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The City Council of the City of Idaho Falls met in Special Meeting (Council Work Session), Monday, May 6, 2019, 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 Thomas Hally
Councilmember Jim Francis
Councilmember John Radford
Councilmember Michelle Ziel-Dingman
Councilmember Shelly Smede
Councilmember Jim Freeman

Also present:

Chris Fredericksen, Public Work Director
Jason Minzghor, Idaho Transportation Department (ITD), District 6 Engineer
Karen Hiatt, ITD, District 6 Engineering Manager
Kelly Hoopes, Horrocks Engineers, Project Manager
Ryan Day, ITD, District 6 Project Manager
Brad Cramer, Community Development Services Director
Rick Cloutier, Airport Director
Ryan Tew, Human Resources Director
AJ Argyle, Insurance Broker
Dave Radford, Bonneville County Commissioner and Targhee Regional Public Transportation Authority (TRPTA) Board Member
Randy Fife, City Attorney
Kathy Hampton, City Clerk

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

Acceptance and/or Receipt of Minutes:

There were no minutes to accept.

Calendars, Announcements and Reports:

May 7, Budget Watch
May 9, City Council Meeting
May 11, Community Park Playground Build; and, Stamp Out Hunger Day
May 13, Arbor Day Celebration
May 14, Budget and Levy Training; and, Domestic Violence and Sexual Assault Center (DVSAC) Event
May 15, Bonneville Metropolitan Planning Organization (BMPO) Policy Board Meeting; Public Works Construction Public Meeting; 23rd Annual Peace Officer Memorial; and, School District 91 (SD91) Master Plan Community Meeting
May 16, Idaho Falls Power (IFP) Board Meeting; and, ITD I-15/US-20 Public Meeting I and II
May 20, City Council Work Session; and, BMPO Community Ride
May 21, TRPTA Stakeholders Meeting
May 23, City Council Meeting
May 24, Ribbon Cutting for Community Park
May 25-27, Field of Honor Events
May 27, Memorial Day (City offices closed)
May 28, Idaho Falls Police Department (IFPD) Community Meeting, Strategic Plan

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Mayor Casper stated her Executive Assistant, Kami Morrison, last day with the City will be May 10. A temporary employee, Annel Rice, will be assisting in the Mayor's Office for several weeks.

Liaison Reports and Concerns:

Councilmember Hally had no items to report.

Councilmember Smede stated the Library Board contract is receiving final approvals. She also stated several plats with Community Development Services Department will be forthcoming. She noted Teacher Appreciation Week.

Councilmember Freeman stated RECreateIF survey results are being calculated, more surveys have been received than anticipated. He also stated discussion is occurring with ITD and SD91 regarding the Broadway crosswalk, and, summer construction preview will occur at Budget Watch.

Councilmember Francis noted the May 15 Public Works Public Meeting will be informative for the neighborhood street paving and water line installation.

Councilmember Radford stated there is a video presentation available of the hydro plant operations. He also stated the pavement project will be occurring in the near future at Community Park.

Councilmember Dingman had no items to report.

US20/I-15 Project Update with ITD:

Director Fredericksen introduced ITD personnel. He then turned the presentation to Mr. Hoopes. Mr. Hoopes stated a public meeting for the next phase of the US20/I-15 Project will be held May 16. Approximately 13,000 flyers were distributed for this meeting and the meeting format will include guided tours. Mr. Hoopes then presented a Planning Environmental Linkages (PEL) video. He stated ITD is still in the National Environmental Policy Act (NEPA) planning process. He then presented an additional introduction video. Mr. Hoopes reviewed Level 2, No-build, Alternatives. Alternative B will allow slip ramps for traffic to bypass Exits 118 and 119 and then merge back into traffic with US20. This alternative was removed from further consideration. Alternative C is similar to Alternative B although this alternative will extend the slip ramps beyond the City Center/Riverside Exit. This ramp will provide an additional Snake River crossing to the north. The current Lindsay Boulevard Exit would close. This alternative has been advanced to Level 3. Alternative D did not change the current US20 alignment although it included an additional alignment north of Exit 119. This caused additional weave issues. This alternative was removed from further consideration. Alternative E avoids weave issues although it still has fluid connectivity. Grandview would not be connected as an interchange and would become an overpass structure for local traffic. There would be a proposed new interchange north of Exit 119. The number of interchanges for the City would not change. Alternative E.1 would encourage more traffic at the Lewisville Exit, traffic would need to be determined at Science Center Drive. Alternative E.2 would allow an extra half mile and would separate the weave from Broadway and US20. Both E Alternatives have been advanced. Alternative F would allow couplets. This alternative was removed. Alternative G would separate the through traffic and the local traffic. This alternative was removed. Alternative H is very similar to Alternative G although Alternative H is a connectivity to US26. This alternative advanced. Mr. Hoopes stated any of these alternatives do not resolve the US20/I-15 exit. A split diamond interchange was also discussed. Alternative I is a continuation of Alternative H and encourages traffic to the west side to Exit 113. This alternative was removed as part of this project. Alternative J (came in at Level 2) would minimize the impacts of crossing the Snake River and would push I-15 traffic to the east side in the vicinity of the Hatch Pit. There was a loss of connectivity for in-town approach. This alternative was removed. Alternative K pushed traffic to the north. This alternative was removed. Mr. Hoopes stated ITD has been working with BMPO for overall and projected traffic/growth through 2045. He indicated these are very preliminary phases. The greatest good, greatest benefit, and, the least amount of impact is current being reviewed. He also noted the area surrounding the Airport has been discussed. Mr. Hoopes reviewed the PEL schedule, this planning and environmental study is expected to take about 18 months. He also reviewed the Post-PEL project schedule: 2020-2023 – NEPA Environmental Preliminary Design (pending project funding), 2024-2025 – final design, 2026-beyond – construction. Mr. Hoopes encouraged utilizing the web site and attendance at the public meeting. General comments followed. Ms. Hiatt indicated this project would be Federal/State funded. She also noted the procurement process has not yet been determined.

Moratorium Discussion and Update:

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Director Cramer indicated actions to lift the moratorium are scheduled for the May 9, 2019, Council Meeting. He stated lifting the moratorium will be considered as a resolution and will follow three (3) public hearings including amendment to the Comprehensive Plan Map, adoption of a new zoning ordinance of the Airport Overlay Zone, and, rezoning of properties that are impacted by the Airport Overlay Zone. Director Cramer stated adjustments have been made since the April 2, 2019, Planning and Zoning (P&Z) Commission meeting following public outreach meetings and recommendations. Amendments include a shift of the green belt and mixed use areas rather than low density residential. These adjustments were due to investment and planning previously made for the area, wanting to stay within the restricted area guideline, and, adjustments to size. Director Cramer noted a longer-range plan for this area is still being discussed. He compared Snake River Landing, which is just under 600 acres, to the Comprehensive Plan change, which is just over 600 acres. He believes there is adequate space for growth. Mayor Casper believes Community Development Services (CDS) has devised a plan that is as responsive as it can be. Director Cramer stated CDS has tried to respect property rights while protecting the airport. He stated this code has been reviewed by the airport, the airport consultants, and, the Federal Aviation Administration (FAA). Councilmember Freeman questioned the southern end of the airport. Director Cramer stated this area was previously anticipated so there was no need to modify the area at this time. He also stated there is no development pressure for the area at this time. Director Cramer noted the Comprehensive Plan Map does not follow property lines and has room for adjustments. Mr. Fife clarified the effect of these changes is only within City limits. Director Cramer and Director Cloutier reviewed the uses and restrictions in the Off Airport Land Use Map. General discussion and comments followed.

City Employee Wages and Benefits Discussion, Part 2:

Mayor Casper stated this discussion will include medical benefits. She indicated the preliminary wage and benefits discussion will assist with future department budget discussions. Director Tew concurred. She then turned the presentation to Director Tew and Mr. Argyle with general discussion throughout:

2019-2020 Medical/Dental/Vision Insurance Increase –

City Share	\$784,295
Employees Share	\$138,870
Total	\$923,165

Director Tew stated the City has experienced a sizeable increase in the rates. He noted there has been no increase in the previous two (2) years. Mr. Argyle stated there was a significant decrease in the overall rates in the previous year which has caused a significant increase in the current year. The average of five (5) years has been a 2.4% increase. Mr. Argyle stated the loss ratio is currently running at 85%, the Preferred Provider Organization (PPO) Plan was running at 100% loss ratio (these rates do not include the 15% administration fee that Blue Cross is allowed to take). He indicated the experience includes the City’s cost to Blue Cross versus claims paid out. Due to this increase Mr. Argyle does not recommend self-insurance at this time.

Potential methods for shifting costs –

- Change employer/employee previous splits - affects all covered employees
- Change PPO Plan Design - affects PPO plan users only
- Combination

Premium increase with different split scenarios –

PPO	HSA	City	+	Employee	= Total Increase
Current Split		\$784,295		\$138,870	\$923,165
1. 90/10	97/3	\$829,576		\$93,589	\$923,165
2. 88/12	96/4	\$630,915		\$292,250	\$923,165
3. 85/15	95/5	\$344,443		\$578,722	\$923,165

Mr. Argyle briefly reviewed Health Savings Account (HSA) and PPO benefits and deductibles. He stated PPO is driving the health care costs. He also stated the City has a one-way retention agreement. This agreement allows almost all of the benefits with none of the risks. The disadvantage of the one-way retention agreement is the premium tax. Mr. Argyle stated no other carriers will bid a one-way retention agreement.

Potential PPO Plan Design Changes

1. Increase office visit co-pay (0.9% reduction in total PPO cost)
2. Increase deductible (1.6% reduction)
3. Increase medical out-of-pocket maximum (1.3% reduction)

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4. Add brand RX deductible (2.5% reduction)

Director Tew reviewed recommended changes. He believes these recommended changes are the least impactful to the employees. Some changes would affect all employees while some changes would only affect certain employees.

- Office visit co-pay, change to \$40, -0.9% impact on premium, \$72,877 difference
- Deductible, change to \$1,250 individual/\$3,750 family, -1.6% impact on premium, \$129,559 difference
- Medical out-of-pocket, change to \$1,750 individual/\$5,250 family in-network change to \$2,250 individual/\$6,750 family out-network, -1.3% impact on premium, \$105,267 difference
- Prescription drugs, add \$250 brand Rx deductible (per person), -2.5% impact on premium, \$202,436 difference

Councilmember Francis questioned the cost of name brand prescriptions. Mr. Argyle stated if a general prescription were not available, the employee would end up paying the higher amount. Councilmember Hally stated he is in favor of spreading any costs equally to all employees. Councilmember Francis requested data showing the impact to the lower step and grade employees. Councilmember Smede believes health care benefits are beyond the City. Councilmember Radford believes general health care benefits are out of control. Mr. Argyle stated Blue Cross insures 70% of businesses in the State, therefore they are able to negotiate costs/discounts. Mayor Casper stated a decision will be needed for a cost of living adjustment (COLA) as well as insurance benefits by May 20. She stated this decision will be designed to help the employees and not balance the budget on the backs of the employees. Director Tew stated a 2.5% COLA plus the increase of benefits would amount to \$1.7M. Councilmember Hally prefers the City benefit cost share be reduced by ~\$200,000, he is in favor of changing the ratios of the premiums. Councilmember Freeman is not in favor of the \$250 Rx deductible. Councilmember Francis concurred. He would be in favor of the \$40 co-pay. Councilmember Dingman concurred. Councilmember Radford is in favor of the current ratio. Councilmember Dingman does not believe these recommended increases are a significant impact to the employees. Following consensus of the Council to shift some of the costs to the employees, Director Tew stated he will present additional scenarios.

Mr. Argyle reviewed Mandatory Case Management stating a nurse and/or health coach would be assigned to a high risk employee, spouse, or dependent who may not be controlling a health condition; this is the best option to help curve long-term costs; and, would be included as part of the wellness. There is no additional cost for this service. There was consensus of the Council to add the Mandatory Case Management.

Director Tew clarified the salary increase calculation per the April 22, 2019 COLA discussion. He stated the calculation includes the base, longevity, step increase, and, additional pay (for certain employees).

Discussion and Consideration of Local Match for Public Transit:

Mayor Casper stated the remaining members of the TRPTA board have been trying to resolve the recent closure of TRPTA as well as the challenges moving forward. She indicated TRPTA is focusing on past payroll for the TRPTA employees. She then turned the discussion to Councilmember Dingman. Councilmember Dingman stated on May 2, the TRPTA Board of Directors moved to terminate all employees due to the dire financial situation. The TRPTA Board of Directors also took action to handle operational duties and the proper disposal of the remaining TRPTA assets. She reiterated the priority is to pay the outstanding payroll as the employees did not receive their last paycheck(s) due to lack of funds. Councilmember Dingman stated a conference call occurred on May 3 with the Federal Transit Authority (FTA) and ITD regarding the Federal funding process. She indicated the local match describes the monies given to TRPTA by local governmental and community entities. The City of Idaho Falls, as the largest single source of local match, budgeted \$140,000 with quarterly payments of \$35,000. The City Council voted to withhold the third quarterly payment due to FTA sanctions. Shortly thereafter, the FTA refused to lift the sanctions, therefore, the City Council once again denied the third quarterly payment and requested a dissolution plan. Councilmember Dingman stated TRPTA currently has four (4) Board Directors, including herself, Bonneville County Commissioner Radford (acting Board Chair), City of Ammon Mayor Sean Coletti, and, City of Rexburg Mayor Jerry Merrill. She expressed her appreciation to Commissioner Radford and to the volunteer board. TRPTA currently has outstanding payroll liabilities of approximately \$100,000, this represents services rendered. TRPTA has two (2) lines of credit with a total balance amount of \$185,000. It is believed these lines of credit were primarily spent on payroll and other related operational expenses. Other expenses amount to \$15,000 for radio communication services and

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legal services, there may be unknown additional expenses. There is approximately \$11,000 in TRPTAs bank account as of May 2 due to deposits for Medicaid reimbursements. FTA has offered TRPTA an 80/20 match, with TRPTA providing 20% of the grant match, to cover current outstanding payroll liabilities. Councilmember Dingman emphasized the only way to tap into FTA funds is for local match to be given to TRPTA. The local match scenario is the foundation for the entire annual budget. The City of Idaho Falls is the only organization that provides funds on a quarterly basis versus an annual amount. Mayor Casper indicated the quarterly payments have been occurring for several years, TRPTA did not express any concern regarding these quarterly payments. Councilmember Dingman stated FTA has partially removed the echo suspension which will allow the Board to draw down funds from the FTA grants. She requested Council approval for the release of the \$35,000 quarterly payment to allow TRPTA to draw down the FTA matching funds of 80/20 ratio to allow payment to former TRPTA employees for services already provided/rendered. It was noted the City has currently paid two quarters (\$70,000) of the annual \$140,000 amount. Commissioner Radford reiterated additional unknown expenses. He stated TRPTA has been in partnership for 25 years and has performed services for a lot of people in need. He believes the employees should be treated fairly and quickly as possible. He indicated the TRPTA business model did not provide for any reserves. He believes there is an asset with the TRPTA building and resources available to move forward. He also believes more than the \$35,000 needs to be paid in order to access the grants to pay additional debts. Councilmember Dingman stated TRPTA will not receive the majority of money from the sale of assets, this will go to FTA and ITD. Mayor Casper stated the current request is for \$35,000 although there is an additional \$35,000 available for future needs. She clarified withholding the City money on April 1, 2019, was not the reason for the FTA sanction. Councilmember Dingman confirmed. She stated the FTA sanctions were a direct result of operational mismanagement and financial issues of the organization. The City's quarterly payment may have lessened the current liabilities but, TRPTA was a financially unstable organization regardless. Commissioner Radford expressed his concern for the line of credit at that time. Councilmember Freeman is in favor of paying the entire \$70,000 as TRPTA incurred this debt while serving the people in the City. Commissioner Radford indicated audit issues from 2016 had not been resolved. He also indicated there was no board discussion regarding reimbursements. Councilmember Dingman stated documents must be provided in a reimbursement process. Mayor Casper stated the City will not be receiving services for the fourth quarter of payment, she recommended holding the fourth quarter funds for future TRPTA needs or future investment of public transit. Councilmember Dingman noted program and administration costs are 80/20 match, operating costs could be reimbursed at 50/50. It was then moved by Councilmember Hally, seconded by Councilmember Freeman, to release the third quarter of payment for TRPTA for public match. Commissioner Radford stated the Board of Director will work closely to protect the assets. Councilmember Francis stated the information presented is what was requested by the Council. He believes the money could have been previously released. Roll call as follows: Aye – Councilmembers Dingman, Radford, Francis, Smede, Hally, Freeman. Nay – none. Motion carried. Commissioner Radford expressed his appreciation to Councilmember Dingman.

There being no further business, it was moved by Councilmember Radford, seconded by Councilmember Smede, to adjourn at 6:27 p.m. and move into Executive Session. 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. The Executive Session will be held in the City Annex Conference Room. At the conclusion of the Executive Session the Council will not reconvene into Regular Council Meeting. Roll call as follows: Aye – Councilmembers Radford, Freeman, Smede, Francis, Dingman, Hally. Nay – none. Motion carried.

The City Council of the City of Idaho Falls met in Special Council Meeting (Executive Session), Monday, May 6, 2019, in the City Annex Conference Room in the City Annex Building located at 680 Park Avenue in Idaho Falls, Idaho at 6:32 p.m.

There were present:

Mayor Rebecca L. Noah Casper

Councilmember Shelly Smede

Councilmember Michelle Ziel-Dingman

Councilmember Jim Francis

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Councilmember John Radford
Councilmember Thomas Hally
Councilmember Jim Freeman

Also present:

Pamela Alexander, Municipal Services Director
Bear Prairie, Idaho Falls Power General Manager
Chris Fredericksen, Public Works Director
Michael Kirkham, Assistant City Attorney
Randy Fife, City Attorney

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.

There being no further business, the Executive Session concluded at 7:00 p.m.

s/ Kathy Hampton
CITY CLERK

s/ Rebecca L. Noah Casper
MAYOR