

CITY OF POCA TELLO, IDAHO
SPECIAL CITY COUNCIL MEETING
BUDGET RESTRUCTURING
JANUARY 21, 2016

AGENDA ITEM NO. 1: The City Council Budget Restructuring meeting was called to
ROLL CALL order at 9:03 a.m. by Mayor Brian Blad. Council members
present were Roger Bray, Steve Brown, Craig Cooper, Jim
Johnston, and Michael L. Orr. Council member Gary Moore was excused.

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.

-LEGAL Dean Tranmer, City Attorney, provided information
DEPARTMENT regarding the Legal Department. Mr. Tranmer explained
there are 6.5 total positions in the department: 3 full-time
attorneys and 3.5 full-time support staff positions.

CRIMINAL AND CIVIL DIVISION - The Mission of the department was broken down by Criminal and Civil functions. Criminal – To comply with Idaho and Municipal Codes in prosecuting misdemeanors and infractions occurring within City limits. Civil – To provide accurate, on-demand legal counsel to the Mayor, City Council and City Departments to protect the City from liability. Mr. Tranmer explained the Fiscal Year 2016 Budget is \$892,318.00 which is 30% Magistrate Court (\$270,000.00); 1% Fines and Forfeitures (\$10,300.00); 57% tax supported (\$503,485.00); 2% Nancy Ferris Retirement (one time event \$20,350.00) and 10% Interfund transfers (\$88,183.00) from Water Pollution Control, Water Department, Sanitation Department, Information Technology Department, Utility Billing and Public Works Department. The above total does not include expenses for Risk Management or Worker’s Compensation. Staff mentioned the Interfund charges are equivalent to prosecuting attorney charges. It was clarified the higher budget amount for Fiscal Year 2016 is the result of expenses related to the recent retirement of a fifth attorney. (The fifth attorney position is currently vacant.)

Criminal Services provided by the department in Fiscal Year 2015 include: Infraction Pre-trials (641); Misdemeanor Pre-trials and Jury pre-trials (2019); Domestic Battery Hearings (198); Evidentiary hearings; and letters of restitution. Mr. Tranmer reviewed the magistrate process for conducting trials in court. Legal staff is working with each judge to prepare documents according to the judge’s preferred practice.

Tiffany Olsen, Assistant to City Attorney, explained the process to prepare a case for a jury trial. Staff must be prepared to participate in a jury trial if necessary. This is a time consuming process. She mentioned the process may result in an attorney being at the courthouse a full day pending a court trial.

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Civil Services provided by the department in Fiscal Year 2015 include: Contracts (124); Agreements (87); General document review such as policies, letters, bid specs, etc. (41); Council Decisions (29); Ordinance Changes (12); Code changes (9); Resolutions (6); and Right of Way donation (1).

A summary of duties performed by City Attorney, Chief Civil Attorney, Chief Deputy and Deputy Attorney were reviewed. It was noted that Legal staff also serves on committees that meet monthly and for special projects. These include: Pocatello Development Authority, Safety Committee, Site Plan Review, Airport Development, Domestic Violence Taskforce, Veteran's Court. Extraordinary events are: Union Negotiations, Fact Finding, Civil Service Commission Hearings, Due Process Hearings, Water Law meetings/Hearings, Water Right Acquisitions/Leasing, and Legislative Monitoring.

Comparisons of legal services provided in-house vs. private contract were reviewed. Based upon costs for private hourly rates it would cost the City approximately \$2,144,000.00 to have a private contract. It was noted that the convenience of same day/time service and "walk-in" availability of the department would be lost by utilizing a private contract.

Council discussion regarding cases that required hiring another attorney to care for the cases followed. It was noted that some situations need an additional attorney that specializes in that type of law.

Concerns were shared that while a special case attorney is making decisions, one of the City's attorneys should be available to give guidance. It was noted that ICRMP has regulations regarding allowance of services.

General discussion regarding City Legal representatives working with outside attorneys followed. Concerns were shared regarding how the City is being represented by outside counsel and continued funding for these types of cases.

Revenue Increase ideas: 1) Bond forfeitures; 2) increase the number of citations written by Police Department under City Code; 3) Increase in restitution for paraphernalia charges – dependent upon defendant's payment.

Costs Savings ideas: 1) staff has already been reduced by one attorney; 2) prosecution files paperless as of November 1, 2015, savings of approximately \$25.00 to \$40.00 per month; 3) Reduce training (inherent risks include possible loss of license to practice law); and 4) potential City Savings: possible electricity reduction if light switches/timers installed in offices.

The impact of reducing the number of attorneys was reviewed. Court coverage issues were discussed and it was noted there have been instances where there was minimal coverage of attorneys available for court. It was noted if an attorney is not available to attend court the City may need to hire a prosecuting attorney to cover. Staff mentioned Civil services may be impacted by the decrease in attorney positions resulting in longer review times for staff and priorities identified by

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the Mayor and Council. Legal staff may also experience the inability to stay up-to-date on legislative issues.

Mayor Blad called for a break at 10:55 a.m.

Mayor Blad reconvened the meeting at 11:07 a.m.

Mr. Bybee explained when all 4 attorneys are in the office work can be managed. However, problems arise when an attorney is out of the office. If someone is out, there will need to be a plan in place to provide coverage.

RISK MANAGEMENT/LIABILITY INSURANCE FUND – Mission Statement: To administer a risk management program that utilizes liability insurance, loss prevention and safety programs to prevent, reduce and minimize losses and liability exposure to the City.

It was noted that Risk Management receives funds through Intergovernmental Revenue and includes 1 attorney position and a .5 support position. Fiscal Year 2016 Budget of \$1,026,436.00 is from the following: 31% fees from enterprise funds and 69% from taxes. A summary of the budget and employees was reviewed. Summary of revenue was also reviewed. A breakdown of liability insurance premiums (ICRMP) based on City payroll and value of City property was presented. It was noted that comparisons show that the current insurance circumstances appears to be in the best interest for the City. A total of 80 claims were filed against the City in Fiscal Year 2015 - 33 first party claims, and 47 third party claims - 16 of the claims filed were denied.

WORKER'S COMPENSATION FUND – Purpose: The focus of the Worker's Compensation Program is to ensure the safety and well-being of the workforce, to have programs in place to prevent injuries, and transition injured workers back to full duty. Budget - \$694,136.00.

Mr. Bybee reminded the Council that the City is currently self-insured. Revenue – projected funding and actual funding amounts were discussed. It was noted that actual contributions to the fund are dependent upon the number of City employees. The City has a Worker's Compensation Committee which includes the following individuals: Risk Manager, Human Resources Director, Wellness and Safety Coordinator, Chief Financial Officer and Deputy Risk Manager. The Committee meets monthly to discuss current claims status and concerns; and also meets quarterly with Moreton and Company (consultant) and Intermountain Claims (Third Party Administrator).

Mr. Bybee feels additional funding is needed to fully support the program. He suggested a \$1.5 million account should be available for catastrophic losses. Mr. Bybee would prefer that a set amount go into the account on an annual basis instead of being based upon actual employee wages and experience ratings.

Joyce Stroschein, Chief Financial Officer/Treasurer, feels a lump sum will make it difficult to determine what the appropriate fee/rating should be. She explained the City's experience rating has

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not increased and the fee should be updated over time. Ms. Stroschein feels this increase cannot be accomplished in a one-time lump sum.

Mr. Bybee would like Council to determine a flat rate for the Worker's Compensation account and not a fluctuating amount. He feels there may be a potential risk if the full amount is not made available quickly.

The City's Premium history for 2005 through 2011 with the State Insurance Fund was reviewed. It was mentioned after 5 years of good premium history, the City decided to be self-insured. It was the intent to have \$1.5 million in reserves to fund the program.

Plans moving forward – Finance suggests option 1) increase minimum at 8% per year over 5 years; Legal suggests option 2) \$980,365.00 – state insurance fund premium. Mr. Bybee feels this is the minimal amount the City should have available and that incremental increases poses a risk to the City due to funds not being at the optimal level (i.e. not having enough funds to cover current needs, unexpected new claims and settlements).

General discussion followed regarding potential claims. It was mentioned City employees may do unexpected things resulting in a large claim. Council will continue to weigh the proposed options regarding the Workers Compensation fund.

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

APPROVED BY:

BRIAN C. BLAD, MAYOR

ATTEST AND PREPARED BY:

RUTH E. WHITWORTH, CITY CLERK