

MINUTES OF A REGULAR MEETING OF THE CITY
COUNCIL OF THE CITY OF COEUR D'ALENE, IDAHO,
HELD AT THE LIBRARY COMMUNITY ROOM

MARCH 19, 2019

The Mayor and Council of the City of Coeur d'Alene met in a regular session of said Council at the Coeur d'Alene City Library Community Room, March 19, 2019 at 6:00 p.m., there being present upon roll call the following members:

Steve Widmyer, Mayor

Woody McEvers) Members of Council Present
Amy Evans)
Dan Gookin)
Kiki Miller)
Loren Ron Edinger)
Dan English)

CALL TO ORDER: Mayor Widmyer called the meeting to order.

INVOCATION: Pastor Pat Lessard with Real Life Ministries (CDA) provided the invocation.

PLEDGE OF ALLEGIANCE: Councilmember McEvers led the Pledge of Allegiance.

PUBLIC COMMENTS:

Bob Small, Coeur d'Alene, Director of Lake City Center, noted that they are elated to receive the block grant for their storm water management proposal, and that staff has been wonderful during their trips to City Hall. He thanked Troy Tymesen for reviewing their building and the services that they provide. Michelle Cushing was fantastic and Bill Greenwood and Tim Martin were fantastic as well, and Mr. Small thanked the Council for their treatment of the center and for the people they serve. He noted that 10,000 Americans turn 65 years old every day, and they serve 300 people every day at the center. The center also serves congregate meals daily for \$7.00 and have distributed more than 30,000 meals on wheels.

PROCLAMATION OF APRIL 1, 2019 AS CENSUS 2020 AWARENESS DAY – Mayor Widmyer proclaimed April 1, 2019 as Census 2020 Awareness Day, noting that federal funding for essential services is based on Census data. Mindy Thorp, Partnership Specialist for the 2020 Census, accepted the Proclamation and stated that April 1 will be the one year out mark, noting that the Census is conducted one time every ten years. They hope to have a complete count throughout the County and will continue with outreach and awareness.

Councilmember McEvers commented that he uses the Census for ancestry data and asked Ms. Thorp if they still knock on doors. Ms. Thorp said that this is the first time that people can respond via internet, phone, and paper form. The answers on the questionnaire are protected for

72 years, and then released to national archive. Councilmember McEvers asked if citizenship is still a question. Ms. Thorp said that at this time it is, but it might be a court issue before final print. Mayor asked if the state takes the Census numbers to determine city population. Ms. Thorp confirmed that they calculate population by city as well as by census tract blocks within a city.

PROCLAMATION OF ARBOR DAY – Mayor Widmyer proclaimed the week of April 22-27, 2019 as the Celebration of Arbor Day Week. Nick Goodwin, Urban Forestry Coordinator accepted the Proclamation and stated that it is the City’s 33rd year as a “Tree City USA.” They do a sticker art project with the high school and junior high students, in addition to a poster contest. Mr. Goodwin also noted that 3,000 seedlings will be handed out to 4th Grade students, and said that 77,000 trees have been handed out through this program. The City will be hosting an event at the new skateboard park on April 27, 11:00 a.m. to 2:00 p.m., and will be serving lunch. On April 25th there will be a Library Arbor Day program with stories about trees and a demonstration on tree identification, and a distribution of seedlings. Mr. Goodwin thanked the Council for their support.

CONSENT CALENDAR: Motion by McEvers, seconded by Miller, to approve the Consent Calendar.

1. Approval of Council Minutes for the March 5, 2019 Council Meeting.
2. Approval of Minutes for the March 11, 2019 Public Works Committee Meeting.
3. Approval of Bills as Submitted.
4. Approval of Financial Report.
5. Setting of General Services and Public Works Committees meetings for Monday, March 25, 2019 at 12:00 noon and 4:00 p.m. respectively.
6. Approval of SS-18-13- Final plat of McNeilly Subdivision
7. As Recommended by the City Engineer
8. Setting a Public Hearing for April 16, 2019
 - a. A-1-19: A proposed 4.6-acre annexation from County Commercial to R-17 zoning district; Location: 7725 N. Ramsey Road; Applicant: Ted Burnside
 - b. ZC-1-19: A proposed zone change from R-3 to R-17; Location: 1781 W. Alps Street; Applicant: Tammi Kerr
 - c. ZC-2-19: A proposed zone change from MH-8 to R-17; Location: 601 W. Neider Avenue; Applicant: Habitat for Humanity of North Idaho, Inc.
9. **RESOLUTION NO. 19-009** – A RESOLUTION OF THE CITY OF COEUR D’ALENE, KOOTENAI COUNTY, IDAHO AUTHORIZING THE BELOW MENTIONED ACTIONS OF THE CITY OF COEUR D’ALENE INCLUDING: AMENDMENTS TO PERSONNEL RULES 8 AND 9; THE PURCHASE OF A NEW COMPACT TRACK LOADER AND ACCESSORIES; RECOMMENDATIONS FOR 2018 CDBG GRANTS; AND DECLARATION AS SURPLUS AND DISPOSITION OF WELL COMPONENTS.

ROLL CALL: Evans Aye; Miller Aye; McEvers Aye; Gookin Aye; English Aye; Edinger Aye.
Motion Carried.

SELF-FUNDED MEDICAL INSURANCE PRESENTATION

STAFF REPORT: City Administrator Troy Tymesen said that the city's health insurance committee has been looking at the option of self-funding insurance. It would not change any coverages and the next step would be to conduct an actuarial study so he is seeking authority to fund the study. All three employee groups, LCEA, Police Association and Fire Union, have provided a letter of support to move forward with the actuarial study. Mr. Tymesen noted that the study would take approximately 8 weeks and will review past claims and predict future needs and provide a financial statement for the reserve account recommendation. Mr. Tymesen commented that the city of Moscow, Idaho has already moved to this model, and that funds for the study would come from staff cost savings in the Administration Department. He predicted \$1.5 Million in reserves in the future as the City transitions to the plan, no claims the first few months of the plans, with capital coming in above the claims coming in, and that the fund balance would cover the rest of the needed funding. Mr. Tymesen said that the City spends approximately \$5 Million annually through Regence for insurance coverage. There will be additional savings by moving to a self-funded plan as it would not include the 4%-8% of profit paid to the insurance company currently. He introduced Greg Helbling, Sr. Benefits Consultant, with the Murray Group to provide additional information.

Mr. Helbling reiterated that the purpose of changing to a self-funded plan is cost efficiency, and to provide flexibility to the City's plan and incorporate best in class resources. He noted that the Department of Insurance (DOI) would require the City to establish a separate trust that will purchase a catastrophic Claims protection policy, pay a claims administrator, and accept losses and gains. He presented a 62-month review of the City's past insurance usage and said that it is clear that occasionally there will be catastrophic claims that occur, so there will be seasons that will be more expensive than the fully-insured plans and times when it is much less expensive to be self-insured. The estimated savings based on past claims would be approximately \$40,000 per month if self-insured. An actuarial study would need to be done annually. Mr. Helbling noted that the proposed timeline for moving forward would include a couple of months for the actuarial study, another discussion with the labor groups and Council, then the submittal of an application to the DOI. Throughout the summer, the DOI will request current claims data to determine the appropriate funding for the plan. Mr. Helbling said that a "go live" date could be as soon as October 1, 2019. If there is a slow down on approvals, then the actuarial study would need to be amended to accommodate a January 1, 2020 start date; however, it is the City's desire to be ready for an October 1, 2019 start date to correspond to the fiscal year. Once the actuarial study is done, they will be able to confirm the dollar amount for the reserve and what the rate projections are, and then a final decision could be made.

DISCUSSION: Councilmember McEvers asked for clarification regarding the \$1.5 Million and annual costs. Mr. Tymesen explained that there would be trustees managing the Trust and that within the program the City currently has there are no controls for rates so they continue to rise. The City also funds VEBA contributions into each employee's account to offset medical costs. He noted that with a Trust, the City could continue to move toward keeping employees healthy and avoid paying a profit to the Regence plan. In the future, the flexibility would be to offer a modified pharmacy plan where there is no choice currently. Mr. Tymesen noted that the City has paid \$1 Million in profit over the past three years to the insurance company. Councilmember

McEvers confirmed that there would be no coverage change and that VEBA would continue to be paid out. Councilmember Gookin asked if this system would prevent unpredictable fluctuation in future rates. Mr. Tymesen explained that since the City group has performed well on its claims, the new system would take out the profit and the underwriter, as they would use the past to predict the future. The Trust could put motivators into the program to encourage employees to get wellness checks. Councilmember Gookin asked if the City would be able to borrow from the reserve fund. Mr. Tymesen clarified that it would not be legal to take from the reserve fund. Mayor Widmyer clarified that the reserves are set by the DOI, and are basically set at 7 months' worth of premium costs, and that with \$200,000 to \$400,000 in savings per year, the fund could be funded internally in 3-4 years. Mr. Helbling noted that the reserve fund balance would have some effect on future rate increases, so if there was a large balance it could lower rate increases, and that the actuarial study will set a minimum. He clarified that once the money goes into the account the City could not release money back to general fund balance. Some cities would use a high reserve fund balance to take a premium holiday to burn off an excess in the fund. Councilmember McEvers asked how often the actuarial study would need to be done. Mr. Helbling clarified it would be done annually. Councilmember English noted that when he worked at the County they went through the transition to self-funded insurance and it worked well and he believes it makes sense for the City. Councilmember Miller asked how Trustees are selected. Mr. Helbling noted that the DOI does not make the Trustee determination. In the case of the City, they were looking for skill sets and representatives from the employee groups, and two groups chose to provide a representative.

MOTION: Motion by Edinger, seconded by Gookin, to direct staff to move forward with an actuarial study, and to approve Randy Adams, Vonnie Jensen, Melissa Tosi, Bill Dodd, and Brady Reed as the Trustee members.

ROLL CALL: McEvers Aye; Gookin Aye; English Aye; Edinger Aye; Evans Aye; Miller Aye.
Motion carried.

EXECUTIVE SESSION: Motion by Gookin, seconded by Evans to enter into Executive Session pursuant to Idaho Code 74-206 (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, and (i) to engage in communications with a representative of the public agency's risk manager or insurance provider to discuss the adjustment of a pending claim or prevention of a claim imminently likely to be filed.

ROLL CALL: Gookin Aye; English Aye; Evans Aye; Edinger Aye; Miller Aye; McEvers Aye.
Motion carried.

The City Council entered into Executive Session at 7:06 p.m. Those present were the Mayor, City Council, City Administrator, City Clerk, and City Attorney. Council returned to regular session at 7:39 p.m.

MOTION: Motion by Gookin, seconded by English to move forward with the Mall settlement agreement as presented. **Motion carried** with Gookin in opposition.

RECESS: Motion by Gookin, seconded by Evans to recess to March 28, 2019 for a workshop with the ignite cda Board at 12:00 noon at the Library Community Room located at 702 E. Front Avenue. **Motion carried.**

The meeting adjourned at 7:40 p.m.

Steve Widmyer, Mayor

ATTEST:

Renata McLeod, CMC, City Clerk