

CITY OF POCA TELLO, IDAHO
CITY COUNCIL MEETING -
BUDGET DEVELOPMENT
JUNE 18, 2020

Mayor Brian Blad called the City Council meeting for budget development to order at 9:29 a.m. Council members in attendance were Heidi Adamson, Roger Bray, Rick Cheatum, Linda Leeuwrik, Claudia Ortega and Chris Stevens.

-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 budget items that have been discussed thus far and material that would be discussed to determine the Fiscal Year 2021 budget. Ms. Welsh announced that revenue and employee compensation items require Council action. The approved amounts will be used by staff to further build the Fiscal Year 2021 budget. The revenue projections and compensation items are for guidance only. A final decision will be considered by Council at a later date.

-HUMAN RESOURCES – RETIREE BENEFITS: Heather Buchanan, Human Resources Director and AJ Argyle, GBS Benefits will provide more detail on retiree health care. Impact to both the City and Participants will be discussed.

Mr. Argyle gave an overview of the retiree health care plan. He explained that employees who retire before age 65 have been previously able to remain on the City’s healthcare plan until the age of 65, when Medicare is available to them. Mr. Argyle explained that most cities no longer offer a retiree program and that the State of Idaho has also discontinued a retiree healthcare program. He further explained that because these individuals are covered by the City’s healthcare plan, they have also been included in the City’s experience rating, which is the reporting/claims data that applies to the City of Pocatello. Those individuals are also included on the City of Pocatello’s reporting and large claimant listing combined with the rest of the City’s experience. He added that the top claimants are retirees under the age of 65. Mr. Argyle stated that there are currently 14 retirees on the retiree healthcare plan. He explained that the current loss ratio for retirees is over 367 percent, with paid claims reaching \$473,875.00, while premiums paid were only \$128,935.00.

Ms. Leeuwrik expressed her concern regarding adequate options for healthcare. Many of those who retire prior to turning 65 are Police and Fire Department retirees. She asked if there were options to “grandfather” those 14 individuals currently on the retiree plan.

Jared Johnson, City Attorney, stated that “grandfathering” in retirees would require making a funding commitment for multiple years, and the budget is set one year at a time.

Council discussed possible alternatives for retiree healthcare and resources available to help the retirees transition to an alternative healthcare option.

CITY OF POCATELLO
BUDGET DEVELOPMENT MEETING
JUNE 18, 2020

Ms. Adamson stated that she feels the information has been worthwhile and that she does not want to risk losing the current rate decrease by opening up the experience rating at this time. She feels the City will benefit from an overall medical insurance rate reduction.

Mr. Johnson reminded the Council that the previous decision was to defund the retiree healthcare program and staff was instructed to build the budget accordingly. The information being received at this time is only additional information and is not an Action Item.

Ms. Leeuwrik stated she feels it is important to look at the options available to retirees who have faithfully served the City.

Discussion continued regarding the changes which would affect retirees and current employees for their healthcare planning. As private healthcare could cost an additional \$400.00 per retiree, Council asked for feedback and feasibility to allocate \$200.00 per month to those retirees no longer being served by the retiree healthcare plan.

Mr. Argyle stated that a separate account could be formed with funds available only to retirees currently on the retiree program to help the transition from the retiree healthcare program for the upcoming year.

Ms. Buchanan stated that because retirees are no longer employed by the City of Pocatello, Human Resources is not able to actively research healthcare plans for individuals. Human Resources staff would work to engage with retirees and facilitate meetings regarding the transition from the retiree healthcare plan. She added that if the Council adopts a plan to financially assist current retirees on the plan, the cost, including administration costs, would be approximately \$35,000.00.

Mayor Blad called a recess at 10:53 a.m.

Mayor Blad reconvened the meeting at 11:07 a.m.

-FLEET DEPARTMENT – FUEL SITE: Public Works Department and Fleet Department staff will give a presentation regarding the City fuel site.

Tom Kirkman, Deputy Public Works Director, and Teresa Caudill, Fleet Manager, gave an overview of the current fuel site. Mr. Kirkman explained that the fuel site has reached the end of its service life and repair costs are becoming excessive. He shared a proposal to build a new fuel site at the Public Works Facility. The proposed fuel site would feature 3 islands with 4 double sided fuel dispensers for diesel, unleaded and Diesel Enhancement Fuel (DEF), which would allow fueling for up to 8 vehicles at a time. Mr. Kirkman explained that the project had been separated into three proposed phases and gave an overview of each phase. Phase 1 would include the following: design; excavation; concrete and paving; construction of canopy; installation of fuel system, general contractor services and landscape/fencing. Phase 2 would include remediation of the current fuel

CITY OF POCATELLO
BUDGET DEVELOPMENT MEETING
JUNE 18, 2020

site located on 1st Avenue and would include the following: fuel system removal; concrete removal; testing; backfill; and patch back. He added that stainless steel piping would be used in the construction of the new fuel site in order to avoid rust damage. Phase 3 would include the installation of a proposed car wash building and equipment for City vehicles to be constructed at the fuel site. Mr. Kirkman stated that car washes are currently paid for individually by vehicle operators. Addition of the car wash at the fuel site may lead to more consistent vehicle washing and therefore, longer useful life for the City's fleet of over 500 vehicles. Preliminary figures indicate that operational costs would average \$10.50 per vehicle per month. Mr. Kirkman explained that overall costs would be dependent upon actual bid amounts. He recommended that if the Council chooses to proceed with the project in phases, that infrastructure costs for Phase 3 could be significantly lower if the work is done at the same time as Phase 1.

Ms. Welsh stated that funds are available in the Capital Contingency fund at this time.

Mr. Kirkman added that the operational fuel site saves approximately \$170,000 over commercial fuel and continuous operation of the fuel site is of highest importance. He stated that remediation of the current site could begin as early as October.

A motion was made by Mr. Bray, seconded by Ms. Stevens, to instruct Public Works departments to proceed with fuel site development Phase 1 and Phase 2, as outlined, and include installation of infrastructure necessary for a car wash construction, which will be constructed at a later date. Upon roll call, those voting in favor were Bray, Stevens, Adamson, Cheatum, Leeuwrik and Ortega.

-2021 BUDGET TAX SOLUTION – Ashley Welsh, Chief Financial Officer/Treasurer, will give a presentation.

Ms. Stevens announced that she uses her cell phone to compile notes and may refer to those notes during the meeting.

Mr. Bray announced that he may use the calculator function on his cell phone during the meeting.

Ms. Stevens asked how contributions are determined for entities requesting “non-departmental” funds. She feels an application and review process would be beneficial to help determine where funds are distributed.

Mr. Cheatum stated he feels turning the process into a competitive situation does not create goodwill.

Mr. Bray stated that he feels there is merit to separating the entities and asking for an application process which could include information on how the funds are intended to be used. He added that receiving information on how donated funds are currently used would also be beneficial.

CITY OF POCATELLO
BUDGET DEVELOPMENT MEETING
JUNE 18, 2020

Ms. Stevens stated she feels entities which receive City funds should have the same accountability as City departments by reporting on accomplishments and outlining upcoming needs and goals.

Mr. Johnson, stated that some of the contributions are fees which are necessary to be a part of the governing board. One example is Bannock Transportation Planning Organization (BTPO).

Council discussed funding for School Resource Officers (SRO) at local high schools. Council members discussed the appropriation by the City and the School District for the SROs.

Roger Schei, Police Chief, stated that there are currently 6 SROs and one DARE officer. He added that the school district pays a set amount to have the officers at area schools during the school year. Mr. Schei stated that the Police Department would respond to any incident occurring at the schools and that having an SRO on campus is a proactive measure for student and community safety.

Council members asked to receive more information from the following entities before appropriating non-departmental funds: Aid For Friends; Family Services Alliance; Senior Citizen Center; Pocatello Free Clinic; and Southeast Idaho Community Action Agency (SEICAA).

Council members discussed the proposed appropriation for Regional Economic Development of Idaho (REDI) at this time. The consensus of the Council was to remove funding for REDI from the Fiscal Year 2021 budget items.

Mayor Blad called a recess at 12:48 p.m.

Mayor Blad reconvened the meeting at 1:42 p.m.

Mrs. Ortega feels that because public funds are being proposed to be allocated to various entities, it is important the Council receive reporting information to verify the funds are being used responsibly.

Council discussed the topic of developing an application process for agencies to apply for City funding in future years.

Mr. Cheatum stated that he is concerned that if funding from the City is eliminated, some of the organizations who serve the citizens will suffer greatly, and potentially go bankrupt. Many fundraisers have been canceled and revenue for those agencies has been seriously affected.

A motion was made by Mr. Cheatum, seconded by Ms. Leeuwrik, to accept the proposed “non-departmental” allocations as presented by Finance in the Fiscal Year 2021 budget spreadsheet.

Upon roll call, those voting in favor were Cheatum and Leeuwrik. Those voting in opposition were Adamson, Bray, Ortega and Stevens. The motion failed.

CITY OF POCATELLO
BUDGET DEVELOPMENT MEETING
JUNE 18, 2020

A motion was made by Ms. Adamson, seconded by Ms. Stevens, to instruct Finance staff to prepare budget documents with current proposed amounts to allow the Council the opportunity for adjustments or reallocations after additional information is received and that City staff will reach out to the following organizations to provide additional budget/financial information:

- Aid For Friends
- Family Services Alliance
- Pocatello Free Clinic
- SEICAA

Mayor Blad clarified that the information would be requested by the Mayor's Office and provided to the Council.

Mr. Cheatum suggested that since the City is providing funding for the agencies, it may be appropriate to request that a Council member serve on each of the respective boards. He stated that then the Council could receive information at the monthly Council Liaison/Work Session Clarification meeting.

Ms. Adamson's motion was voted upon at this time. Upon roll call, those voting in favor were Adamson, Stevens, Bray and Ortega. Cheatum and Leeuwrik voted in opposition to the motion. The motion passed.

Council members stated that they would like to reconsider the lease with the Senior Activity Center, which was recently approved as an administrative matter, according to policy. Concern was expressed regarding the ten-year lease which included an allotment for multiple years.

In response to a question from Council, Mayor Blad stated that funding previously set aside for African Sister Cities has been moved to the Japanese Sister Cities program, as African Sister Cities has moved to their own 501(c)3 status. He added that the African Sister Cities board has had participation difficulties and low membership for several years.

Council members discussed the costs and benefits received through the Chamber of Commerce for tourism, including regional advertising, billboards, brochures and online advertising.

Ms. Adamson suggested that the Council leave \$15,000.00 for funding of the Tourism Bureau and ask the Chamber of Commerce to report their accomplishments to the Council at a later date.

Council members discussed the costs and benefits received through Bannock Development Corporation (BDC) in Pocatello.

Ms. Stevens stated she would like to receive more concrete information regarding jobs and economic development.

Mrs. Ortega added that she is not in support of providing ongoing funding to BDC without receiving statistical information on their accomplishments.

CITY OF POCA TELLO
BUDGET DEVELOPMENT MEETING
JUNE 18, 2020

Mr. Cheatum explained that economic development is not just the introduction of new businesses and jobs to the area. He added that natural development occurs when existing businesses expand and stimulate the economy.

Ms. Adamson stated she is not in favor of a drastic elimination, but would support a request for additional information. She added that she understands there are many challenges regarding confidentiality when dealing with economic development.

Ms. Stevens stated she feels that City departments provide data and verifiable information regarding effectiveness within each department. She would like to see the formula used by BDC to receive traceable data or trend data for verifiable information regarding economic development.

Mr. Bray suggested that if Council were to receive data from a third party, it may be more useful than receiving data directly from BDC.

A motion was made by Mr. Cheatum, seconded by Ms. Leeuwrik, to allocate \$75,000.00 to Bannock Development Corporation for Fiscal Year 2021. Upon roll call, those voting in favor were Cheatum, Leeuwrik and Adamson. Bray, Ortega and Stevens voted in opposition to the motion. Due to a tie in voting, Mayor Blad was required to cast the deciding vote. Mayor Blad voted in favor of the motion. The motion passed.

In response to a question from Council, Ms. Welsh stated that Palisades water revenue is now built into the budget and is allocated into the Water Department budget and the General Fund.

In response to a question from Council, Mayor Blad clarified that funds to be received through the Northgate TIF district are anticipated to be received in 2022. He added that the City of Pocatello will be the first entity to receive that revenue.

In response to questions from Council, Ms. Welsh stated that each department submitted proposed fee increases and those amounts have been added to the projected budget information. She added that the old Pocatello Free Clinic building is currently being leased by Big Momma's House for their administration office.

Ms. Adamson added that when the lease on the property is considered for renewal, the Council will ask Big Momma's House for a report of their financial information and accomplishments.

Council discussed potential cost of living increases for City employees and the Council's previous goal to bring employee wages to market value.

Ms. Buchanan and Mr. Schei presented the possible addition of a non-competitive corporal advancement option within the Police Department. Ms. Buchanan gave an overview of the process and potential costs related to the adoption of that process.

Mr. Cheatum stated that he feels it is important to retain experienced officers and this program could serve as a retention device.

CITY OF POCATELLO
BUDGET DEVELOPMENT MEETING
JUNE 18, 2020

Ms. Buchanan pointed out that the Police Union negotiates an independent contract.

Mayor Blad stated that it may be beneficial to discuss the program at a Work Session within the upcoming year.

Council discussed the potential funding from the Coronavirus Relief Fund through the State of Idaho. Cities and counties may apply for these one-time funds in order to offset expenses while also providing property tax relief to taxpayers. The amount available to the City of Pocatello is unknown at this time.

Council continued discussion regarding potential cost of living increases for City employees and possible allocation of funds due to medical insurance savings. Council members discussed the importance of providing tax relief and also consideration of cost of living compensation for City employees.

Council discussed potential funding for the Portneuf River Vision projects.

Ms. Welsh stated a decrease in projected medical insurance expenses has led to a significant overall budgetary savings. Council will be presented with information regarding property tax revenue at the July 2nd budget meeting.

The Fiscal Year Tax Funds Solutions Ideas Spreadsheet is attached as a permanent part of the minutes (see Attachment "A").

Ms. Welsh announced the next Budget Development meeting is scheduled for July 2, 2020.

There being no further business, Mayor Blad adjourned the meeting at 4:25 p.m.

APPROVED:

BRIAN C. BLAD, MAYOR

ATTEST AND PREPARED BY:

KONNI R. KENDELL, DEPUTY CITY CLERK