

City of Jacksonville

*117 W. Duval Street
Jacksonville, FL 32202*



Meeting Minutes

Tuesday, June 2, 2026

11:00 AM

**Council Chamber,
1st Floor, City Hall**

Duval DOGE Special Committee

*Council Member Ron Salem, Chair
Council Member Chris Miller, Vice Chair
Council Member Raul Arias - Excused
Council Member Mike Gay
Council Member Rory Diamond - Excused Early Departure*

*Legislative Assistant: Rebecca Bolton
Council Research: Steven Libby
Auditors: Phillip Peterson and Brian Parks
OGC: Mary Staffopoulos*

Meeting Convened: 11:01 a.m.

I. Call to Order and Introductions

Chair Salem convened the meeting and called for introductions.

II. Public Comment

No public comment cards were submitted.

III. Update on P Card

Chair Salem asked whether there were any questions from the Committee regarding the P-Card presentation from the previous meeting. There were no questions from the Committee.

IV. Adoption of Telehealth Report – Mary Staffopoulos

Mary Staffopoulos, OGC, provided an overview of the changes made to the report from the previous meeting. Ms. Staffopoulos stated that most of the changes were non-substantive. However, she directed the members to review page 17 of the updated report to confirm that all requested changes to the Recommendations section had been fully captured. Ms. Staffopoulos stated that the most substantive change was the deletion of the second recommendation, which had directed OGC and the Ethics Office to review the dual employment of Dr. Bradley Elias. She stated that the recommendation was no longer needed because an analysis had previously been completed and, following discussion with CM Diamond, the recommendation had been determined to be unnecessary.

Chair Salem stated that he had asked Mr. Phillip Peterson, Council Auditor, to conduct a cost savings analysis regarding telehealth and asked Mr. Peterson whether he was still working on the analysis. Mr. Peterson confirmed that they were still working on the analysis and that they had reached out to the Administration and Telescope Health to ask about numbers the entities had provided to them. He stated that he hoped to have the analysis ready for the next meeting. Chair Salem asked whether Mr. Peterson needed anything from the Committee to facilitate the process. Mr. Peterson stated that he did not and that the entities had been cooperative.

CM Diamond moved to approve the updated telehealth report as a final report, which was seconded. Ms. Staffopoulos asked Chair Salem whether the Committee would like her to change the subject line of the memorandum to replace "Telescope Health" with "Telehealth." Chair Salem affirmed the change. The Special Committee approved CM Diamond's motion without objection.

V. Update on the 2% Lapse – Council Auditor's Office

Mr. Peterson informed the Committee that the Council Auditor's Office had not received any requests from departments to restore funding. Mr. Peterson reminded the Committee that, when Ms. Taylor had presented the Quarterly Summary at the last Finance Committee meeting, she had reported that some departments were projected to go over budget because of the 2% Lapse, but that none had submitted requests to date.

Chair Salem stated that he hoped the Administration would use its transfer authority to cover the

projected budget overruns in those departments. He stated that he believed this mechanism could be used for future budgets, especially in light of potential changes to homestead exemptions. Chair Salem confirmed with Mr. Peterson that they were projected to save \$4 million. Mr. Peterson stated that he believed the figure was accurate.

VI. The Bailey Group will review medical plan performance through three lenses:

- (a) Population Demographics: Key workforce characteristics and cost drivers
- (b) Benchmarking: Comparison of plan costs, contributions, and design against other public sector clients
- (c) Funding & Renewal: Analysis of actuarial projections and funding recommendations

Mark Bailey, CEO of the Bailey Group, introduced Sherry Bugnet, Bailey Group. Ms. Bugnet began the presentation by providing a demographic breakdown of the employee population. Chair Salem asked Ms. Bugnet how much retirees paid in premiums. Ms. Bugnet stated that she believed retirees paid the fully insured equivalent rate and that those rates had not been updated for many years.

Ms. Bugnet gave an overview of the plans used by City employees, highlighting that the majority of employees are on the HMO plan. Ms. Bugnet highlighted that the population enrolled in the high-deductible BlueCare 128/129 HMO plan is small. She recommended that the City differentiate premiums to encourage greater enrollment in that plan because those plans lead to its enrollees making better health care decisions.

Chair Salem asked whether the BlueCare 128/129 HMO plan was one that had recently been added. Mr. Brian Parks, Council Auditor's Office, stated that the City had offered various high-deductible plans but that he was not sure when the BlueCare 128/129 HMO plan had first been offered. Mr. Bailey agreed with Ms. Bugnet that the best way to contain costs in the long term was to encourage as many people as possible to join the high-deductible plan.

Ms. Bugnet then gave an overview of the plans used by City employees broken down by generation. Next, Ms. Bugnet gave an overview of the Plan Design and Costs of the HMO, HDHP, and PPO plans. In the HMO plan category, Ms. Bugnet highlighted that nearly 2,000 employees are enrolled in the BlueCare 48 plan while 143 employees are enrolled in the BlueCare 65 plan. Ms. Bugnet further highlighted that, while the City's plan designs were comparable to the comparison set, contribution strategies were lower across all tiers except the family rate, and recommended adjusting those rates to align them more closely with the comparison set.

Chair Salem asked Ms. Bugnet whether the data used for the comparison set came from Florida. Ms. Bugnet stated that the data was nationwide, that the HMO comparison set consisted of public administration groups, and that the data was drawn from NFP clients.

In the HDHP category, Ms. Bugnet highlighted that, to encourage employees to join the HDHP, there needs to be sufficient differential between the premium and contributions into an HSA.

Chair Salem stated that, in his experience in the private sector, a high-deductible plan had been

the only plan offered. Chair Salem asked CM Lahnen for his personal experience in the private sector. CM Lahnen stated that he had worked for two large companies, one of which had used an HDHP, and that a benefit of HDHPs is that they possess triple tax advantages.

CM Lahnen asked Ms. Bugnet whether the \$2,000 employer HSA contribution for HDHP enrollees was representative of what they saw in similar-sized plans. Ms. Bugnet stated that it depends on the deductible and that the City's plan for single coverage has a \$2,000 deductible. Ms. Bugnet further noted that, in her experience, premium is one of the biggest drivers, and if there is not a sufficient difference between the plans offered, employees will not move. She added that the amount going into HSA accounts is also important.

Chair Salem asked, if premiums were the biggest drivers, why the UF healthcare plan population was not growing despite the plan being free to employees. Ms. Bugnet stated that the reason could be the limited network of the UF Health plan. CM Lahnen emphasized the need for the City to market the benefits of the HDHP and HSA. Chair Salem confirmed that the enrollment period is in September. Ms. Bugnet highlighted that the employee-only cost was \$30 for the HDHP, which is the same cost as the HMO. She stated that an employee does not have an incentive to move to the HDHP, besides the annual HSA contribution. Ms. Bugnet then presented the PPO Plan Design and Costs and stated that she would like to see more differentiation between BlueOptions 5782 and BlueOptions 3768.

Mr. Bailey gave an overview of the current premium equivalent rates and the renewal claims development. Chair Salem confirmed with Mr. Bailey that the City is paying 87% of the cost of premiums while employees pay 13%, compared to a benchmark average of approximately 80-20. Mr. Bailey stated that he would get back to Chair Salem on the specific numbers. Mr. Parks clarified that the City had not changed the rate since transitioning to a self-insured plan on approximately January 1, 2015, because the City had accumulated a large reserve from saving money, but that reserve had slowly dwindled. Chair Salem stated that the City had also used COVID funds to support employee health insurance costs. Mr. Parks confirmed and clarified that the City had moved claims expenses to COVID funds for claims related to workers' compensation.

Ms. Bugnet gave an overview of the upcoming project timeline and stated that the Bailey Group would return on June 16 to present contribution strategies, recommendations, and stop loss estimates. CM Lahnen asked Ms. Bugnet whether it was normal for only 6% of employees to be enrolled in the Employee + Family tier and for 70% of employees to have been employed with the City for less than two years. Ms. Bugnet stated that it was unusual for 70% of employees to have been employed with the City for less than two years, especially for a government entity. She also stated that the enrollment numbers in the Employee + Family tier were due to the City's contribution strategy and that other entities with premiums similar to the City's offered more Employee + Family coverage options. Mr. Bailey added that another reason for the low enrollment rate in the Employee + Family tier was that more households are now two-income households due to inflationary pressures.

CM Lahnen asked Chair Salem what the next steps would be after the Bailey Group gave its recommendations. Chair Salem stated that it would be up to the Administration to implement the

recommendations but that the budget process would allow the Committee to have discussions with the Administration regarding the recommendations. CM Lahnen stated that he hoped the Committee would convince the Administration to embrace the recommendations, especially since the City would likely experience pressures on the General Fund in the future.

VII. Comments from Committee

Chair Salem asked Ms. Staffopoulos for an update regarding the OGC's research into three entities that were under the City's benefits program but were not City employees. Ms. Staffopoulos stated that she had spoken with Mr. Sean Granat, OGC, and that he had referred the matter to their outside ERISA attorney. She added that the Jacksonville Housing Authority is not an issue because it is part of the consolidated government, and that their focus was on the Northeast Florida Regional Council and the First Coast Workforce Development Consortium. Chair Salem stated that the last Special Committee on Duval DOGE meeting would be in two weeks to receive final recommendations from the Bailey Group and to allow Council President-elect Howland to have as much flexibility as possible for the new Council year.

VIII. Adjourn

Chair Salem adjourned the meeting at 11:55 a.m.

Minutes: Steven Libby, Council Research

slibby@coj.net, (904) 255-5147

Posted: 6/9/26, 1:00 p.m.