ASSEMBLY STANDING COMMITTEE
COMMITTEE OF THE WHOLE
THE CITY AND BOROUGH OF JUNEAU, ALASKA
MINUTES

June 1, 2015, 6:00 PM.
City Hall Assembly Chambers

Assembly Worksession - No Public Testimony

I. ROLL CALL

Deputy Mayor Mary Becker called the meeting to order at 6:00 p.m. in the Assembly Chambers.

Assemblymembers Present: Mary Becker, Karen Crane, Maria Gladziszewski, Loren Jones, Jesse Kiehl, Jerry Nankervis, Merrill Sanford, Kate Troll and Debbie White.

Assemblymembers Absent: None.

Staff present: Rob Steedle, Deputy City Manager; Laurie Sica, Municipal Clerk; Mila Cosgrove, HRRM Director; Jennifer Mannix, Risk Management Officer; Jess Brown, Wellness Coordinator; Bryce Johnson, Police Chief, Hal Hart, Community Development Director.

II. APPROVAL OF AGENDA

Hearing no objection, the agenda was approved as presented.

III. APPROVAL OF MINUTES

A. May 4, 2015 Committee of the Whole Minutes

Hearing no objection, the minutes were approved with non-substantive changes provided to the clerk.

IV. AGENDA TOPICS

A. National Safety Month Proclamation

Mayor Sanford proclaimed the month of June as National Safety Month in Juneau and read the proclamation. He presented the proclamation, on behalf of the Assembly, to Mila Cosgrove, HRRM Director.

B. Safety Month - Risk Management Presentation

Ms. Cosgrove said that National Safety Month was the genesis of this presentation. She introduced Jennifer Mannix, Risk Management Officer and Jess Brown, Wellness Coordinator.

The Risk Management budget is funded through CBJ, Bartlett and the School District. Ms. Cosgrove provided an overview of the Risk Management (RM) Budget. The RM program is a combination of self-insurance for health benefits, general and auto liability, employment practices and workers compensation and fully insured for property and special policies, including the Airport, Docks and Harbors, Bartlett Hospital and Eaglecrest.

Ms. Mannix said that health benefits made up 75% of the budget and it covers 828 CBJ and BRH employees/2000 covered lives. The risk fund pays for most of the health insurance claims. She said the CBJ claim trend was lower than average. Healthcare costs increase annually. The average age of life covered at CBJ is higher than average, in the 40-60 year group, and this group tends to "cost more."

Ms. Cosgrove said that in 2018 a new Affordable Care Act excise tax will apply and employers for self funded plans will have to pay 40% excise tax on the aggregate value of the portion of employer sponsored insurance in excess of thresholds, which in 2018 for employees would be $10,200 for single coverage and $27,500 for family coverage. A health benefit consultant has estimated that at a 2% trend in cost increases over time, the estimated tax in 2018 would be $1.06 million. To address this cost, staff was planning design changes to lower costs, maintain or lower costs overall when possible and continuing to track lobbying efforts to amend the excise tax legislation.

Ms. Crane said that NACO was addressing this issue, and she spoke to the legislative delegation about the disparity in costs to provide the service from state to state. Mr. Kiehl asked asked how far from the family plans was CBJ from hitting the threshold. Ms. Cosgrove said it depended on how fast the trend incresed, and if it stayed at about 2% we could stay under that for some time, perhaps in to the 2020's. Ms. Cosgrove said they would encourage smart consumerism, promote the 24 hour nurse line, alert people to the need for prior authorization for medical claims, encourage use of generics when available, and continue to promote the wellness program.

Ms. Brown said that chronic disease was a largest driver of health care costs and most of the diseases such as heart disease, stroke, cancer, diabetes, arthritis, obesity and respiratory disorders were preventable. 35% of the users drove 80% of the costs. The goals of her program were to promote prevention, wellness and less on intervention. They also try to bring in non-utilizers of health benefits that are in the program to get them to be aware of what they can do to get and stay healthy. Ms. Brown said that 21% of the covered lives were spouses and they were reaching out to spouses to get them the information about the wellness program.

Ms. Becker and Ms. Crane asked about the charge on their Assembly checks for the wellness program and said that they had not heard about the activities available. Ms. Cosgrove said she would investigate that.

Ms. Mannix spoke about the property / casualty program which included property insurance, liability insurance and workers compensation for Bartlett, JSD and CBJ. She said that CBJ had a good claims history. She worked with a broker in Seattle to leverage the good claim history to keep the cost of insurance low. She evaluates the risk for every contract that was worked through the law department for risks and try to transfer the risks to contractors when appropriate. Capital Transit had a sizeable exposure and a large percentage of claims were from wastewater (sewer backups/old infrastructure). In 2011 a bus camera system was installed which has helped to evaluate personal injury claims on the bus. Mayor Sanford asked if the cameras could be used to enforce behavior on the bus and Chief Johnson said yes.

Mr. Kiehl asked how the property was valued. Ms. Mannix said a close look was taken with the insurance company and broker and it was determined that CBJ property values were a little low - they had been working on accuracy for this. She said the effort was done building by building and the newer construction was easier - they look at the larger pieces. Ms. Cosgrove said the cost of replacement was a big driver to know what the out of cost expenses would be in the case of a catastrophic event.

Mayor Sanford asked RM if they had a list of all CBJ properties. Ms. Mannix said yes and Mayor Sanford said that was a good start for the asset management program. Mayor Sanford asked Mr. Steedle to look into whether this was a way to approach asset management.

Ms. Mannix said CBJ was lower in claims cost per payroll for workers compensation than many cities in Alaska. For workers comp mitigation - greater emphasis on return to work programs and light duty, as these programs will motivate and assist people get back to their regular work. She said there were lots of efforts to send out messaging on safety.

Ms. Crane said the figures for the FY14 Property/Casualty program looked low for Eaglecrest and BRH. Ms. Mannix said the broker would let CBJ know if it was low, and felt that CBJ was adequately covered now.

Ms. Becker asked about FY14 School District claims - and Ms. Mannix said the claims were fairly low cost but high frequency at the school district. They spoke frequently with the district about safety.

Ms. Troll asked if steps taken to improve the sewer system could be tracked to lower cost of claims and suggested that would be good to track. Ms. Mannix said that she was working out a new reporting mechanism that will include better tracking of claims.

Ms. Becker thanked the staff for their presentation and materials.

C. **Assembly Direction on Community Planning Efforts**

Mr. Steedle said that staff was seeking direction from the Assembly to determine how best to spend the limited staff time of the Community Development Department for planning efforts, and that Lemon Creek had been on the list for some time, but the downtown area was a recent topic of discussion. Staff could not do both areas at once, so was seeking Assembly direction.

The Assemblymembers all took turns asking questions of Hal Hart, Community Development Director, and sharing their thoughts on the matter. The large number of ongoing projects in the downtown area, the goals and strategies outlined in the Juneau Economic Plan, and the large number of interested groups and private property owners currently interested and moving on development ideas were balanced with the issues of residential and industrial development in Lemon Creek, the landfill, gravel extraction, a new Housing First project, and a search for industrial land for marijuana growing operations, that would present challenges in the Lemon Creek area. The Assembly discussed timing of the plans and that Lemon Creek area had been on the list for some time waiting attention.

<u>MOTION</u>, by Gladziszewski, to make Lemon Creek the focus of the next CDD planning effort, to be followed by the downtown area planning. Hearing no objection, it was so ordered.

D. **Parking Update**

Mr. Steedle said a consultant was hired and has provided a parking management report for staff and the Assembly to consider. The report said that CBJ was on the right track with on street meters, unfortunately the vendor was not successful. The report also suggested that two hours of free parking was excessive with such a limited resource of on street parking, and recommended reducing that. He disagreed with that conclusion and thought the two hour parking had worked well for CBJ. Mr. Steedle asked the Assembly about the level of interest in finding out more about outsourcing parking, to include management of on street and garage parking, similar to the way the lot at the airport had been managed.

Ms. Crane said she did not see a recommendation from Walker Consultants to outsource parking. Mr. Steedle said that was correct, but there was considerable discussion between Walker and CBJ staff to this effect. We would be a long way off to say we could determine how it would affect our costs of doing business and our revenue. He said Walker was neutral regarding in house or outsourcing. Walker had estimates of what they thought the costs would be and it was a policy call for the Assembly. Mr. Steedle said outsourcing would be done only in the parking management zone.

Ms. Becker asked how the parking meters would be purchased and paid for with an outsourced vendor. Mr. Steedle said the vendor would install their system and provide CBJ a portion of the revenue.

Mayor Sanford asked Mr. Steedle that if the assembly wanted to have staff investigate outsourcing, if information would be brought back to the Assembly at a future date for further consideration regarding the efficacy of such a program. Mr. Steedle said yes.

The Assembly asked further questions of Mr. Steedle and took turns sharing their thoughts on studying the outsourcing of parking management. An informal poll found three members interested in having staff do more research on the matter, and six opposed to spending any more time on the topic.

Ms. Crane said she had a number of questions about the study. Ms. Becker asked members to forward questions to the manager and for his to response, and he would report back to the entire group so all had the information.

Ms. Gladziszewski said she would support reducing free parking to 90 minutes to increase turnover.

E. **Social Services Advisory Board Discussion**

Mr. Jones, Chair of the Human Resources Committee (HRC), said that last year there were concerns about the operations of the Social Services Advisory Board (SSAB) and the priorities, the RFP, and the issuance of the grants and reporting. He attended several SSAB meetings and brought forward concerns to the HRC, which met with SSAB and some providers, to hear their needs and concerns, how they were supported or not by CBJ staff, and HRC put out a general invitation to the providers/grantees, to hear what could be better or improved. HRC heard a consensus that the SSAB was not functioning well, and we looked at their charge. At the same time, the Juneau Community Foundation (JCF) was facilitating the issuance of the Hope Grants, and they would be very similar to the CBJ grants. Their first year grants were due to expire at the same time CBJ's two-year grants would. He proposed disbanding the SSAB, taking the CBJ grant dollars and contracting with JCF to manage the money, do the RFP, monitor the grants, and set the reporting requirements. He spoke with the chair of JCF, the Executive Director of the United Way, to providers and to the HRC. He said there was synergy in putting the dollars out to the same providers from a single place to apply with a single application and with a streamlining of the process. JCF met in April and the chair said they were interested and would continue to explore the matter. JCF had some concerns about their operations and would like to discuss any encumbrances from the CBJ. CBJ may also have some concerns about flexibility, and the concerns and how the priorities match up should be discussed. Mr. Jones proposed that the JCF Executive director would get a committee of the JCF board to meet with the CBJ Manager and an Assemblymember to discuss and determine if there was a way to move forward. He wanted to know if the Assembly had concerns about this idea, if there were specific issues to address and he asked for concurrence from the committee to have Ms. Crane represent the Assembly with the City Manager in discussions, as he would be out of town for a significant time during the summer. He would like to see any contract with JCF to be in place by January 1, so that the two year grants could be issued in March 2016. Otherwise, he said the Assembly should discuss reconstituting and/or abolishing the SSAB. The manager needed instruction from the full Assembly on this matter.

The Assembly considered the matter and discussion included the topics of community involvement, the grant process, public funds going to a private foundation, the timelines of granting and reporting, whether CBJ and JCF shared goals and objectives for the grants, what the potential administrative costs would be whether grants were managed by JCF or CBJ, and the makeup of the Boards and the staffing levels.

MOTION, by Sanford, to forward the recommendation of the HRC, and to look into the possibility of working with JCF on the SSAB's granting program for social service providers. Hearing no objection, it was so ordered.

V. COMMITTEE MEMBER / LIAISON COMMENTS AND QUESTIONS

Mr. Jones commented about the new senior sales tax card and the need to let everyone know, including CBJ bus drivers, that the new cards were being issued and used.

Ms. Crane suggested more publicity and a card issuing location be set up in the valley.

VI. ADJOURNMENT

There being no further business to come before the committee, the meeting adjourned at 8:25 p.m.

Submitted by Laurie Sica, Municipal Clerk