

April 23, 2018

The City Council of the City of Idaho Falls met in Special Meeting (Council Work Session), Monday, April 23, 2018, in the Council Chambers in the City Annex Building located at 680 Park Avenue in Idaho Falls, Idaho at 3:00 p.m.

Call to Order and Roll Call:

There were present:

Mayor Rebecca L. Noah Casper
Councilmember Jim Francis
Councilmember Michelle Ziel-Dingman
Councilmember Shelly Smede
Councilmember Jim Freeman
Councilmember John Radford (arrived at 3:03 p.m.)

Absent:

Councilmember Thomas Hally

Also present:

Kerry Beutler, Community Development Services Assistant Director
Lisa Farris, Grants Administrator
Pamela Alexander, Municipal Services Director
Bruce Young, Accountant II
Chad Ranstrom, Moreton & Company
Greg Weitzel, Parks and Recreation Director
Chris Fredericksen, Public Works Director
Rob Harris, Holden Kidwell Hahn & Crapo, PLLC
Ryan Tew, Human Resources Director
AJ Argyle, American Insurance
Randy Fife, City Attorney
Bud Cranor, Public Information Officer
Kathy Hampton, City Clerk

Mayor Casper called the meeting to order at 3:01 p.m. with the following:

Acceptance and/or Receipt of Minutes:

It was moved by Councilmember Smede, seconded by Councilmember Dingman, to receive recommendations from the Planning and Zoning Commission pursuant to the Local Land Use Planning Act (LLUPA). Roll call as follows: Aye – Councilmembers Francis, Dingman, Freeman, Radford, Smede. Nay – none. Motion carried.

Calendar, Announcements and Reports:

Mayor Casper briefly updated the Council on the Airport Director position. She then reviewed the calendar as follows:
April 24, Association of Idaho Cities (AIC) Spring District Meeting
April 26, City Council Meeting
April 27, Arbor Day, the City will recognize Arbor Day on May 8; City-wide budget priorities discussion with department directors
April 29, Earth Day activities; Workers Memorial Day
May 7, Idaho Falls Power (IFP) Media Day
DARE graduations will be held in the following weeks
October 5, Policeman's Ball – Save the Date

Mayor Casper briefly reviewed discussions from her recent attendance at the Energy Communities Alliance (ECA) meetings regarding Department of Energy (DOE) issues.

Liaison Reports and Concerns:

April 23, 2018

Councilmember Dingman stated the month of May is National Bike Month, a variety of events will be occurring. She also stated the groundbreaking event and ceremony for the Maeck Education Center will be May 10.

Councilmember Radford commended IFP for the downtown lighting project.

Councilmember Freeman recognized the Water Conservation information recently distributed in the monthly utility bill. He stated the Pinecrest Golf Course pathway is progressing and, construction work is occurring on Elm Street (including Well 1) and Well 18.

Councilmember Smede stated the Bonneville County Library District is finalizing the contract for the Idaho Falls Library Board review. She also stated Community Development Services Department staff is currently attending a planning conference, information received will be forthcoming.

Councilmember Francis stated seven (7) recruits recently graduated from the Idaho Falls Fire Department (IFFD). He also stated the writing of a Police Department Personnel Manual has begun.

Community Development Block Grant (CDBG) Overview and Process:

Ms. Farris stated due to the approval of Department of Housing and Urban Development (HUD) funding, current projects will continue. She reviewed the CDBG process:

- May 10, 2018, Public Hearing at City Council Meeting

Ms. Farris stated the number of applicants has been reduced from previous years.

- May 11-June 10, 2018, 30-day public comment period
- June 11, 2018, final projects and activities selected at City Council Work Session
- June 14, 2018, Resolution at City Council Meeting to adopt the FY2018 CDBG Annual Action Plan
- June 18, 2018, FY2018 CDBG Annual Action Plan submitted to HUD for approval
- July/August 2018, HUD approves the FY2018 CDBG Annual Action Plan and allocation is sent
- August/September 2018, approved projects/activities may commit funding once the City completes environmental review, and applicable signed agreements

Ms. Farris indicated CDBG has received a significant increase, therefore all applicants should receive grant funding.

Hydroelectric Property Insurance Review:

Mr. Ranstrom stated this insurance policy is specifically for hydroelectric facilities. Coverage Summary includes: the City purchases property insurance for the hydroelectric facilities; \$100m loss limit per occurrence; includes coverage for damage arising out of earthquake, flood, and terrorism; and, deductible is \$250,000 except for flood (3% of total insured values or minimum \$500,000).

Mr. Ranstrom reviewed the policy structure with the various insurance companies, including Landmark and Insurance Company of the West; Aspen and Essex; and, Starr Tech. He reviewed the amounts of insurance coverage by each company. Mr. Ranstrom reviewed the historical values and premiums for the previous five (5) years. He noted in 2015-2016, \$50m was added in excess earthquake and flood coverage. The amount for 2018-2019 includes a mandatory \$7,625 engineering fee that was waived in the previous year. Mr. Ranstrom stated values are reviewed on an annual basis by IFP staff and conversations with IFP are ongoing. He indicated IFP is in agreement with the policy. Brief discussion followed regarding the insurance policy budget for IFP. Mr. Ranstrom stated this coverage is concentrated to the facility locations. Director Alexander stated the current policy expires April 29. This item will be included on the April 26 Council Meeting agenda.

Piranhas Swim Team Debt Request Discussion:

Director Alexander stated the Piranhas Swim Team, a non-profit organization, has approached the City to write-off the account balance owed of \$16,919.97 for Aquatic Center usage. The write-off request represents four (4) months of non-payment. Director Alexander indicated the Parks and Recreation (P&R) Department reviewed the financial documents and believes there are no viable financial resources to pay the debt. She believes the two (2) options are to assign the debt to a collection agency or to formally write-off the balance. Councilmember Smede questioned the debt history, as being as a parent to a swimmer, she stated all swim fees were required up front or there would be no participation. Councilmember Dingman believes the debt represents several months of swim fees not billed in the 30-day timeframe by the P&R department. Director Weitzel reviewed the billing history. He stated the swim team, as a 30-year swim team, repeatedly indicated they would pay the fees. He indicated the lack of payment has directly affected the Recreation Fund. Director Weitzel stated per the Controller's Office recommendation, the swim team

April 23, 2018

financial account was reviewed, there were no obvious discrepancies. He also stated discussion has occurred regarding a policy similar to the internal utility payment policy, if payment is not made within the designated time frame, the use will not be allowed. He believes this policy is a move in the right direction to prevent a similar occurrence. He expressed his frustration for non-payment to the City. It was noted the Piranhas Swim Team has since dissolved. Discussion followed including the possibility for the board members to perform in-kind services to help with the debt payment. Mr. Fife indicated the City agreement would need reviewed. Councilmember Francis believes there should be a middle ground for payment. Director Alexander indicated non-payment will cause a deficit to the Recreation Fund which may delay any current anticipated projects. She also indicated the financial action needs resolved as soon as possible. Director Weitzel stated the Piranhas have been a good partner for several years, including their assistance with grants and purchase of equipment. Councilmember Freeman believes the swim team provided a valuable service for ~30 years, he is in favor of a write-off as he does not believe there is intent with the non-payment. Brief discussion followed regarding insurance, a policy, and the responsibility for the debt. Councilmember Dingman is not in favor of an individual liability action. Councilmember Smede concurred. Councilmember Radford believes a prepayment method may solve this issue. Director Alexander indicated inter-departmental committees have been established to help with these types of issues. Additional discussion and comments followed. This item will be included on a future Council Meeting agenda.

Water Mitigation Measures Update:

Director Fredericksen stated the City has the potential each year for senior water users to make a water call which could then require curtailment of water. He stated a long-term mitigation plan has been discussed over the course of several years with the assistance of Mr. Harris. Director Fredericksen is hopeful two (2) agreements can be solidified in the coming year, including the City's annual mitigation method as well as cities allocation amount.

Mr. Harris briefly reviewed the term sheet presented at the January 19, 2018 Work Session, stating the Idaho Ground Water Appropriators (IGWA) have agreed to the language – “During the term of this settlement agreement, IGWA waives its ability to assert a delivery call requesting priority administration against the Cities based on any of IGWA's and/or its member ground water districts' spring water rights.” He reiterated this is a long-term mitigation plan. Mr. Harris reviewed the annual water rights priority process, stating the challenge is recognizing the anticipated water supply for the City. He stated through negotiations, 7,650 acre feet of water will be provided to the service water coalition on an annual basis. This amount will be provided to all participating cities. He stated there are currently 16 represented cities, which have submitted pleadings before the Idaho Department of Water Resources (IDWR) to have the mitigation plan approved. The mitigation plan is structured so other cities could also join in. The more cities that join in, the obligation would decrease from the 7,650 acre fee. Brief discussion followed regarding the cities involved and the potential cities. Mr. Harris noted a provision states if the IGWA obligation exceeds 340,000 acre feet, the mitigation would increase to 9,640 acre feet per year. He stated this is a 35-year agreement which provides a term for certainty and allows cities to develop additional water up to 120,000 acre feet on a five-year average. Mr. Harris stated, per the agreement, all cities which divert water will be provided an opportunity to participate in this settlement agreement. The term for participation is undecided at this point. He stated the term sheet is a set of provisions for the framework and the actual agreement is in the process of being drafted. Brief comments followed.

Mr. Harris stated there will be no water mitigation in 2018 by the order of IDWR. He indicated this item could be revisited in July if the water supply shuts off, although this is unlikely due to the current snow pack.

Mr. Harris stated discussion needs to occur regarding how to allocate the amount of water between cities. He believes a portion should be based on the City's pumping and a portion based on priority rights. He prefers an intra-City agreement for allocation of the 7,650 acre feet. He indicated this obligation amount is recalculated every year. Mr. Harris reminded the Council, per the IGWA settlement agreement, the cities are not tied to the sentinel wells. He also indicated the City could potentially rent water from Pocatello, if needed, for mitigation obligations. To the response of Councilmember Radford, Director Fredericksen stated the City has the ability, on average, to push 60,000 gallons per minute through the system. Mr. Harris stated one acre foot is equivalent to 325,850 gallons of water. The City pumps approximately 27,000 acre feet per year. Director Fredericksen stated the goal is to look at actual usage. Brief general discussion followed. Mr. Harris anticipates 60-90 days for future discussion of the final agreement, if needed.

April 23, 2018

Wages and Benefits Discussion, Part I:

Director Tew stated benefits offered to City employees, which are not paid-related, include: Medical, Dental, Life Insurance, Employee Assistance Program (EAP), PERSI, Telemedicine, Wellness Plan, and, Education Reimbursement. He noted the largest tax dollar amount of the benefit plan is spent on medical insurance. He then turned the presentation to Mr. Argyle.

Mr. Argyle stated American Insurance Service: is the current broker on the benefit package, has been in business since 1982; is the largest benefit brokerage in southeast Idaho; and, offers more services and has access to more resources than any other brokerage in southeast Idaho. American Insurance Service will be rebranding to GBS Benefits, Inc. in the near future. Mr. Argyle stated the City is fully insured on a one-way retention agreement. This agreement has the benefits of self-insurance without the risks. The City has saved millions of dollars with this agreement. The disadvantage is the premium tax, ~\$430,000.

Mr. Argyle reviewed the following with general discussion throughout:

- City Loss Ratio with Blue Cross of Idaho since 2008, overall average = 88.0.
- Trend line of claims

Mr. Argyle stated claims have been declining in the last several years, he believes this is due to demographics.

- Annual previous increase history
 - Overall average since 1992, 4.29%
 - 10-year average, 3.99%
 - 5-year average, .76%
 - Trend (medical inflation), generally between 8% and 12%
- Large claimant experience for previous six (6) years

Mr. Argyle stated 2.4% incurred 40% of claims during the 2017 calendar year.

- Annual premium increase history for the previous ten (10) years, 2017 = 0%

Mr. Argyle stated Health Savings Account (HSA) contributions are not covered in the total premium.

- Progression in increase of premiums for the previous ten (10) years
- Notable changes to the plan for the previous ten (10) years
- Reasons for moving to HSA and the large increase in deductible
- City contributions compared to national trends, including single and family coverage, deductibles, and, out of pocket maximum amounts
- National trend spouse coverage

Mr. Argyle indicated the City is considering the option to pay an employee not to offer coverage to spouse.

- HSA national trends
- Prescription national trends

Mr. Argyle stated 81% of plans had a three-tier or more drug formulary in 2015. Carriers are currently offering up to six-tier.

- Wellness trends, including the Healthy Measures process

Mr. Argyle stated the employee's annual deductible is reduced by half by participation in Healthy Measures.

- National trend, self-insured: 79% of large firms are self-insured, 61% of employees are self-insured

Mr. Argyle stated 30% reserve must be saved prior to moving to self-insured, which has been a goal of the City for numerous years. He indicated the City has approximately \$2.8m of \$3m needed to become self-insured.

- Teladoc, 63% of large firms offer Telemedicine

Mr. Argyle stated this benefit is mainly used by mothers. Brief comments followed regarding the use of Teledoc.

- March 2018 claims savings and utilization, total claims savings year-to-date = \$42,394
- Employee premium for the previous four (4) years for: employee; employee + spouse; employee + 1 child; employee + 2 + children; and, family
- Total premium and percentage paid by the City for the previous two (2) years

Mr. Argyle stated the City is currently paying ~90% of premiums. Director Tew noted there were no additional costs to premiums in the previous year.

- 2018-2019 renewal increase
 - Overall -4.85%

April 23, 2018

- PPO -3.8%
- HSA -9.5%
- Vision -8.6%
- Overall savings = \$457, 795

Mr. Argyle stated although there is no increase to the medical benefits, the dental benefit is increasing 4%, which equals ~\$300,000. He indicated there has been no dental increase for the previous two (2) years. Brief discussion followed. Mr. Argyle recommended the difference between the overall benefit savings and the dental increase be applied to the self-insured fund.

Director Tew stated future discussions will include Cost of Living Adjustment (COLA) and, any recommendations for insurance and benefits. General comments and discussion followed regarding plan changes, the upcoming City benefit fair, and a benefit survey.

It was then moved by Councilmember Dingman, seconded by Councilmember Radford, to adjourn the meeting at 5:57 p.m. and move into Executive Session. The Executive Session is being called pursuant to the provisions of Idaho Code Section 74-206(1)(c) to acquire an interest in real property which is not owned by a public agency; and, pursuant to the provisions of Idaho Code Section 74-206(1)(j) to consider labor contract matters authorized under Idaho Code Section 74-206(1)(a) and (b). The Executive Sessions will be held in the City Annex Conference Room. The City Council will not reconvene at the conclusion of the Executive Sessions. Roll call as follows: Aye – Councilmember Dingman, Smede, Francis, Freeman, Radford. Nay – none. Motion carried.

The City Council of the City of Idaho Falls met in Special Meeting (Executive Session), Monday, April 23, 2018, in the City Annex Conference Room in the City Annex Building located at 680 Park Avenue in Idaho Falls, Idaho at 6:03 p.m.

There were present:

Mayor Rebecca L. Noah Casper
Councilmember John B. Radford
Councilmember Shelly Smede
Councilmember Jim Francis
Councilmember Jim Freeman
Councilmember Michelle Ziel-Dingman

Also present:

Randy Fife, City Attorney
Greg Weitzel, Parks and Recreation Director

This Executive Session was called pursuant to the provisions of Idaho Code Section 74-206(1)(c) to acquire an interest in real property which is not owned by a public agency.

There being no further business, the Executive Session adjourned at 6:15 p.m.

The City Council of the City of Idaho Falls met in Special Meeting (Executive Session), Monday, April 23, 2018, in the City Annex Conference Room in the City Annex Building located at 680 Park Avenue in Idaho Falls, Idaho at 6:15 p.m.

There were present:

Mayor Rebecca L. Noah Casper
Councilmember John B. Radford
Councilmember Shelly Smede
Councilmember Jim Francis
Councilmember Jim Freeman

April 23, 2018

Councilmember Michelle Ziel-Dingman

Also present:

Randy Fife, City Attorney

Jackie Flowers, Idaho Falls Power Director

This Executive Session was called pursuant to the provisions of Idaho Code Section 74-206(1)(j) to consider labor contract matters authorized under Idaho Code Section 74-206(1)(a) and (b).

There being no further business, the Executive Session adjourned at 6:47 p.m.

s/ Kathy Hampton
CITY CLERK

s/ Rebecca L. Noah Casper
MAYOR