

CITY OF POCA TELLO, IDAHO
CITY COUNCIL BUDGET
DEVELOPMENT MEETING
MAY 25, 2023

AGENDA ITEM NO. 1: Mayor Brian Blad called the City Council Budget Development
ROLL CALL Meeting to order at 9:00 a.m. Council members present were Linda
Leeuwrik, Corey Mangum, Josh Mansfield, Scott Marchand and
Brent Nichols. Council member Rick Cheatum was excused.

Mayor Blad made remarks clarifying the budget process.

AGENDA ITEM NO. 2: Gene Hill, Chief Financial Officer (CFO), was present to give a
FISCAL YEAR 2024 brief overview of budget development items to create the City's
BUDGET DEVELOPMENT Fiscal Year 2024 Budget
OVERVIEW

Mr. Hill gave an overview of the overall economic forecast for Fiscal Year 2024 highlighting topics pertaining to unemployment, inflation, local economic data and historical revenue trends. He added that the Association of Idaho Cities (AIC) has provided data pertaining to projected revenues. Mr. Hill stated that in order to keep up with current inflation trends, it is recommended that the Council consider the allowable 3% increase and 1% forgone balance. He clarified that Council guidance would be necessary for departments to build budget documents, but final decisions would be made at a later date.

Council members discussed the following topics: current inflation rates; state property tax relief efforts; employee retention; sales tax revenue estimates; and current state tax increase regulations.

Mr. Hill clarified that the final financial impact to taxpayers would be determined after final amounts were received from Bannock County.

AGENDA ITEM NO. 3: Gene Hill, Chief Financial Officer, (CFO) was present to discuss
FISCAL YEAR 2024 Fiscal Year 2024 projected revenue.
REVENUE FORECAST

Mr. Hill reviewed the revenue spreadsheets with Council members.

Council members discussed the following: estimated franchise fees, projected building permits, allowable tax amounts, allowable forgone amounts, projected liquor tax revenue, magistrate court fees, interest rates, and highway user revenue.

In response to questions from Council, Tom Kirkman, Deputy Public Works Director, stated that revenues were historically higher than anticipated.

A motion was made by Mr. Mansfield, seconded by Mr. Mangum, to direct staff to prepare preliminary budget documents using the projected general fund estimates as presented. Upon roll call, those voting in favor were Mansfield, Mangum, Leeuwrik, Marchand and Nichols.

BUDGET DEVELOPMENT MEETING
MAY 25, 2023

Mayor Blad called a recess at 10:02 a.m.

Mayor Blad reconvened the meeting at 10:13 a.m.

Mayor Blad announced that Agenda Item No. 5 would be considered at this time.

AGENDA ITEM NO. 5: Heather Buchanan, Human Resources Director, was present to give
NEW POSITION a presentation.
REQUESTS

Ms. Buchanan gave an overview of the process for department heads to request new positions for Fiscal Year 2024. She explained the definitions of full-time, half-time, part-time, seasonal and variable hour employees. Ms. Buchanan discussed add pays, benefits and compensation associated with the additional proposed positions. She reviewed the FY2024 position request summary for positions within the following departments: Ambulance, Water Pollution Control (WPC), Sanitation, Street, GIS, Finance and Human Resources.

In response to a question from Council, Ryan O'Hearn, Fire Chief, clarified that the paramedic positions requested in the Ambulance department have been removed and may be considered in Fiscal Year 2025. The original request was in response to Bannock County's request for ambulance service in the southern areas of the county. Commissioners have indicated that the service is not anticipated to occur until Fiscal Year 2025.

In response to a question from Council, Ms. Buchanan gave an overview of the pay charts and procedures for personnel and requested positions.

Tom Kirkman, Deputy Public Works Director, stated that the requests within the Sanitation Department correspond with the additional commercial and roll-off services, which generate revenue. Additional personnel are requested to keep up with the demand for those services provided. He added that efficiencies within the department have led to expansion of many services.

Council discussed the following topics: composting program, equipment maintenance, program sustainability, and staffing requests.

A motion was made by Mr. Mangum, seconded by Mr. Mansfield, to direct staff to prepare preliminary budget documents to include new Sanitation Department positions, as requested. Upon roll call, those voting in favor were Mangum, Mansfield, Leeuwrik, Marchand and Nichols.

Levi Adams, Water Pollution Control Superintendent, gave an overview of the two requested WPC Treatment Facility Assistant positions requested.

BUDGET DEVELOPMENT MEETING
MAY 25, 2023

A motion was made by Mr. Mansfield, seconded by Mr. Mangum, to direct staff to prepare preliminary budget documents to include new WPC Department positions, as requested. Upon roll call, those voting in favor were Mansfield, Mangum, Leeuwrik, Marchand and Nichols.

Tom Kirkman gave an overview of the four (4) requested Street Department positions requested. He stated that new roads are added within the city each year, without an increase in personnel. Stormwater requirements have increased and positions related to stormwater are necessary. A Data Analyst is requested and three Senior Equipment Operator positions are requested.

A motion was made by Mr. Mangum, seconded by Mr. Mansfield, to direct staff to prepare preliminary budget documents to include three Senior Equipment Operator positions within the Street Department, as requested. Upon roll call, those voting in favor were Mangum, Mansfield, Leeuwrik, Marchand and Nichols.

A motion was made by Mr. Mangum, seconded by Mr. Mansfield, to direct staff to prepare preliminary budget documents to include one Street Department Data Analyst position, as requested. Upon roll call, those voting in favor were Mangum, Mansfield, Leeuwrik and Nichols. Marchand voted in opposition to the motion. The motion passed.

Ms. Buchanan gave an overview of the requested GIS Analyst position.

Ryan Howerton, GIS Coordinator, stated GIS service demands are increasing within the city as growth is seen. Services are used heavily by the following departments: Planning, Police, Parks, Fire, WPC and Water Departments. He added that the City GIS department coordinates with Idaho State University (ISU) and Bannock County. The use of ISU interns is helpful, but a full-time position is necessary to keep up with the services necessary.

Council members discussed the following topics: ISU student intern turnover rate; pre-planning services for Fire and Police; data quality control; and current operating costs.

A motion was made by Ms. Leeuwrik, seconded by Mr. Mansfield, to direct staff to prepare preliminary budget document to include a new GIS Analyst position, as requested. Upon roll call, those voting in favor were Leeuwrik, Mansfield, Mangum and Nichols. Marchand voted in opposition to the motion. The motion passed.

Mr. Hill gave an overview of the requests for a Financial Systems Technician and Management Assistant within the Finance Department.

A motion was made by Mr. Mangum, seconded by Mr. Marchand, to direct staff to prepare preliminary budget documents including the new Financial Systems Technician and Management Assistant positions within the Finance Department, as requested. Upon roll call, those voting in favor were Mangum, Marchand, Leeuwrik, Mansfield and Nichols.

BUDGET DEVELOPMENT MEETING
MAY 25, 2023

Ms. Buchanan reported that the request for the HR Generalist position within the Human Resources Department had been rescinded and may be considered at a later date.

Mayor Blad announced that Agenda Item no. 4 would be considered at this time.

AGENDA ITEM NO. 4: Heather Buchanan, Human Resources Director, was present to give a presentation regarding employee benefits plans and PERSI. HEALTH INSURANCE AND PERSI

Ms. Buchanan and AJ Argyle, representing GBS Benefits, gave an overview of the requested items pertaining to benefits. Ms. Buchanan outlined upcoming changes to the Public Employee Retirement System of Idaho (PERSI). She stated that in accordance with Idaho Code, an adjustment would be in effect July 1, 2023 adjusting public safety and general member contribution rates. Ms. Buchanan outlined changes to the Employee Assistance Program (EAP).

Ms. Buchanan outlined the following action items pertaining to benefits:

1. Medical/RX Plan – Medical and prescription expenses have risen based on national trends and utilization. Blue Cross of Idaho is the current provider and has reported a 9.98% increase in premiums for the upcoming year. GBS organized a Request for Proposal with four respondents returning proposals which indicate an increase to FY2023 rates.

Council members discussed potential costs to employees and various changes to the current medical provider.

A motion was made by Mr. Mansfield, seconded by Ms. Leeuwrik, to direct staff to prepare preliminary budget documents by continuing services with Blue Cross of Idaho as a medical/prescription coverage provider for FY2024 for the purposes of budget construction. Upon roll call, those voting in favor were Mansfield, Leeuwrik, Mangum, Marchand and Nichols.

2. Vision Carrier and Plan – A carrier change is recommended for vision insurance. Vision coverage is currently 100% paid for by the employee. Two plans will be available to employees with network and coverage amounts to vary based on the employee's plan selection.

A motion was made by Mr. Mangum, seconded by Mr. Mansfield, to direct staff to prepare preliminary budget documents to change carrier services to Metlife as a vision carrier for FY2024 for the purposes of budget construction. Upon roll call, those voting in favor were Mangum, Mansfield, Leeuwrik, Marchand and Nichols.

BUDGET DEVELOPMENT MEETING
MAY 25, 2023

3. Vision Funding – Currently, the vision benefit is 100% paid by employees. Council is asked to consider funding 95% of the vision benefit for employees only and that employees would pay for any costs above the set amount.

A motion was made by Mr. Mangum, seconded by Mr. Marchand, to direct staff to prepare preliminary budget documents and approve funding 95% of the vision benefit for employees only and that the employees would pay for any costs above the set amount for the purposes of budget construction.

In response to a question from Council, Ms. Buchanan stated that if the vision benefit were to be funded 100% by the City, the total cost would be approximately \$321,000.

Mr. Mangum withdrew his motion.

A motion was made by Mr. Mangum, seconded by Mr. Marchand, to direct staff to prepare preliminary budget documents and approve funding 100% of the vision benefit for employees only for the purposes of budget construction. Upon roll call, those voting in favor were Mangum, Marchand, Leeuwrik, Mansfield and Nichols.

4. Workers Compensation Modifier – Currently, the Workers Compensation modifier is 90% and that minimum funding for the fund should be 100-120%. It is recommended that the Council consider increasing the Workers Compensation modifier by 5%.

In response to a question from Council, Anne Butler, Parks and Recreation Department Director and former Risk Manager, explained that Workers Compensation is partially self-insured and that the modifier is the amount the City pays itself based upon safety history.

A motion was made by Ms. Leeuwrik, seconded by Mr. Mangum, to direct staff to prepare preliminary budget documents and approve an increase of 5% to the Workers Compensation Modifier funding for the purposes of budget construction. Upon roll call, those voting in favor were Leeuwrik, Mangum, Mansfield, Marchand and Nichols.

5. Employee 5-year milestone HRA VEBA Contribution – This employee retention tool would allow for an HRA VEBA contribution of \$2,500 for active employees enrolled in the City-sponsored medical plan in FY2024 and would be paid upon 5-year milestones for employees based upon years of service.

Council members discussed the following topics: employee retention; employee eligibility; and overall cost to establish and continue the plan.

A motion was made by Mr. Mansfield, seconded by Mr. Mangum, to direct staff to prepare preliminary budget documents establishing an employee 5-year milestone \$2,500 HRA VEBA contribution program

BUDGET DEVELOPMENT MEETING
MAY 25, 2023

for active employees for the purposes of budget construction. Upon roll call, those voting in favor were Mansfield, Mangum, Leeuwrik, Marchand and Nichols.

6. Bereavement Leave - Ms. Buchanan reviewed the current Bereavement Leave Policy and discussed proposed policy changes. She stated that the proposed changes would have no budget impact.

A motion was made by Mr. Marchand, seconded by Ms. Leeuwrik, to direct staff to prepare appropriate documents amending the current Bereavement Leave Policy to be brought before Council for consideration at a future Regular City Council meeting. Upon roll call, those voting in favor were Marchand, Leeuwrik, Mangum, Mansfield and Nichols.

7. Tuition Reimbursement – Ms. Buchanan explained that the tuition reimbursement fund requests are a result of unused FY2023 projected expenditures. The allocations have been adopted in policy and are also defined in the Police and Fire Union Collective Bargaining Agreements.

A motion was made by Mr. Mangum, seconded by Ms. Leeuwrik, to direct staff to prepare preliminary budget documents amending Tuition Reimbursement allocations, as outlined. Upon roll call, those voting in favor were Mangum, Leeuwrik, Mansfield, Marchand and Nichols.

8. Safety Footwear Program – The Safety Footwear Program policy was adopted in 2019 to provide a standard for safety footwear and aligning with IRS requirements and ensuring equal application among departments. An increase to each category in the amount of \$50 is recommended.

A motion was made by Mr. Mangum, seconded by Ms. Leeuwrik, to direct staff to prepare preliminary budget documents increasing Safety Footwear Program allocations, as outlined. Upon roll call, those voting in favor were Mangum, Leeuwrik, Mansfield, Marchand and Nichols.

9. Bilingual Pay – The current Bi-Lingual Program offers employees a flat payment amount of \$300 to compensate for their interpretation services. The proposed program would require adoption of a new policy and tiered payment per pay period plan and employees would be compensated depending upon their proficiency level of interpretation. Sworn Police, Police Civilians and Fire employees would comply with their defined CBA, as defined.

A motion was made by Mr. Mangum, seconded by Ms. Leeuwrik, to direct staff to prepare preliminary budget documents and appropriate policy documents amending the current Bi-Lingual Program Policy to be brought before Council for consideration at a future Regular City Council meeting. Upon roll call, those voting in favor were Mangum, Leeuwrik, Mansfield, Marchand and Nichols.

BUDGET DEVELOPMENT MEETING
MAY 25, 2023

10. Retirement Gifts – The current retirement gift benefit provides for retirement gifts as a lump sum on the employee’s final check. The practice has not been adopted as a formal policy. The amount of the retirement gift is dependent upon the number of years of service of the retiree.

A motion was made by Mr. Marchand, seconded by Ms. Leeuwrik, to direct staff to prepare preliminary budget documents and appropriate policy documents to adopt a formal Retirement Gift Benefit Policy to be brought before Council for consideration at a future Regular City Council meeting. Upon roll call, those voting in favor were Marchand, Leeuwrik, Mangum, Mansfield and Nichols.

Mayor Blad called a recess at 12:50 p.m.

Mayor Blad reconvened the meeting at 1:45 p.m.

Council member Mangum was excused from the meeting at this time.

AGENDA ITEM NO. 6: Heather Buchanan, Human Resources Director, was present to give
SALARY AND PAY presentations on Fiscal Year 2024 Compensation topics.
SCALE DISCUSSION

Ms. Buchanan gave an overview of the seven (7) pay scales which the City operates: 1) Police Sworn, which is covered under a Collective Bargaining Agreement (CBA); 2) Police Management; 3) Fire, which is covered under a CBA, 4) Fire Management; 5) General employee; 6) Seasonal; and 7) Variable hour, which was adopted in FY2023 for non-benefitted positions that have a full-time equivalent position.

1. Sworn Police Management Pay Scale – Recommended 3.5% increase to the pay scale and addition of step 9, matching the Collective Bargaining Agreement (CBA).

A motion was made by Mr. Mansfield, seconded by Mr. Marchand, to direct staff to prepare preliminary budget documents with a recommended 3.5% increase to the Sworn Police Management Pay Scale and addition of Step 9. Upon roll call, those voting in favor were Mansfield, Marchand, Leeuwrik and Nichols.

2. Fire Management Pay Scale – Recommended 3.5% increase to the pay scale and one (1) step movement. The Fire CBA is 3.5% and there are no steps, but longevity advancement continues.

A motion was made by Mr. Mansfield, seconded by Mr. Marchand, to direct staff to prepare preliminary budget documents with a recommended 3.5% increase to the Fire Management Pay Scale and one (1) step movement. Upon roll call, those voting in favor were Mansfield, Marchand, Leeuwrik and Nichols.

BUDGET DEVELOPMENT MEETING
MAY 25, 2023

3. General Employee Pay Scale – Recommended 3.5% increase to the General Employee pay scale and one (1) step movement for all eligible employees.

Council members discussed the following topics: General inflation rates; current Collective Bargaining Agreements; step and grade pay scale operation; one-time payments; wages and benefits; and wage sustainability.

A motion was made by Mr. Mansfield, seconded by Mr. Nichols, to direct staff to prepare preliminary budget documents with a recommended 3.5% increase to the General Employee Pay Scale and one (1) step movement for all City general employees. Upon roll call, those voting in favor were Mansfield, Nichols, Leeuwrik and Marchand.

Mr. Nichols asked Human Resources representatives to provide Council a projected 5-year estimate for employee compensation.

4. Seasonal Pay Scale – Recommended 10% increase to the Seasonal pay grade chart; 10% between grades; standardized 3.5% between steps and addition of steps 7 and 8 for retention of long-term employees or highly-skilled hires.

A motion was made by Ms. Leeuwrik, seconded by Mr. Marchand, to direct staff to prepare preliminary budget documents with a recommended 10% increase to the Seasonal pay grade chart, 10% between grades, standardized 3.5% between steps and addition of steps 7 and 8 for retention of long-term employees or highly-skilled hires. Upon roll call, those voting in favor were Leeuwrik, Marchand, Mansfield and Nichols.

5. Elected Officials – Current compensation of Mayor and Council members.

Ms. Buchanan stated that salaries for Mayor and City Council members are adopted by ordinance and the current ordinance has been in place since 2020. She added that the current ordinance does not have a provision for annual cost of living increases for Mayor and Council salaries. Ms. Buchanan clarified that according to Idaho Code, consideration for changes to Mayor and Council salaries can only take place during an election year and that it cannot be considered in 2024.

Council discussed the following: Possibility for regular salary increases; Mayor/Council salaries as compared to surrounding and comparable cities; value of each position; and comparable salary increases for general City employees since 2020.

A motion was made by Mr. Mansfield, seconded by Mr. Marchand to instruct staff to build the preliminary budget with an increase of 3.5% to the Mayor's salary and a 2% increase to the Mayor's salary in future Fiscal Years 2025, 2026, 2027 and 2028. Mr. Mansfield withdrew his motion.

BUDGET DEVELOPMENT MEETING
MAY 25, 2023

A motion was made by Mr. Mansfield, seconded by Mr. Marchand to instruct staff to build the preliminary budget with an increase of 11.4% to the Mayor's salary and a 2% increase to the Mayor's salary in future Fiscal Years 2025, 2026, 2027 and 2028.

Mr. Mansfield clarified that the increase would be equal to the general employee increases over the past four (4) years.

Mr. Mansfield's motion was voted upon at this time. Upon roll call, those voting in favor were Mansfield, Marchand, Leeuwrik and Nichols.

A motion was made by Ms. Leeuwrik, seconded by Mr. Mansfield to instruct staff to build the preliminary budget with an increase of 11.4% to the City Council's salary and a 2% increase to the City Council's salary in Fiscal Years 2025, 2026, 2027 and 2028.

Ms. Leeuwrik clarified that the increase would be equal to the general employee increases over the past four (4) years.

Ms. Leeuwrik's motion was voted upon at this time. Upon roll call, those voting in favor were Leeuwrik and Mansfield. Marchand and Nichols voted in opposition to the motion.

Due to a tie in voting, Mayor Blad cast the deciding vote. Mayor Blad voted in favor of the motion. The motion passed.

6. Seasonal/Variable/On-call/Call out Overtime/Working out of Class (WOOC) budget amounts – Departments developed up-to-date, actual costs for Seasonal/Variable/On-Call/Call Out/Overtime/WOOC line items.

Ms. Buchanan gave an overview of the proposed increases due to wage increases and proposed table adjustments (See HR Handout #2, 5/25/2023 Comp).

A motion was made by Mr. Mansfield, seconded by Mr. Marchand, to direct staff to prepare preliminary budget documents directing departments as outlined in Action Item No. 6 (See HR Handout #2, 5/25/2023 Comp) that spent less than 75% of FY2023 budget amounts to remove applied percentage increase and identify the amount spent and identify possible reductions to those amounts during individual department presentations. Upon roll call, those voting in favor were Mansfield, Marchand, Leeuwrik and Nichols.

Ms. Buchanan gave an overview of the requested proposed increases for On Call, Call out and Overtime. She clarified the name of the Overtime budget line includes charges which are not solely overtime. In response to questions from Council, Ms. Buchanan stated that if the overtime charges exceed the department budget amount, each department absorbs the expense within their operating budget. (See HR Handout #1, 5/25/2023 Comp).

BUDGET DEVELOPMENT MEETING
MAY 25, 2023

A motion was made by Mr. Mansfield, seconded by Ms. Leeuwrik, to direct staff to prepare preliminary budget documents directing departments as outlined in Action Item No. 6 (See HR Handout #1, 5/25/2023 Comp) during individual department presentations identifying possible decreases in operational requests. Upon roll call, those voting in favor were Mansfield, Leeuwrik, Marchand and Nichols.

AGENDA ITEM NO. 7: Finance staff and department heads were present to discuss
FISCAL YEAR 2024 proposed fee increases.
PROPOSED FEE
INCREASES

Council members discussed the following topics: Fee structure for water fees; regular membership fees at the Community Recreation Center (CRC); proposed increases to cemetery fees; resident and non-resident cemetery fees; and other possible discounts for residents.

Mayor Blad was excused from the meeting at 3:32 p.m.

Levi Adams, WPC Superintendent, clarified that the proposed rate increase for residents inside city limits is \$32.83. He apologized for the error on the slide.

AGENDA ITEM NO. 8: There being no further business, Council member Leeuwrik
ADJOURN adjourned the meeting at 3:35 p.m.

APPROVED:

BRIAN C. BLAD, MAYOR

ATTEST AND PREPARED BY:

KONNI R. RENDELL, CITY CLERK