

CITY OF POCA TELLO, IDAHO
CITY COUNCIL MEETING -
BUDGET DEVELOPMENT
MAY 28, 2020

Mayor Brian Blad called the City Council meeting for budget development to order at 9:49 a.m. Council members were in attendance via Go To Meeting, an on-line meeting platform: Heidi Adamson, Roger Bray, Rick Cheatum, Linda Leeuwrik, Claudia Ortega and Chris Stevens. City staff were also in attendance through Go To Meeting.

Mayor Blad announced agenda items No. 6 - 2021 Employee Compensation and No. 7 - 2021 Revenue Update have been rescheduled to June 4, 2020 so the discussion can take place in person.

-FISCAL YEAR 2021 BUDGET DEVELOPMENT OVERVIEW Mayor Blad announced the Council would review various topics regarding development of the proposed Fiscal Year 2021 Budget.

Ashley Welsh, Chief Financial Officer/Treasurer, stated that information regarding budgets for City departments would be presented. Ms. Welsh gave an overview of the material that would be discussed to determine the Fiscal Year 2021 budget and announced that one department briefing followed by Health and other benefit costs and compensation updates would be held at this time. Ms. Welsh noted that benefit and compensation items require Council action. The approved amounts will be used by staff to further build the Fiscal Year 2021 budget.

-INTER-DEPARTMENT TRANSFER CLARIFICATION Ashley Welsh, Chief Financial Officer/Treasurer, provided clarification regarding fund transfers between City Departments.

Ms. Welsh gave an overview of the funds and purpose for each fund and how they can be utilized once collected. Examples of how the funds are used by various departments was shared. A breakdown of Administrative Services and Risk Management was used as an example. Ms. Welsh announced a spreadsheet has been created to show how the funds are being reimbursed.

-FIRE/AMBULANCE BUDGET REVIEW David Gates, Fire Chief; and Ashley Welsh, Chief Financial Officer/Treasurer; gave an overview of the Fire Department budget for Fiscal Year 2021.

Mr. Gates reviewed the Fire Department Mission Statement: Our mission is to help people. We are dedicated to preserving life and property through prevention and professional, compassionate response.

Fiscal Year 2019 Service Summary, Output Summary, Measures of Effectiveness and Key Accomplishments were reviewed.

Service Issues and concerns are: Capital Replacement requirements – Emergency equipment and projected year to purchase equipment and costs were reviewed. These items include: Capital Intensive Operation; Capital functionality Critical; Extremely expensive; and items currently behind by Accepted Replacement criteria.

Master Plan recommendations – Cultural Assessment and Training Recommendations. Breakdown of expenses that are obligated through contracts, etc. were reviewed.

CITY OF POCA TELLO
 BUDGET DEVELOPMENT MEETING
 MAY 28, 2020

Budget increase requests: One time/Capital Expense Request include radios (\$457,775.00); extrication equipment (\$58,059.00), Fire truck hoist (\$48,500.00), Type 6 Wildland engine (\$180,000.00) and Station alerting system (\$266,668.00).

Proposed budget increases include: 2 firefighters (\$156,148.00), target solutions (\$4,610.00), Cultural Assessment/Change \$21,334.00), Fire Instructor I Cert (\$10,960.00), Incident Safety Officer Cert. (\$22,400.00) and Contingency Funds – Reimbursable deployment funds (\$500,000.00).

General discussion regarding fire vehicles and use of Fleet Services' building for repairs and cost savings between leasing and purchasing vehicles was held. Providing emergency service to the new Northgate Development area once it is developed was also discussed.

Ms. Welsh gave an overview of the budget comparisons of Fiscal Year 2020 to Fiscal Year 2021.

Fiscal Year 2021 proposed 5% budget decrease to the Fire Department Budget - Firefighters Retirement Fund (\$229,000.00), BCAD Administrative Fee (\$58,029.00), Suspend USAR Program (\$31,755.00), and Suspend HAZMAT program (\$28,207.00). It was noted the proposed budget cuts may result in a change in "working conditions and all other terms and conditions of employment" and may require negotiations per Idaho Title 44-1802.

EMS BUDGET REPORT (Informational Only)

Mr. Gates explained the Ambulance Division is by contract with Bannock County Ambulance District. The information given to Council was presented to the Bannock County Commissioners for funding guidance on May 20, 2020. He noted that no Council guidance is required on the Ambulance fund budget.

Mayor Blad called for a recess at 11:39 a.m.

Mayor Blad reconvened the meeting at 11:49 a.m.

-EMPLOYEE HEALTH BENEFITS RENEWAL AND CHANGES FOR FISCAL YEAR 2021	Heather Buchanan, Human Resources Director, AJ Argyle, Broker for GBS Benefits, and Ashley Welsh, Chief Financial Officer/Treasurer; were in attendance to give a presentation regarding City Employee Fiscal Year 2021 Health benefits and proposed changes.
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-ENHANCED EMPLOYEE ASSISTANCE PROGRAM	General discussion regarding the Enhanced Employee Assistance Program (EAP) for Sworn Officers, Dispatchers and Evidence Technicians was held. Fiscal Year 2021 overall cost is \$25,764.00.
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A motion was made by Ms. Leeuwrik, seconded by Mr. Cheatum, to add the Enhanced EAP program with Blomquist Hale in the amount of \$25,764.00 as outlined to Council's list of potential items for future consideration to determine the City's Fiscal Year 2021 Budget. Those voting in favor were Leeuwrik, Cheatum, Adamson, Bray, Ortega and Stevens.

CITY OF POCA TELLO
 BUDGET DEVELOPMENT MEETING
 MAY 28, 2020

-REGULAR EMPLOYEE ASSISTANCE PROGRAM General discussion regarding the Employee Assistance Program (EAP) for regular City employees was held.

A motion was made by Mr. Bray, seconded by Mr. Cheatum, to accept the recommendations of staff and add the EAP program with McLaughlin Young in the amount of \$13,978.00 as outlined to the Council's list of potential items for future consideration to determine the City's Fiscal Year 2021 Budget. Those voting in favor were, Bray, Cheatum, Adamson, Leeuwrik, Ortega and Stevens.

-EMPLOYEE CAFETERIA PLAN General discussion regarding the Employee Cafeteria Plan (Health Care FSA and Dependent Care FSA) for City employees was held.

A motion was made by Mr. Bray, seconded by Ms. Leeuwrik, to accept the recommendations of staff and add the Employee Cafeteria Plan with One Bridge as outlined to the Council's list of potential items for future consideration to determine the City's Fiscal Year 2021 Budget. Those voting in favor were Bray, Leeuwrik, Adamson, Cheatum, Ortega and Stevens.

-RETIREE HEALTH INSURANCE BENEFITS General discussion regarding City Retiree Health Insurance benefits was held.

In Fiscal Year 2020 the City moved retired participants out of the active employee pool for health insurance. All participants in the program are housed in their own pool, which means they affect active employee health experience rating less. Since the City still offers a retiree pool, they remain tied to the City. This change was an effort to remove Other Post Employment Benefit (OPEB) reporting.

Human Resource staff is recommending that the City Retiree Health pool be dissolved as of September 30, 2020 and participants will be required to move to individual plans.

In response to questions from Council, Mr. Argyle explained his business has a person in their office to help retirees search for health insurance coverage to replace the City's policy. He noted that Blue Cross has some comparable rates for retirees based upon their rate and age.

A motion was made by Mrs. Ortega, seconded by Ms. Adamson, to accept the recommendation of staff and dissolve the City's Retiree Health pool as outlined to the Council's list of potential items for future consideration to determine the City's Fiscal Year 2021 Budget. Those voting in favor were Ortega, Adamson, Bray, Cheatum, Leeuwrik and Stevens.

-RETIREE VISION INSURANCE BENEFITS General discussion regarding City Retiree Vision insurance benefits was held.

Human Resource staff is recommending City Retiree Vision Insurance be discontinued as of September 30, 2020. This is necessary to fully remove the City from OPEB reporting costs.

A motion was made by Mrs. Ortega, seconded by Ms. Adamson, to accept the recommendation of

CITY OF POCATELLO
BUDGET DEVELOPMENT MEETING
MAY 28, 2020

staff and dissolve the City's Retiree Vision pool as outlined to the Council's list of potential items for future consideration to determine the City's Fiscal Year 2021 Budget. Those voting in favor were Ortega, Adamson, Bray, Cheatum, Leeuwrik and Stevens.

FUNDAMENTALS OF THE CITY'S MEDICAL PLAN. The City of Pocatello offers a defined benefit plan. City has a high deductible health plan. Medical and dental rates are calculated for 3 different categories of participants: full time employees 5%/10%/15% for medical and 0%/24%/32% for dental, part time employees 50%/50% for both medical and dental; and elected officials are eligible for full time employee rates per City Code.

Mrs. Ortega feels the percentages for medical benefits should be 15%/20%/25%.

Ms. Stevens noted that one of the big pluses while she was working for a government entity was a good health care plan. However, she feels that Government cannot continue to absorb the cost for employee health insurance. Although she has personally benefited from health care coverage, she feels it is time to change the percentages.

Ms. Leeuwrik respectfully disagreed. She explained when Council determined the Fiscal Year 2020 City budget it was found that many employees in the City are under market for wages. She feels the City's current health benefit plan makes up for wages being under market. She is opposed to changing the percentages.

In response to questions from Council, Mr. Argyle explained the City's health benefit percentage is better than most private market percentages, except for schools. He added that City employees are paying less than the private market. However, he has noticed that schools have started to pull back on the percentage they pay for health coverage.

In response to questions from Council, Ms. Buchanan clarified comparisons to other cities has been done in the past which resulted in an adjustment in percentages. She suggested it might be beneficial for Council members to watch the conversation that led up to the changes. Ms. Buchanan will send Council a meeting link regarding the discussion.

Mr. Bray mentioned that most employees have told the City Council that health benefits are important to them. He felt the City's portion of employee health benefits should be looked at as part of their compensation packet.

Mrs. Ortega mentioned that citizens have told her about increases to their health insurance costs. As a result, she feels City employees should pay more for their health benefits so citizens are not paying higher rates for themselves and for City employees.

Mr. Bray noted the increase in health benefit percentages paid by employees was to encourage employees to be more involved in their health care. He is good with the percentages as presented by staff.

Mayor Blad agreed with Mr. Bray. He noted a lot of work has taken place for the City to receive a

CITY OF POCA TELLO
 BUDGET DEVELOPMENT MEETING
 MAY 28, 2020

reduction in the City's insurance premiums. It is the work put forth last year that enabled the City to receive a 12.74% decrease in rates for Fiscal Year 2021. Mayor Blad feels the decrease in premium rates equals a savings for taxpayers.

General discussion regarding health costs and comparisons with other vendors followed. The decrease in insurance rates was discussed. Medical insurance for Fire Department staff was reviewed.

A motion was made by Ms. Stevens, seconded by Ms. Adamson, to accept the recommendation of staff and continue with Blue Cross of Idaho PPO as outlined to the Council's list of potential items for future consideration to determine the City's Fiscal Year 2021 Budget. Those voting in favor were Stevens, Adamson, Bray, Cheatum, Leeuwrik and Ortega.

-CITY HEALTH BENEFITS BROKER General discussion regarding the City's Health Benefits Broker was held.

The new medical renewal cost includes the cost of GBS Benefits to \$11.00 per employee per month who are part of the medical plan, and the cost is included in the premium payment. The City's medical vendor then pays the broker (this is the current industry standard) and the City's first rate increase with GBS. It was noted that the cost of GBS is currently funded out of the Wellness Budget.

A motion was made by Ms. Leeuwrik, seconded by Mr. Cheatum, to accept the recommendation of staff and add the Health Benefits Broker with GBS Benefits as outlined to the Council's list of potential items for future consideration to determine the City's Fiscal Year 2021 Budget. Those voting in favor were Leeuwrik, Cheatum, Adamson, Bray, Ortega and Stevens.

-ADDITION OF HEALTH JOY APP General discussion regarding adding a new feature for Fiscal 2021 year that replaces the teledoc service the City dropped in Fiscal Year 2020 was held. Staff feel the Health Joy App offers far greater service options.

Ms. Leeuwrik mentioned she has used telemedicine since the COVID-19 pandemic has limited her access to visit a doctor's office. She feels one of the positive outcomes of the pandemic may be that more employees will start using telemedicine features.

In response to questions from Council, Mr. Argyle clarified doctors available on the Health Joy App are on contract and will not be an employee's regular doctor. He feels the App is more cost effective as far as employees going to separate websites to access information. Mr. Argyle explained that a majority of the benefit is that telemedicine is being offered with zero co-pay. Employees may be less likely to run to the Emergency Room and utilize the App instead.

Council discussion regarding final cost and security of the App was held.

Ms. Adamson mentioned the App will only be cost effective if employees actually use it. She shared her concerns with implementing the expense at this time.

CITY OF POCATELLO
 BUDGET DEVELOPMENT MEETING
 MAY 28, 2020

General discussion regarding the App and other incentives to keep health costs down followed. It was mentioned the City's Wellness program over the past several years has helped employees to perform at a better level for decreased premiums.

Pros and cons of attaching certain requirements to employees utilizing the Health Joy App were discussed. Giving incentives to employees to utilize the App was debated.

A motion was made by Ms. Leeuwrik, seconded by Mr. Cheatum, to accept the recommendation of staff and add the Health Joy App as outlined to the Council's list of potential items for future consideration to determine the City's Fiscal Year 2021 Budget. Those voting in favor were Leeuwrik, Cheatum, Bray, Ortega and Stevens. Ms. Adamson voted in opposition to the motion. The motion passed.

-EMPLOYEE INCENTIVE TO LAUNCH HEALTH JOY APP General discussion regarding a \$100.00 incentive for City employees to launch the Health Joy App was held.

One-year cost to help launch the new App would include a \$100.00 payment to HRA VEBA for each employee on the City's medical plan who download and set up the App. This would be a one-time cost, and would enable a large rollout of the platform in an effort to control costs in Fiscal Year 2022. Health Joy can be implemented without this item but historically most employees are slow to adopt to change and slow with technology so staff is trying to jump start this process.

A motion was made by Ms. Leeuwrik, seconded by Mr. Cheatum, to add the Health Joy Launch incentive in the amount of \$50,000.00 as outlined to the Council's list of potential items for future consideration to determine the City's Fiscal Year 2021 Budget. Those voting in favor were Leeuwrik, Cheatum and Bray. Those voting in opposition were Adamson, Ortega and Stevens. Due to a tie in voting, Mayor Blad was required to cast the deciding vote. Mayor Blad voted in favor of the motion. Therefore, the motion passed.

-ELIMINATION OF BLUE CROSS HEALTH COACHING General discussion regarding eliminating Blue Cross Health Coaching for employees was held.

In response to questions from Council, Mr. Argyle explained the Blue Cross Health Coaching is not case management tied to HRA VEBA. Only 4 total coaching sessions were given from October 1, 2019 through April 30, 2020 and the program does not appear to be cost effective for the City.

A motion was made by Ms. Stevens, seconded by Mr. Cheatum, to accept the recommendation of staff and discontinue the Health Coaching program as outlined to the Council's list of potential items for future consideration to determine the City's Fiscal Year 2021 Budget. Those voting in favor were Stevens, Cheatum, Adamson, Bray, Leeuwrik and Ortega.

It was noted that employee compensation will be discussed at the June 4, 2020 Budget Meeting. Ms. Buchanan explained current commitments include the following for Union members: Police Sworn – rank advancement and 1 step per Collective Bargaining Agreement; Police Management – no movement. Fire Collective Bargaining Agreement – rank advancement and longevity advancement. Fire Management – longevity advancement. Non-Union members: general City employees and

CITY OF POCATELLO
BUDGET DEVELOPMENT MEETING
MAY 28, 2020

Police civilian staff – no movement.

Other items for June 4th Budget Development meeting – Hybrid Pay Table, Police Management costs and Variable/Seasonal Pay Grade Table.

Council discussion regarding Union negotiations and the impact it may have on general employees was held. It was mentioned knowing revenue projections before making determinations regarding employee compensation will allow Council to make informed decisions.

Mayor Blad gave a quick overview of the revenue prediction process and clarified revenues will be scheduled for discussion prior to employee compensation items on the upcoming agenda.

Ms. Welsh announced the next Budget Development meeting is scheduled for June 4, 2020 and that she would send revenue projection information to the Council prior to the meeting.

There being no further business, Mayor Blad adjourned the meeting at 1:48 p.m.

APPROVED:

BRIAN C. BLAD, MAYOR

ATTEST AND PREPARED BY:

RUTH NEWSOM, CITY CLERK