

June 5, 2023, Council Work Session - Unapproved

The City Council of the City of Idaho Falls met in Council Work Session, Monday, June 5, 2023, in the Idaho Falls Civic Center located at 501 S Holmes Avenue in Idaho Falls at 3:10 p.m.

Call to Order and Roll Call

There were present:

Mayor Rebecca L. Noah Casper
Council President Michelle Ziel-Dingman
Councilor John Radford
Councilor Tom Hally
Councilor Jim Freeman
Councilor Jim Francis
Councilor Lisa Burtenshaw

Also present:

Pam Alexander, Municipal Services Director
Ryan Tew, Human Resources Director
Heather Wade, Human Resources Manager
AJ Argyle, Broker/Consultant
Randy Fife, City Attorney
Michael Kirkham, Assistant City Attorney
Chris Canfield, Public Works Assistant Director
Jeremy Galbreath, Police Captain
Bryce Johnson, Police Chief
Chris Frederickson, Public Works Director
Brooks Slyter, Assistant Finance Manager
Megan Ricks, Accountant II
Corrin Wilde, City Clerk

Mayor Casper called the meeting to order at 3:18 p.m. with the following items:

Update and Discussion: Idaho Falls Police Complex:

Slide-1 Project Schedule

Assistant Director Chris Canfield stated the design was completed and bid documents in February/March 2022. Executed Construction contract on April 14, 2022, and NTP & Construction began on April 25, 2022. He said it is scheduled to be completed in December 2023. Some change orders added 43 days to the project.

Slide-2 Construction Schedule

Mr. Canfield stated the Main building exterior masonry complete as well as the Interior first floor framed, and sheet rocked. He said the Interior second floor framing continues and work at the entry is ongoing. He said the Aux building roof and exterior walls and insulation are complete and the doors and interior work are to resume.

Slide-3 Construction Budget Status.

Mr. Canfield explained that the original contract was \$23,847,576 and with change orders and contingencies = \$175,426. The current construction contract is \$23,999,112. He said the work completed thru January was \$15,647,191 and is 65% complete and the contract time thru May 2023 is 68%

Slide -4 Layout – an ariel view of the complex.

Slide-5 Masonry complete included pictures of the exterior of the complex.

Slide-6 and 7, Drywall complete picture of the interior wall.

Slide-8 picture of the interior 1st floor. Slide-9 Picture of interior 2nd floor Mech & Framing. Slide- 10 2nd floor Entry. Slide-11 Budget. Project "Hard Costs" Construction Building & Site Construction (with CO's & Cont. items) \$23,999,112 Off Site Utilities/Fiber \$65,000 Total Construction \$24,064,112 Project "Soft Costs" FF & E Furniture

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Allowance (Main Building at 48,734 SF) \$1,900,000 Moving Costs / Audited Evidence By City Additional Soft Costs Professional Service Fees \$2,405,769 Permits/Utility Connection Fees/3rd Party Testing/Commissioning/Historic \$131,672 \$4,437,441 Owner's Project Contingency (Construction) 5% \$1,074,207 Total Project Cost \$29,575,760

Presentation and Discussion-Medical premium and plan changes:

Human Resources Director Ryan Tew presents Survey Results. Mr. Tew stated there are 625 enrolled employees, 402 PPO employees enrolled, and 223 employees enrolled in HSA. Director Tew stated 378 employees responded to the survey and out of the 378 there were 155 comments. Mr. Tew said the feedback from the employees was a little negative and may need some follow-up and information to go out to the employees. He said there were comments such as, "Why does the city increase the insurance costs", "Benefits used to be so much less expensive", and "Why does the city not look at other insurance options"? Director Tew said another comment was that the city should pay more of the insurance cost and why are we not going self-insured. Mayor Casper noted that she would like to make sure these questions are answered possibly in an employee newsletter. Director Tew stated when dealing with cost increases on medical insurance there are two tools primarily that we have to work with. One of them is modifying the ratio of what the city is paying and what the employee is paying. He said for example right now on the PPO plan the city is paying 85% and the employee is paying 15%. Mr. Tew stated the other tool we have is making changes to the plans like increasing the co-pay and increasing or decreasing the deductible and changing the pharmacy benefits. He said they will discuss two scenarios. He said one of them will leave everything like it is and gives an idea of what the cost to the city is with the increase we are facing. He said the other option is making some changes to the ratios the city pays and making some plan changes. Mr. Tew noted that there are several people on this committee and have explored every reasonable option to find the best approach. Megan Ricks stated where we are currently sitting at an overall 24.8% increase. Megan gives an overview of the two different scenarios.

Scenario	PPO HSA		Cost			Increase		City Plan and Ratio Changes
	% Ratios		City	Employee	Total Cost	City	Employee	
Scenario 1-1	85/15	93.5/6.5	12,204,002	1,533,198	13,737,200	2,200,618	304,637	No Plan Changes, No Ratio Changes
Scenario 1-2	85/15	91.5/8.5	11,709,351	1,549,460	13,258,810	1,705,967	320,898	Decrease 4.8% Plan-Increase OOPM & Deductible \$500. Decrease HSA Ratio 2%

Director Tew pointed out that on the second to last page of Scenario 1.2 at the bottom in blue you see \$1,705,966.93 this is the annual city cost. Director Tew stated that the total city increases by going with this scenario, the general fund portion of that is 58% of that number because this number includes both enterprise and general fund so if you take the general fund portion of that number and it's under 1M dollars. Councilor Freeman asked about Scenario 1.1 what is the general fund portion Director Alexander stated it is \$1,276,358. Director Tew stated we were shooting for something that would be under 1M out of the general fund. Megan Ricks stated there are a variety of options and this is one that we felt was a good balance because it's not too big of an increase to the employees. After all, they have been through so many plan changes, they felt like their health insurance was being drastically changed. Director Tew stated we feel like we are giving you our best recommendation. He said this 1.2M is our best recommendation because it gives all the increases to the employees on both plans that are practically the same. It's not a drastic change in the employee/employer ratio on the HSA and doesn't change the ratio on the PPO. The plan changes on both the PPO and the HSA are the same, a \$500 increase to the deductible and a \$500 increase to the out-of-pocket max. Councilor Freeman feels that increasing out-of-pocket costs to go to the doctor may cause some people to avoid going to the doctor because it cost more. AJ Argyle agreed, he says that would have the most immediate impact on all employees. Mayor Casper pointed out that even though some employees felt they would be willing to pay more for a co-pay if it brings the monthly cost down. Mayor Casper referred to one of the handouts she says you can see it doesn't have a huge percentage impact on our 24% increase. Mayor Casper stated the committee is recommending the scenario with the 4.8% impact vs. some of the other options with higher impacts because the committee studied how they will impact and put in quite a few hours. She said what they have recommended to us is one where everybody takes roughly the same hit for their class of insurance and the hit to the general fund comes in under

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1M which is estimated to be able to cover that with new money coming into the city. Councilor Radford looks for clarification. He stated that we can only have a growth of 8% from last year overall because that is the limit set by the statute. He said we can only raise our levy by 3% so do you think we will have enough growth to cover \$989 thousand with the 8% increase? Director Alexander stated last year it was 1M dollars on the 3% so at our Council workshop on April 21st we talked about the 3% statutory would be almost 1.3M in property taxes and our growth received last year was around \$800K. Councilor Radford stated that is different, that is us taking a 3% increase and Mayor was saying growth. Mayor Casper agreed and apologized noting that Director Alexander is correct. Director Alexander stated growth last year was \$800K and that was before the 3%. Councilor Francis feels committing 1M and not knowing what else needs to come out of the general fund that has not been looked at yet and feels if we take the 1.2 scenarios but change the percentage to 83% and 17% because it is easier to go back in July and say yes we can do this and keep it at 85% and 15% but if we commit to 85% and 15% now then we cannot go backward. He said we will be committing 1M dollars out of a tight budget and we know there is demand in almost every department for more employees to do what we need to do as a city. Councilor Burtenshaw agreed, she stated what are steps and grades this year because that is what we are committed to. She said If we don't know what the steps and grades will be. She said then there is the idea of a COLA or any increase to the salary schedule including new positions she said she does not know if we can afford it. Assistant Finance Manager Brooks Slyter stated that what Mr. Hagedorn had calculated is the 1M would take up about half the increase. Megan Ricks stated the step and grade should already be factored into what the budget is not including the increase on top of that. Councilor Burtenshaw stated that we know the true cost to the insurance was an increase of 43% not 24% so eventually we are going to have to pay for this. Mayor Casper stated the worry is if we go with this recommendation, we may not be sustainable in the future.

Mr. Argyle stated that HUMIRA is going generic next month, and the City of Idaho Falls spends 1M dollars per year on the drug HUMIRA which is an autoimmune drug that treats everything from MS to Crohn's to Psoriasis and when that goes generic there are rumors that it will be 10% the cost of what it is currently. Mr. Argyle says Mark Cuban is currently putting the drug out there for \$560 a month and we are currently paying \$7,000 a month for ours so even if we are coming in at 10% and paying \$150 more than what Mark Cuban has, we would save \$960 thousand next year between July and June just on that one drug alone. Councilor Freeman wanted to speak to Councilor Francis and Councilor Burtenshaw concerns. He says he really doesn't like the idea of increasing the employees' portion at this point and maybe eventually it might be something we need to do but this year is not the year that it needs to happen. Councilor Freeman feels we will have the money and we have other things to fall back on if it comes to pass that this 1M is unaffordable for us. He said we still have Foregone we can take and the way it is sounding we may not even have to take that 3% we don't know. Councilor Freeman stated that he is willing to accept the recommendation presented. Councilor Francis stated if we push the decision to June 26th can we look at changing the percentage and keep the same benefit adjustment that you have for scenario 1.2?

Councilor Francis would like to see what the impact is if we shift it by 2% and what is the impact if we shift by 3% because, without that information, we don't have enough to decide what we can afford. He said 1M out of what we are anticipating we get based on the April 21st decision is an awful lot of that amount and we can't control the cost of medical care with the other obligation we have in the city, he feels we should at least look at this. Megan Ricks offered to show those numbers now changing the ratios. Ms. Ricks stated if we keep the HSA at 91.50% and the 8.5 and change the PPO to 83.00% and 17 that shifts about 200K to the employees. Councilor Dingman pointed out that we are at 1.5 instead of 1.7 and if you look at the monthly cost for a family it goes from \$100 a month (\$50 per paycheck) and with the 85% the monthly cost to the employee is \$56 a month. Mayor Casper asked to show the number for just a 1% difference. The general fund is 941K and the cost to the employee is \$78 per month. Changing the HSA to 90.5% will shift about 150K to the employee and the impact on the general fund would be 920K saving about 80K. Councilor Freeman stated there is not a big enough difference to me to have the employees paying more. Councilor Radford agreed. Councilor Burtenshaw wanted to know how the city plan rate is relative to the other plans that you work with she asked if is this great insurance is it middle of the road? She asked, where do we stand relative to other clients, customers, and big organizations? Mr. Argyle said he pulled the data on this and in Utah the lowest deductible is around \$350 and the highest is \$3000 and in the middle of

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the road there is about \$1500 which is where we would be. He said the lowest out-of-pocket is \$1500 total and the highest is \$6400 and the medium is \$3000 which is where we are. Mr. Argyle stated in Idaho it's a little different it is about \$340 for the lowest deductible and the highest is \$8150 and the medium is \$1500 which is where we are. Mr. Argyle stated the out-of-pocket in Idaho is a little different the lowest out-of-pocket is \$1,925 and the highest is \$8150 and the medium in Idaho is \$5,000. Mr. Argyle stated if you are doing a comparison in Idaho, we are still significantly better than the trend and when you compared it to Utah, we are right in the middle. Councilor Hally is willing to go with the recommendation. Council President Dingman feels that looking at the survey she feels the employees would prefer to pay small incremental changes if I am going to be charged more and what they are least interested in is on the PPO side is a higher out-of-pocket maximum. Councilor Dingman feels that scenario 1.2 meets the needs and it is a smaller incremental change out of your bi-weekly paychecks. Councilor Radford feels that more predictability makes the most sense for the employees. He said we split the share we take a majority of the cost and feels we should work hard with our state representatives to see what choices we have because at some point for all these municipalities this is bankrupting people. Councilor Radford supports the recommendation and appreciates all the work put into it. Councilor Francis was glad he could see the numbers and now feels he can support scenario 1.2. Councilor Burtenshaw feels this will be unsustainable and feels that at some point we will have to look at a plan that shows dependents at 50% and that is what other employers are doing. Council President Dingman feels this is a fair way to split the cost in the current economic climate.

Mr. Argyle pointed out that we need to look at RX costs are 20 or 30% a year and that drives a big portion of that. Council President Dingman feels that is the key and the solution if we are staying in this market-driven plan. Mayor Casper asked if it was an option to have RX and health insurance separate. Mr. Argyle stated that we cannot do that anymore, but the Council can decide to go self-insured on part of that, he said we could talk to the carrier and partner with them and take out the RX and self-insured. He said everything would be the same process as going fully self-insured. Mayor Casper feels it could be an option depending on what happens with Mr. Cuban's offer.

It was moved by Councilor Freeman, seconded by Council President Dingman to accept option 1.2 as recommended. The motion carried by the following vote: Aye – Councilors Hally, Dingman, Radford, Freeman, Francis. Nay- Burtenshaw.

Councilor Burtenshaw stated that it's not because she doesn't think this is a good job and a good plan it is because she cannot see the whole budget. Councilor Burtenshaw feels the work that was done was excellent and is sure this is the best we can get out of the scenarios but cannot see it within the whole budget.

Mayor Casper asked Mr. Argyle to ask our carrier to extend our contract another month so that we will be able to see our whole budget by the time we are making these decisions with insurance. Mayor Casper gave an overview of the decisions made in this meeting. She stated that we did go with option 1.2 as per the vote we took, and those numbers can now be built into the budget. Mayor Casper stated the second thing is to ask if it is economically possible to ask them to give us a 13-month year. Mayor Casper stated the third thing is to find out if there is any value in finding out more about a self-insured RX and educate the Council a little more on that.

City Attorney-Revisions and Standardization of Title 3 of City Code:

City Attorney Randy Fife stated that normally what you would see in a draft is a tract changes version to be able to compare the old with the new in the same document. If those changes get to be so many that it is difficult to understand the changes then the Idaho Code allows you to delete the old one and substitute it with the new language. Mr. Fife stated he talked to each Director to have them check the work and one of the things we did was redact from every one of those chapters the job description of the department Director as being unnecessary because they have their job description and Human Resources oversees that and they change so to have elasticity and flexibility those are no longer in these chapters. Mr. Fife stated he also verified with directors that the duties and responsibilities in the chapter pertaining to them are consistent with what they think they do.

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Fife stated they added some broader language, and some catch-all language in those chapters so if they want to have divisions or segment their responsibilities or delegate them the directors will have the ability to do that without having to come to Council for approval. Mr. Fife stated the Council is not giving up their authority as a Council and if the Council wanted to be more directive for a particular department or in general the Council can pass a resolution that does that. He said if the Council wanted to direct a department individually, they could also instruct that department Director about what they want to see. The Council also has the authority to take an organizational chart and make changes to it so that it controls the hierarchy cities employees. In the absence of that this would delegate to the mayor the same authority. Mr. Fife stated even though the language is a little different and it is standardized we are not adding or subtracting from departments except in one instance. Mr. Fife stated in the Fire Department we had a whole section that regulated private ambulance companies. After speaking to the Fire Department, it seemed unnecessary because it is regulated by the state in a way it wasn't the case before and that wasn't seen to be the mission of the Fire Department to be regulating licensing of private ambulance companies and so that has been deleted. Mayor Casper asked if Mr. Fife could define the meaning of the words (section 1: 3-1-8) "No Private Duty". Mr. Fife stated setting these responsibilities out in the code does not allow a private citizen to sue that person or the city for failure by the department director from doing something. He said so you don't have a private right of action against the city. Mayor Casper stated this item should be on a City Council meeting agenda for approval at the end of the month.

Mayor and Council Reports- Calendars, Announcements, Events, Reports, Updates, Concerns, Questions, and Discussion:

- Mayor Casper noted that our next Council meetings will be on the 26th work session and the 29th Council meeting Mayor Casper noted she will not be attending the City Council meeting on the 29th so Council president Ziel-Dingman will be chairing the meeting. Mayor Casper stated APPA (American Public Power Association) meeting in Seattle Washington will be from June 16th to 21st. Mayor Casper stated there will be a ribbon cutting for Heritage Park coming soon and will provide more information soon.
- Council President Dingman stated station 7 opening is still scheduled for June 27th and as it gets closer will continue to update the Council. Councilor Dingman stated we had over 30 water rescues on the 23rd during the rainstorm and over 40 calls in the 2 hours that most of the water was coming down. That is a day's worth of calls in 2 hours. She noted the reports related to the rescues were incredible there was a video of the firefighter rescuing 2 little kids. Mayor Casper noted the police also had a lot of calls in that short amount of time and were involved in some impressive rescues. Councilor Burtenshaw stated there was confusion about some of the lift stations failing. She said they did not fail. The pumps did not fail it is just where the water gets pumped to was full of water. Councilor Burtenshaw stated the amount of rainfall that came down was somewhere between a 100- and 200-year flood, so the lift stations did not fail and there was not a failure of the system it was just an act of nature.
- Councilor Hally had nothing to report.
- Councilor Radford stated tentatively July 10th is the day for the launch of Funland and the name of the streets at Tautphaus Park. Councilor Radford said golf is having a great year even though they started two weeks later and the same for the Zoo. We have had record crowds even though we started two weeks late.
- Councilor Freeman stated he and Mayor Casper attended the meeting with the GA people about the security upgrades at the Airport last week. He said they have 15 hangers now that need to be included if they want the individual security and that is about \$50K per hanger. He said we could do a fence that wouldn't cost them anything. He said the people in the room were adamant that they wanted to have control of their own access and are willing to pay the money. He said all the 15 must agree and participate so there will be more discussion to decide what they want to do whether it's putting up the fence or having security installed on each door.
- Councilor Francis stated Chief Johnson gave us a list of a lot of community support for the police department, such as Creekside Counseling including a yoga program, and is all to help stress not only for

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the police officer but also for their families. Councilor Francis stated we also have a Chaplaincy program that has been helpful, and the foundation has been giving money to the department's programs like these to make them run. Councilor Francis said it was an impressive list of how much community support there is for the Police Department in Idaho Falls.

- Councilor Burtenshaw has one thing from Public Works. She stated we are spending ARPA money on the Pancheri bridge but the work happening on Pancheri bridge right now is not the city it is a project from the gas company and is boring under the river with their gas line and so this is not part of the scope of work that we are planning on doing this fall.

Mayor Casper announced that Catherine Smith started to work today with the city as the Economic Development Administrator. Mayor Casper stated she is excited and with Catherine's knowledge of the community and background will allow her to be able to provide that service approach. She said the bottom-line goal of that position is to make it easy and profitable to do business in this community. This is everything from employee housing and community amenities to how easy it is to get your permits through the city and everything in between.

Mayor Casper stated that concerning water supply, there is a hearing this week starting tomorrow in Boise and is scheduled to go on all week. She said the hearing is on the methodology order and the expectation is that it will be upheld and then after that they will go to court to try and figure it out. Mayor Casper said while all of this is going on we have legislators who are watching this and starting to vocalize so we may be seeing water rights issues in the coming legislative session. Mayor Casper encouraged Council members to keep the option open to go to AIC (Association of Idaho Cities) water day next January.

Mayor Casper distributed a couple of handouts she announced from AARP to nominate a volunteer for the AARP Andrus Award she said if you know someone worthy you can nominate them.

The second handout is a PowerPoint and advertisement for training the city employees were able to participate in. Mayor Casper stated the training was fantastic and 200 employees out of our roughly 700 employees participated in it. She said the training had to do with workplace safety and active shooter training.

Executive Session:

It was then moved by Councilor Francis, seconded by Council President Dingman, to move into Executive Session (at 6:01 p.m.). The Executive Session is being called pursuant to the provisions of Idaho Code Section 74-206(1)(f) to communicate with legal counsel for the public agency to discuss the legal ramifications of and legal options for pending litigation, or controversies not yet being litigated, but imminently likely to be litigated. Council will not reconvene after the Executive Sessions. The Executive Session will be held in the Idaho Falls Civic Center. At the conclusion of the Executive Session, the Council will not reconvene. The motion carried by the following vote: Aye - Councilors Hally, Burtenshaw, Dingman, Freeman, Francis, Radford. Nay – none

The City Council of the City of Idaho Falls met in Executive Session, Monday, June 5, 2023, in the Idaho Falls Civic Center located at 501 S. Holmes Avenue in Idaho Falls, Idaho at 6:03 p.m. June 5, 2023, Council Work Session.

There were present:

Mayor Rebecca L. Noah Casper
Council President Michelle Ziel-Dingman
Councilor John Radford
Councilor Tom Hally
Councilor Jim Freeman
Councilor Jim Francis
Councilor Lisa Burtenshaw

Also present:

Dylan Davis, legal intern

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Chris Frederickson, Public Works Director (departed at 6:18 p.m.)

Randy Fife, City Attorney

Michael Kirkham, Assistant City Attorney

Executive Sessions called pursuant to the provisions of:

The Executive Session was called pursuant to the provisions of **Idaho Code Section 74-206(1(f))** *To communicate with legal counsel for the public agency to discuss the legal ramifications of and legal options for pending litigation, or controversies not yet being litigated but imminently likely to be litigated. The Executive Session concluded at 6:35 p.m.*

There being no further business, the meeting adjourned at 6:35 p.m.

s/Corrin Wilde

Corrin Wilde, City Clerk

s/Rebecca L. Noah Casper

Rebecca L. Noah Casper, Mayor