

CITY OF POCA TELLO, IDAHO
SPECIAL CITY COUNCIL MEETING
BUDGET RESTRUCTURING
JANUARY 7, 2016

AGENDA ITEM NO. 1: The City Council Budget Restructuring meeting was called to
ROLL CALL order at 9:16 a.m. by Mayor Brian Blad. Council members
present were Steve Brown, Craig Cooper, Jim Johnston, Gary
Moore, Eva Johnson Nye and Michael L. Orr.

CITY DEPARTMENT PRESENTATIONS-

It was announced that Department presentations would be given at this time. Presentations will include the following: 1. Employees; 2. Total Budget; 3. Activity or service the department provides; 4. Percentage of city services supported by taxes and percentage that are supported by user fees; 5. Ideas to increase city revenues; and 6. Future needs.

-MAYOR/COUNCIL Anne Nichols, Assistant to the Mayor, provided information
DEPARTMENT regarding the Mayor/Council Department. Ms. Nichols
explained there are 11 total positions in the department: 4
full-time positions, one half-time position and 6 Council member positions.

Ms. Nichols gave a partial breakdown of the activities and/or services the department provides. They include: 1) set policies and laws; 2) set budgets; 3) appoint and confirm Advisory Board Members; 4) Economic Development; 5) prepare and distribute City Council Agendas and minutes; 6) oversee record policies; 7) oversee Elections; 8) oversee Advisory Boards; 9) update Mayor/Council Webpages; 10) schedule City Hall Conference Rooms and room equipment; and multiple other duties as staff interacts with the public and other agencies.

Ms. Nichols noted the total budget for Fiscal Year 2016 is \$656,172.00 which 91.60% is tax supported and 8.40% is fee supported (Beer/Wine/Liquor licenses). The following breakdown of the budget was reviewed: Salary/benefits \$528,766.00; insurance \$5,227.00; Admin. Fee \$42,502.00; Operating \$79,677.00. Ms. Nichols stated \$55,122.50 is the actual revenue for Fiscal Year Fiscal Year 2015.

IDEAS TO INCREASE REVENUE: 1) increase Beer/Wine/Liquor Fees/ and 2) Conference Room Rental Fees for Outside Agencies. It would need to be determined which department would receive room rental fees. This is unknown because the Mayor's office tracks scheduling however, the Building Department provides maintenance of the conference rooms.

FUTURE NEEDS INCLUDE: Software Product-OnBase Workflow and Electronic Record Management was reviewed. It was noted the use of electronic record management has greatly reduced the amount of paper handled by staff and enhanced staff time. Ms. Nichols mentioned staff is researching software options for taking City Council minutes to replace outdated software. It was mentioned staff would like to start saving for a new department vehicle and office furniture. The department's vehicle currently has over 100,000 miles and is the only source of transportation for traveling out of town for City business by the Mayor and staff.

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-HUMAN RESOURCES DEPARTMENT Kim Smith, Human Resources Director, gave an overview of the Human Resources (HR) Department. Ms. Smith stated she would review the following topics: Staffing, Responsibilities, Budget, Revenue and Expenses, Future needs (Direction).

STAFFING – 5 full-time employees which includes: HR Director, two HR Consultants, Safety and Wellness Coordinator; and HR Administrative Assistant. This staffing level has remained unchanged since 2009.

RESPONSIBILITIES – Employment (approximately 1,800 applications processed per year); Civil Service (Police and Fire) application and hiring process is complicated; Employee Benefits; Compensation Management; Employment Law Compliance; Employee Safety (includes Workers Compensation) and Wellness; Performance Management; Labor; Personnel Policy; and Administration.

Civil Service positions were discussed and the difficulty of recruiting and finding individuals that are able to pass the testing and meet the criteria to become an officer or firefighter. This is a nationwide issue and HR staff is working with Police and Fire chiefs to evaluate the hiring process.

General discussion regarding the City's Continuing Education Program followed. It was mentioned an incentive to encourage employees to remain with the City once their degree is obtained is needed. It was noted that most employees utilizing the Program are working on their bachelor's degree and many are related to their position. Council is interested in receiving a quarterly report of employee exit interviews.

Compensation management was reviewed. It was noted that a Classification and Compensation Study has been in progress spanning a two year period. Currently HR staff receives approximately 20 classification review requests per year. It was clarified that current positions are reevaluated when a request is received from a supervisor.

Administration duties were reviewed. Seven hundred (700) timesheets are processed each pay period, payroll garnishments, ISU Work Study Program, Employment Verification and general inquiries.

BUDGET FISCAL YEAR 2016 – \$501,640.00 is supported 100% through interfunnds from each department. HR Division largest expense items are: \$14,301.00 – Employee Assistance Program; \$12,000.00 – Management Training and Development; and \$5,400.00 – Drug Testing. Wellness Division budget is \$96,940.00. The largest expense items are: \$25,000.00 - Health Fair; \$20,000.00 - Mercer Consulting; and \$19,625.00 - Tangible Incentives and Supplies.

Ms. Smith reviewed measures of efficiency for the department. She noted there are .9 HR staff for every 100 employees (full-time and half-time) served. This number changes to .7 HR staff for every

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100 employees if part-time employees are included. Ms. Smith stated the benchmark is 1.3 staff per 100 employees. Wellness expense per Employee is \$176.00 and the benchmark is \$300.00 to \$400.00.

REVENUE AND EXPENSES – Ideas to decrease expenses for HR is to: 1) transfer cost of drug tests to user departments; 2) spread cost of the Employee Assistance Program among departments; 3) transfer cost of retirement gifts to retiree's department; and 4) transfer cost of health club reimbursements to user departments. Ms. Smith did not feel there would be a significant impact to implement the changes. The funds allocated from all departments would just change hands and there will be no difference in actual costs for the City.

FUTURE NEEDS (DIRECTION) – Evolve from administrative function and invest in technology to perform functions such as: benefits administration, time and attendance, performance management and personnel file maintenance. If the administrative tasks are automated, HR staff will be able to spend time with organization development and consulting such as: Workforce Planning; Onboarding; Leadership Development; Succession Management; and Employee Engagement.

Ms. Smith reviewed the new automated employment application process. The new process has saved staff time and she would like to move forward to automate other functions. The employee timesheet process was reviewed and the potential cost savings if this process was automated.

Chris Sorenson, Information and Technology Director, reviewed software available that would reduce staff time to complete the bi-weekly payroll process. He feels the current process is outdated and there are multiple options that can be beneficial to the City. Mr. Sorenson mentioned funds to purchase the software will be recovered with savings from staff labor and the elimination of paper timesheets.

Joyce Stroschein, Chief Financial Officer/Treasurer, explained a control will need to be in place so actual employee hours worked are reported correctly. She added that supervisors or managers must be able to verify the reported hours worked. Ms. Stroschein will check with the City's auditor to make sure the software being proposed does not make the City a high risk for payroll processing control.

Mayor Blad called for a recess at 10:35 a.m.

Mayor Blad reconvened the meeting at 10:46 a.m.

-COMMUNITY MEDIA
 DEPARTMENT

Logan McDougall, Public Information Officer for the City and Community Media Department, Director, gave an overview of his department. Mr. McDougall stated the department's mission is: Community Access Television is a public forum which helps build

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community through communication. It offers a unique and powerful venue for citizen expression and promotes community dialogue.

Mr. McDougall stated his department provides a variety of programs. He acknowledged Ken Wilson, a long-term employee and his positive impact within the department.

SERVICES PROVIDED - Government Access Channel 56 airs "Gavel to Gavel" coverage of Pocatello City Council meetings; Planning and Zoning; Calling City Hall as well as School District No. 25 Board meetings and Candidate forums during election years.

Access Programming Channel 64 aired 970 programs in Fiscal Year 2015. These include 94 live studio; 249 taped studio; 124 twelve tone (radio); 114 on location; 81 local import; 223 import; 58 council chambers; and 27 shorts.

It was noted that Cable One provides access to both channels. However, the meetings can be streamed live on a tablet or other electronic device.

EMPLOYEES AND BUDGET - Mr. McDougall stated there are 6 employees in the department. (3 full-time and 3 half-time employees.) Fiscal Year 2016 Budget for the department is \$305,754.00 of which approximately 8% is taxes; 88% is Cable Franchise Fees; 2% General Charges and 2% from the City of Chubbuck.

INCREASE REVENUE IDEAS – Increase dub charges (minimal increase to revenue); Hire out video services (direct competition with private business); Monetize YouTube (pays fraction of a cent per view); and research available grants (limited availability, competitive landscape).

FUTURE NEEDS– 1) High Definition Conversion (currently broadcasting in 4:3) estimated cost \$45,000 – \$60,000; and 2) Continued Transition to Online Model (online and on-demand, streaming already utilized, on-demand). Noted already utilizing streaming and this will increase.

Mr. McDougall shared his concerns with the decrease in cable franchise fees. In 2015, research firm Pacific Crest showed households with cable are down 10% in the past five years. Mr. McDougall clarified that franchise fees are only tied to cable television and not the internet even though they are using the same infrastructure.

GOVERNMENT ACCESS STATION ONLY SCENARIOS - Scenario No.1 - Reduction in employees, 2 full-time, 1 part-time, 1 half-time (PIO, Production Manager and 2 Production Assistants). Advantage is flexibility in scheduling. Disadvantage is tough to recruit qualified people. Scenario No. 2 - Reduction in Employees, 3 full-time (PIO, Production Manager and 1 Production Specialist). Advantage is able to recruit qualified people. Disadvantage is lack of flexibility in scheduling.

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Mr. Orr asked about the differences in reported expenses for the department. It was noted that the Video Services director position remained unfilled showing less expenses in Fiscal Year 2015. Mr. McDougall continued to explain an increase in expenses for Fiscal Year 2016 is because \$50,000.00 was allocated to help with cost of living adjustments and an increase in health benefit costs for the City.

In response to a question from Ms. Nye, Mr. McDougall explained if Public Access Channel 67 was deleted the City would not see a significant cost savings. He noted taping hours for most programs are during regular business hours so employees are not working alternate hours. There are very few programs that require “after business” hours.

In response to a question from Council, Mr. Wilson explained he will review the dubbing policy for requests of taped programs. The City’s Community Media handbook was adopted by Council in May 2015. The handbook requires permission from the creator of the program prior to dubbing and releasing a copy. It was suggested that prior to taping a show a person sign a form that allows copying of the program. Mr. Wilson will research the policy and report back to Council.

-REGIONAL TRANSIT
DEPARTMENT

Dave Hunt, Pocatello Regional Transit, Director, provided information regarding the Transit Department. He noted the Transit Department’s mission is – To provide safe, reliable, efficient and coordinated transportation to our customers throughout the service area.

Mr. Hunt stated he would review the following: Organizational Chart; Budget, Services Provided, comparisons with other cities, options to reduce tax funding and future needs.

EMPLOYEES – 67 total employees (Full-time 20, Half-time 1, Part-time 46) The positions are: 2 General Administration, 3 Dispatcher/Clerks, Supervisors, Bus Operators, Mechanics and Fueler/Cleaners.

BUDGET: Mr. Hunt explained the Transit Department expense budget for Fiscal Year 2016 is \$3,022,743.00. Anticipated revenues are: 53% Federal Grants \$1,601,203.00; 19% City of Pocatello funds \$569,564.00; 19% Various Contracts \$568,600.00; 5% Fares/donations \$143,150 (actually collected on the bus); 2% ISU Campus \$61,500.00; 1% Cities/Counties \$48,400.00; and 1% other (auction, salvage, refunds, etc.) \$30,326.00. Total \$3,022,743.00.

SERVICES PROVIDED – Mr. Hunt gave an overview of daily operations. They include: Fixed Route (Motor Bus), General Public, ADA access, Weekdays 6:20 a.m. to 6:40 p.m., Saturdays 9:20 a.m. to 5:40 p.m., September to May – 8 Routes plus 3 School Tripper Routes; and June to August – 5 Routes.

Council discussion regarding transporting students for Charter Schools followed. It was noted that this is part of the national transportation dynamic for today. Transporting students by bus results in fewer vehicles on the road. Areas that can become congested with traffic are easier to manage.

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Efforts to work with School District No. 25 were reviewed. Transit buses have been used for school field trips and the students pay the fare for bus use.

COMPARISONS- When compared with other cities such as Boise, Salt Lake City, Coeur d'Alene, Lewiston and Logan, Pocatello came in as:

Fixed Route Cost Per Hour - the lowest cost;
 Fixed Route Cost Per Rider - second lowest cost;
 Special Services Demand Cost Per Hour – tied with Boise for lowest cost;
 Special Services Demand Cost Per Rider – the lowest cost.

Service Consumed 2015 Ridership – fixed route 255,690; demand response 33,673; and rural program 45,905. Total ridership 335,268.

OPTIONS TO REDUCE TAX FUNDING – Research to reduce Services – process began in May 2015 and will continue per federal requirements; Increase Program Revenues – Bus wraps (7 new buses from UTA), Private donations/sponsorships, ISU contributions, City of Chubbuck share.

FUTURE NEEDS – Capital Replacement Fund – generally 20% of total costs. May be managed through program revenue accounts. Bus Stop Improvements – driven by safety and accessibility. Priority at key transfer locations. Ideas were shared of how to promote advertising for bus wraps and how the costs are determined. Representative from SICOG may help encourage advertisement of buses.

In response to a question from Council, Mr. Hunt explained the City of Chubbuck is not providing the actual costs to run Pocatello Transit buses within their city. He noted services have been cut back in Chubbuck. Mr. Hunt explained Idaho State University and City of Chubbuck have expressed increased support, but additional funding amounts have not been determined.

There being no further business, Mayor Blad adjourned the meeting at 12:03 p.m.

APPROVED BY:

BRIAN C. BLAD, MAYOR

ATTEST AND PREPARED BY:

RUTH E. WHITWORTH, CITY CLERK