

CITY OF POCA TELLO, IDAHO
CITY COUNCIL MEETING -
BUDGET DEVELOPMENT
APRIL 19, 2018

Mayor Brian Blad called the City Council meeting for budget development to order at 9:03 a.m. Council members present were Heidi Adamson, Roger Bray, Rick Cheatum, Jim Johnston, Linda Leeuwrik and Beena Mannan.

-VIDEO SERVICES
SERVICE LEVEL
REPORT

Heather Buchanan, Human Resources Director, and Logan McDougall, Public Information Officer, gave an overview of the current structure of the Video Services Department. They presented three possible options for the restructuring of Video

Services during Fiscal Year 2019, as requested by Council members during the March 1, 2018 Budget Meeting.

The options were: Option #1) Maintain existing Video Services function; Option #2) Re-tool existing Video Services functions within the IT department; and Option #3) Outsource selected functions to a vendor. Ms. Buchanan and Mr. McDougall gave an overview of the projected expenses for each option as follows: Option #1) Maintaining existing Video Services functions for Fiscal Year 2019 personnel and operating budget costs include wages of \$179,796; benefits of \$89,383; operating costs of \$34,362; and interfund costs of \$60,605. It was noted the interfund expenditures are a hard cost, so there wouldn't be any cost savings, regardless of which option is chosen; Option #2) Retooling existing Video Services functions within IT Department could be achieved by: 1) moving the PIO position to Mayor's Office; 2) moving a single Video Services position for Government Access, Community Access educational classes and any fully-funded School Board projects; 3) eliminating a full time position, part time hours and half time positions; and 4) eliminating production studio and community access streaming and channel; and Option #3) Outsourcing selected Video Services function to a vendor would require moving the PIO to Mayor's Office and all Video Service functions to an outside vendor.

Mr. McDougall stated costs regarding the initial and ongoing maintenance for outsourcing the functions are unknown but could be fully researched once the Council has provided direction. He stated the cities of Boise and Meridian currently use an out-of-state vendor for video services. In response to a question from Council, Mr. McDougall stated the only way to determine viewership is by the number of complaints received in the instances when a scheduled show was not broadcast.

Ms. Buchanan stated that if the Council chose Option #2, some services would remain, but would be overseen by the IT Department. These included department promotional videos. She added that the scope of work could be defined after the Council makes a determination. Ms. Buchanan anticipated that 15-20 hours a week could be spent on production and the remainder of work hours could be spend on IT functions within the department. Public access shows would be eliminated and only government broadcasts would be available. Ms. Buchanan stated the function of Video Services also serves to provide transparency within the City operations.

Council discussed the City's role of marketing City-owned facilities and local entities which promote other facilities within Pocatello. They conversed about the possible staffing changes which would be necessary within the IT Department, if Option #2 was accepted. Council members agreed that due to the subsidies necessary to keep the Video Services Department running as it is, it would be more fiscally responsible to scale back services while still providing essential streaming and information to the public.

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In response to a question from Council, Ms. Buchanan clarified that in order to accommodate upcoming growth within the Planning and Engineering Departments, additional office space within City Hall was necessary. The production studio and office spaces allotted for Video Services could be used for those needs.

Mayor Blad stated he felt the City was not ready to shut down a department entirely, but would be better off finding cost-saving changes.

Ms. Adamson stated during the discussion that citizens she has spoken to are more concerned about tax rates than additional programs on cable TV. She stated that downsizing video services could bring about tax savings. Transparency in public meetings is important and can still be achieved via live streaming on the internet instead of broadcasts on cable TV.

Mr. Cheatum stated he was very opposed to moving Video Services staff and projects to the IT Department. He felt it would not be a cost-savings change.

Jeff Mansfield, Public Works Director, stated he would oversee the potential remodeling project of City Hall. He stated he would work with an architect to utilize the space efficiently and effectively for potential growth in the Engineering and Planning Departments.

Council members shared their concerns regarding each proposed plan and the consensus was to have staff make preparations to transition to Option #2.

Mayor Blad announced that staff should plan for the transition to take place as of October 1, 2018. Mayor's Office and IT Department budgets and City Hall office space accommodations would be adjusted accordingly and presented to Council members at a later date.

COUNCIL GUIDANCE WAS TO RETOOL EXISTING VIDEO SERVICES FUNCTIONS WITHIN THE IT DEPARTMENT AND MAYOR'S OFFICE, KEEPING ONLY SOME GOVERNMENT AND EDUCATION ACCESS PROGRAMMING.

-FISCAL YEAR 2019
 BUDGET DEVELOPMENT
 OVERVIEW`

Mayor Blad announced the Council would review various topics regarding development of the proposed Fiscal Year 2019 Budget.

Joyce Stroschein, Chief Financial Officer/Treasurer, stated that information regarding budgets for City departments would be presented. She gave an overview of the material that would be discussed to determine the Fiscal Year 2019 budget and announced that department briefings would be held at this time. Ms. Stroschein noted that some departments will ask for guidance, but final decisions will be made at a later date.

Ashley Linton-Welsh, Senior Accountant, noted that decisions regarding interfund charged departments will affect other department budgets.

-MAYOR AND CITY
 COUNCIL SERVICE
 LEVEL REPORT

Anne Nichols, Assistant to the Mayor, and Joyce Stroschein, Chief Financial Officer/Treasurer, gave an overview of the Mayor and Council Department budget for Fiscal Year 2019.

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Ms. Nichols gave an overview of the department's mission statement: Executive management of the municipal corporation, including vision, policy, service to constituents, stakeholder involvement and day to day management. She also reviewed the output of staff including tracking multiple City advisory boards/committees. Measures of effectiveness were that open meeting law requirements were met; requests for records timelines were met; two elections were overseen; City vehicles were tracked; and Cemetery records were printed and recorded. Upcoming needs for the department are upgrades to office equipment and an additional fire-proof safe.

Ms. Stroschein explained that a runoff election was budgeted for Fiscal Year 2018. Since the runoff was not necessary, those funds would be shifted to an internal holding account for the next potential mayoral runoff election.

Ms. Nichols added the department was not purchasing a vehicle this year so line items were adjusted internally to cover the cost of additional needs such as travel and training for Council members.

In response to a question from Council, Ms. Stroschein explained that vehicle purchases are not required to come before Council. If the item is within the budget and the department has the authority, the purchase is considered an administrative matter.

Ms. Stroschein clarified that in the future, all departments will pay for the funding of the Public Information Officer position as part of the administrative support fee, rather than being funded by cable franchise fees.

-FINANCE DEPARTMENT SERVICE LEVEL REPORT Joyce Stroschein, Chief Financial Officer/City Treasurer, and Ashley Linton-Welsh gave an overview of the Finance Department budget for Fiscal Year 2019.

Ms. Stroschein gave an overview of the department's mission statement: Provide timely and accurate financial information, account for city assets, invest city funds, prepare annual budgets and financial reports and conduct analysis. She explained that Finance staff also provided administrative services for the mail room, copy center and central supply; processed 27 City payrolls and retiree payrolls. Ms. Stroschein reviewed the City's annual reports and monthly activities. In response to a question from Council, Ms. Stroschein gave an overview of the procedures used by City departments to ensure accuracy for deposits.

Ms. Stroschein stated that the City of Pocatello underwent an audit by the IRS during the year. Auditors reported that the City and Finance Department have controls in place to ensure accuracy and integrity regarding financial transactions.

Council discussion regarding administration fees for the 33 retirees on the retirement system followed. It was agreed that a static fee would be charged to each retiree on the system to cover expenses.

-CITY HALL SERVICE LEVEL REPORT Joyce Stroschein, Chief Financial Officer/City Treasurer, and Lynn Transtrum, Building Official, gave a brief overview of City Hall functions and projects, including custodial roles.

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Mr. Transtrum stated some City departments have chosen to use outside custodial services while many departments are serviced by an in-house custodial staff. Maintenance expenditures and planned repairs are usually postponed until the end of the fiscal year, in case of emergencies. Mr. Transtrum stated the carpet at City Hall was installed in 2004 and is in need of replacement. He added that carpet replacement may be planned to occur during the upcoming remodeling project in the Engineering and Planning Departments.

-HUMAN RESOURCES DEPARTMENT
 SERVICE LEVEL REPORT Heather Buchanan, Human Resources (HR) Director, and Joyce Stroschein, Chief Financial Officer/Treasurer, gave an overview of the estimated Human Resources budget for Fiscal Year 2019.

Ms. Buchanan reviewed the department's mission statement: Partner with City Operations to develop and maintain human resource services, programs, and policies that create the optimal work environment for serving the citizens of Pocatello. She gave an overview of the new pay plan and the efforts to educate employees on the changes. Ms. Buchanan stated an increase in funding for training has been requested for professional certification education.

Ms. Stroschein stated the expenditures related to background checks for new hire employees would be more appropriately overseen in the Risk Management fund and not in the HR Department, as it is currently.

Council members approved the request for additional training funding within the HR Department. They agreed that funds for employee background checks should be set aside in the Risk Management fund. Staff was instructed that the funding would be through Risk Management, but the administration of the background checks shall continue to be overseen by the HR Department. In response to a question from Council, Ms. Buchanan stated that municipalities pay for the background checks for new hire employees.

-WELLNESS PROGRAM
 SERVICE LEVEL REPORT Anne Butler, Safety and Wellness Coordinator, and Joyce Stroschein, Chief Financial Officer/Treasurer, gave an overview of the City's wellness program. Ms. Butler stated activity-oriented employee participation in wellness programs was important to combat rising health insurance costs. There was an overall decrease in tobacco use among employees, due in part to the wellness program. Ms. Butler stated she works within her budget to encourage employee participation through incentives. Stress management has become an important aspect of the wellness program.

Mayor Blad called a recess at 11:13 a.m.

Mayor Blad reconvened the meeting at 11:27 a.m.

-LEGAL DEPARTMENT
 SERVICE LEVEL REPORT Jared Johnson, City Attorney, Joyce Stroschein, Chief Financial Officer/Treasurer, and Andrea Henderson, Deputy Risk Manager, gave an overview of the functions and projects of the City Legal Department. Mr. Johnson stated that due to the retirement of a staff member, the department saw a decrease in organization dues. He asked that the savings amount be reallocated to be spent on additional training pertaining to water law. Mr. Johnson stated the department was not asking for increases to their budget during Fiscal Year 2019, but anticipates necessary department

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growth during Fiscal Year 2020. He stated that when the city sees growth through development and annexation, the expansion is document intensive and document review through the Legal Department is also increased.

-RISK MANAGEMENT SERVICE LEVEL REPORT Kirk Bybee, Chief Civil Deputy Attorney, Andrea Henderson, Deputy Risk Manager, and Joyce Stroschein, Chief Financial Officer/Treasurer, gave an overview of the functions of the Risk Management team and the estimated Risk Management budget for Fiscal Year 2019. Mr. Bybee explained that Intermountain Claims serves as the City's adjuster for insurance claims. He added that the majority of incoming claims were related to sewer backup occurrences or weather-related claims.

Ms. Stroschein explained that each department contributes to the funding of Risk Management. That budget funds a full-time attorney and half of the cost for the Deputy Risk Manager.

-WORKER'S COMPENSATION SERVICE LEVEL REPORT Kirk Bybee, Chief Civil Deputy Attorney, and Joyce Stroschein, Chief Financial Officer/Treasurer, gave an overview of the Worker's Compensation budget for Fiscal Year 2019.

Mr. Bybee stated that the City of Pocatello was self-insured and has saved considerably over the past 5 years by doing so.

Ms. Stroschein stated that experience rating, compensation and salary projections were factors in establishing estimates for the worker's compensation budget.

Anne Butler, Safety and Wellness Coordinator, stated safety training and educational resources were important factors in worker's compensation cases.

Discussion and ideas were shared regarding building up reserves to \$1.5 million. It was the consensus that it is important to continue to build reserves. Council agreed that legal fees related to Airport issues should be within the Airport budget.

-INFORMATION TECHNOLOGY SERVICE LEVEL REPORT Chris Sorensen, Chief Information Officer, and Joyce Stroschein, Chief Financial Officer/Treasurer, gave an overview of the Information Technology Department operations.

Mr. Sorensen stated according to the Gardner Reports, the City of Pocatello IT Department operates on approximately 1/3 of the national average budget for municipal IT operations. He reported that security testing and training was ongoing and results indicate an increase in overall cybersecurity. Mr. Sorensen stated a new app for the City was being proposed. He reported that the proposed budget will stay flat but an increase in professional services may be necessary.

In response to a question from Council, Mr. Sorensen reported that the average life on an iPad is 3 years.

Mayor Blad asked Mr. Sorensen to present more information about a new City app to the Council at a future Study Session.

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Ms. Stroschein added that the IT Department had some funding available to cover the initial cost of a new City app.

Mayor Blad called a lunch recess at 12:47 p.m.

Mayor Blad reconvened the meeting at 1:44 p.m.

-UTILITY BILLING DEPARTMENT SERVICE LEVEL REPORT Cindy Robbins, Utility Billing Director, and Joyce Stroschein, Chief Financial Officer/Treasurer, gave an overview of the Utility Billing Department's operations.

In response to a question from Council, Ms. Stroschein stated credit card convenience fees were absorbed within the Utility Billing budget, rather than passing the cost on to customers. Encouraging citizens to pay their utility bill online is beneficial and cost-effective.

Ms. Robbins stated a presentation was given to the Council at a Study Session earlier in the year regarding WaterSmart software. Purchase of the software was being requested in the FY 2019 budget.

Council members discussed the upcoming rate study, Utility Billing reserve amounts and how upcoming growth within the city will impact Utility Billing.

Mayor Blad instructed Utility Billing and Finance staff to include the purchase and implementation of WaterSmart software into the Fiscal Year 2019 budget.

Ms. Stroschein clarified that meter equipment inventory was overseen by the Water Department.

-PUBLIC WORKS DEPARTMENT SERVICE LEVEL REPORT Jeff Mansfield, Public Works Director, and Joyce Stroschein, Chief Financial Officer/Treasurer, gave an overview of the departments within the Public Works Department. These departments include Engineering; Sanitation; Street Operations; Water Operations; and Water Pollution Control

Ms. Stroschein explained the reorganization which took place within the Engineering Department and Public Works Department. She stated Mr. Mansfield serves as the Public Works Director and also as the City Engineer. With this reorganization, Public Works was requesting the addition of a Deputy Public Works Director, serving as a single point of contact for Street and Sanitation Departments. She added this individual would oversee the new Fleet Department and other day to day functions, allowing the Public Works Director to focus on issues such as National Pollutant Discharge Elimination System permits, rate studies and long term planning.

Ms. Stroschein explained that Street and Sanitation Departments could equally fund the Deputy Public Works Director position and the fleet manager would be funded by all Public Works departments. Future funding for the Deputy Public Works Director could be equally funded by Street, Sanitation and Fleet Departments.

Council approved the request for additional personnel including a Fleet Manager and Deputy Public Works Director, both to be hired immediately.

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-POCATELLO REGIONAL AIRPORT SERVICE LEVEL REPORT David Allen, Airport Manager, and Joyce Stroschein, Chief Financial Officer/Treasurer, gave an overview of Airport operations and Fiscal Year 2019 budget items.

In response to questions from Council, Mr. Allen stated that marketing functions for the Airport were completed by Rave Communications, a local marketing firm. He stated that marketing for the Airport was very specific and would not be as effective if the function was handled by City staff.

Ms. Stroschein gave an overview of the Airport construction projects and proposed funding through grants and passenger facility charges.

Mr. Allen explained that he had requested the addition of an Operations Specialist position. The Airport had added a fourth daily flight, increasing the demands on Airport staff. The proposed position could provide coverage and continuity during vacation coverage and provide training and compliance monitoring while providing additional groundskeeping. He added that Airport staffing was listed as a concern during the last two Federal Aviation Administration (FAA) Certification Inspections and it was recommended that additional staff would ensure compliance with FAA requirements.

In response to a question from Council, Heather Buchanan, Human Resources Director, stated a lead position typically oversees daily operations while working with those he or she supervises. The HR Department is in favor of adding another operations specialist to maintain sufficient staffing.

Council members recommended the addition of an Operations Specialist.

Mayor Blad instructed the Finance Department to allocate \$100,000 for legal fees directly into the Airport budget, as Council agreed that legal fees related to Airport issues should be within the Airport budget, as discussed earlier in the meeting.

-FUEL BUDGET Tom Kirkman, Street Operations Superintendent, and Joyce Stroschein, Chief Financial Officer/Treasurer, gave an overview of the proposed fuel budget. The Fiscal Year 2019 fuel budget was considered at an earlier budget meeting, but Mr. Kirkman stated that fuel prices have recently increased. Due to this widespread increase, the City's overall fuel budget must also increase in order to prepare for the expenditures. Mr. Kirkman explained that there are 34 divisions within the City that use the fuel site, which is 29 years old. Staff was looking to centralize the fuel site to a new facility in the future.

Ms. Stroschein recommended that a minimum of an additional \$0.20 per gallon increase be built into the Fiscal Year 2019 budget to prepare for unknown fuel price fluctuations. She reminded the Council that departments were only billed for the amount of fuel that was actually used.

Council discussion regarding preparation for fuel increases continued. Council instructed Mr. Kirkman and Ms. Stroschein to prepare the fuel budget to reflect a \$0.30 per gallon increase for the Fiscal Year 2019 budget.

Ms. Stroschein announced the next Budget Development meeting was scheduled for May 3, 2018 at 9:00 a.m.

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There being no further business, Mayor Blad adjourned the meeting at 3:05 p.m.

APPROVED:

BRIAN C. BLAD, MAYOR

ATTEST AND PREPARED BY:

KONNI R. KENDELL, DEPUTY CITY CLERK