partnerships
- Planned Area Developments and Master Plans – land dedications
- Voter-approved initiatives

Other considerations

- **What are the ongoing maintenance costs?**
- **What is the economic benefit?**
- **Does it provide connectivity?**
- **Does it have public support?**
- **Will it provide access to the Prescott National Forest?**
- **Can it provide a fire break?**

2025 City General Plan
DRAFT Open Space Element

The City's new draft General Plan contains goals and strategies to guide continuation of the City's conservation efforts, with or without revenue earmarked for these purposes.

Goal 1. Pursue a majority of the recommendations by the former advisory committee on open space acquisition from the Council adopted 2008 Open Space Master Plan.

Goal 2. Seek collaborative ventures between private, public, and non-profit sectors for expanding, improving, maintaining, and providing stewardship for open space.

Goal 3. Maintain the biological, cultural, visual, and recreational integrity of protected and unprotected tracts of open space.