

CITY OF POCA TELLO, IDAHO
CITY COUNCIL STUDY SESSION
JULY 9, 2009

AGENDA ITEM NO. 1: Mayor Roger Chase called the City Council
ROLL CALL Study Session to order at 9:00 AM. Council
members present were Roger Bray, Gary Moore,
and Robert Richway. Council member Ron Frasure arrived at 9:04 AM.
Council members Eva Johnson Nye and Brian Underwood were excused.

AGENDA ITEM NO. 2: Terri Neu, Historic Preservation Commission
HISTORIC Staff Liaison, discussed the Commission's
PRESERVATION goals and projects as well as Council's
COMMISSION UPDATE policies and expectations. Ms. Neu
mentioned that with the help of an intern a
walking tour brochure for the Warehouse District was completed.
She overviewed the items that have been brought before the
Commission. The main emphasis of the Committee is the
revitalization of the downtown area and working with the Friends of
the Cemetery Committee to restore the Brady Chapel which is located
at Mountain View Cemetery. Ms. Neu overviewed additional items
that the Commission will be working on in the future.

During Ms. Neu's presentation Mr. Frasure arrived.

In response to questions from the Council, Ms. Neu stated that the
walking tour brochure would be available on the internet. She also
mentioned that there is information available for individuals on
how to renovate their historic property.

AGENDA ITEM NO. 3: David Packer, Housing Authority Chair
HOUSING AUTHORITY Person, and Don Thompson, Housing Authority
OF POCA TELLO Executive Director, discussed
UPDATE the Authority's goals and projects, as well
as Council's policies and expectations. Mr.
Thompson stated that usage of the services provided by the Housing
Authority is up and the turn over rate has lowered. Therefore, the
Authority is not able to assist as many individuals. Mr. Thompson
mentioned that people prefer to live in new units and therefore,
there are some vacancies at the Portneuf Tower units.

Mr. Packer stated that the Authority does an excellent job of
maintaining the properties. He stated that the vacancy rates for
the Authority's property are similar to the general rental property
in the City.

It was mentioned that Mr. Thompson will be retiring during the next
year. Mr. Packer stated that the Authority is starting the process
to replace Mr. Thompson.

AGENDA ITEM NO. 4: Paul Link, representing Pocatello Rotary Club; Mike Malcom, representing Portneuf Greenway Foundation; and Margo Proksa and Dennis Proksa, Blackrock Forge; discussed a proposed sculpture by Dennis Proksa that will be located at the Pacific Recycling trailhead on the Portneuf Greenway. The Portneuf Greenway Trail Master Plan states that all art projects on the greenway must be approved by the City Council. Mr. Link stated that the Rotary Club will apply for grants and hold a fundraiser to obtain the funds for the project. He mentioned that the Rotary Club's budget of \$25,000.00 for the sculpture includes a 10% maintenance fund that will be given to the City of Pocatello.

Ms. Proksa explained the artwork that is being proposed. She stated that the artwork will help bring attention to the homeless issue in the United States.

It was the general consensus of the Council that the Rotary Club should move forward with raising the funds for the art work. The Council expressed their appreciation that the budget for the project included funds for maintenance.

Mr. Link stated that the Rotary Club would like to finish the project by May 2010. However, the finish date is contingent upon the Rotary Club obtaining the necessary funds for the project.

AGENDA ITEM NO. 5: Kim Smith, Human Resources Director, and Mike Duersch, Benefits Coordinator, discussed an enhancement to the City's Blue Cross Medical Insurance Plan which will allow employees to opt for a higher deductible plan with a decrease in premium and an increase in the City's Voluntary Employee Benefits Arrangement (VEBA) contribution for those opting for the high deductible plan. Ms. Smith stated the plan being proposed is the next step of having employees become more involved with controlling the cost of the medical insurance.

Mr. Duersch reminded the Council that there will be no increase in the medical insurance premium during the 2010 Fiscal Year. Therefore, this is an excellent time for the City to move towards a consumer driven plan. By allowing employees to choose between a higher deductible plan and the current plan it is believed that employees will look at how they use the health care plan. Human Resources staff is recommending that if an employee decides to choose the higher deductible plan the employee should receive an additional contribution to their VEBA plan. Mr. Duersch also suggested that employees start paying at least 10% of the medical premium if they stay on the current plan and %5 if they move to the higher deductible plan. He recommended that the City place \$428.00

into the employees VEBA account. The \$428.00 is the additional amount an enrollee would pay in premiums if they stay on the current plan.

General discussion was held on the merits of having employees pay a larger part of the medical insurance premium. It was also stated that the City can always reconsider the amount contributed to the VEBA accounts each year.

David Swindell, Chief Financial Officer, provided additional information on why staff is recommending that all employees pay a portion of their medical insurance premium.

Discussion continued on how the higher deductible plan could be an advantage for all employees. It was stated that Blue Cross has a tool on their web page that will help employees determine what insurance plan would be appropriate for them to consider using.

It was the consensus of the Council that the City move towards a dual deductible plan. During Fiscal Year 2010 the individual in the current plan would receive \$550.00 in their VEBA account while the person who chooses the higher deductible plan would receive \$1,600.00 in their VEBA account. The \$1,600.00 includes a \$500.00 bonus for changing to the higher deductible plan.

Council continued to discuss issues related to individuals paying a portion of their premium and having the amount reimbursed into their VEBA account. If the Council makes the decision to accept this option it will require union negotiations.

It was the consensus of the Council that negotiations with the Union on the subject of all employees paying a larger portion of the insurance premium be started. The recommendation to place \$428.00 in the VEBA accounts to cover the additional cost to employees should be part of the discussion.

Mayor Chase called a recess at 11:05 AM.

Mayor Chase reconvened the meeting at 11:14 AM.

AGENDA ITEM NO. 6: David Swindell, Chief Financial Officer, and
FISCAL YEAR 2010 Greg Lanning, Public Works Director, were
BUDGET ADJUSTMENTS available to discuss any final adjustments
the Council desired to make to the Fiscal
Year 2010 budget plan. Mr. Swindell reminded the Council that new
revenue information will be available at the end of the month. He
discussed various options to increase the amount of funds for
street paving projects. Mr. Swindell informed the Council that the
funds set aside for paving and milling is 67.6% of the amount
needed to maintain the roadways.

Mr. Lanning stated if additional funding is given to the Street Department it would be distributed using the same formula as in the current budget. The current formula allows for 20 miles of seal coating and five miles of paving.

Mr. Swindell stated that the figures show that property tax support for the Street Department has increased as the State Legislature is not providing adequate funding for streets.

Mr. Swindell provided information on the proposed utility rates. Staff recommends that the Sanitation and Water Pollution Control rates increase by 1%, and that the Water rates do not change. Staff would like to review the rates in December at which time they might recommend a 2.5% rate increase which is half of what the rate study recommends.

It was the consensus of the Council that the utility rates recommended by staff were appropriate.

Council discussed the possibility of increasing the amount of property tax revenue assessed for the Street Department. During the discussion it was mentioned that increasing support to the Street Department by \$100,000.00 could lower the levy rate from what it was in 2009, as there is an increase in the assessed value of property.

It was mentioned that additional time and materials will be needed for river maintenance. The costs associated with the maintenance could be approximately \$100,000.00 and that cost will come out of the Fiscal Year 2009 Street budget. Therefore, the Street Budget should be increased by \$200,000.00 in the Fiscal Year 2010 Budget to help cover the work that cannot be completed this year due to river maintenance.

Mr. Swindell informed the Council that if \$160,000.00 is added to the property tax amount the levy rate would still decrease if the valuation rates stays at the current level.

General discussion was held concerning the various components of the property tax formula.

Mr. Lanning informed the Council that the figures used to develop the 2010 budget were based on the assumption that the asphalt and oil prices will be similar to 2009 prices. He mentioned that staff is investigating alternatives, that do not require virgin oil, to repair streets.

It was the consensus of the Council that an additional \$100,000.00 of property tax funding be added to the Street Budget for Fiscal Year 2010 and that at least \$60,000.00 be found to pay the Street loan payment to the Sanitation Department.

Mayor Chase adjourned the meeting at 12:12 PM.

APPROVED:

ROGER W. CHASE, MAYOR

ATTEST:

RHONDA L. JOHNSON, MMC, CITY CLERK