

**PAGE CITY COUNCIL  
REGULAR MEETING MINUTES  
OCTOBER 28, 2015**

A Regular Meeting of the Page City Council was held at 6:30 p.m. on October 28, 2015, in the Council Chambers at City Hall in Page, Arizona. Mayor Bill Diak presided. Vice Mayor John Kocjan, Councilors Mike Bryan, Scott Sadler, Levi Tappan, David Tennis and Dennis Warner were present. There was a moment of meditation. Mayor Diak led the Pledge of Allegiance.

Mayor Diak called the meeting to order.

Staff members present: City Manager, J. Crystal Prentice; City Attorney, Joe Estes; Police Chief, Frank Balkcom; Police Lieutenant, Tim Lange; Fire Chief, Jeff Reed; IT Director, Mike Bergner; Human Resource Administrator, Kay Eddlemon; Finance Director, Linda Watson; Deputy City Clerk, Sue Kennedy; and City Clerk, Kim Larson.

**PRIORITY LIST**

Discussion and possible action by the City Council pertaining to the City Council Strategic Priorities

City Manager Crystal Prentice stated that there was a recent City Council retreat at the Marriott and that she made a draft of the reconfirmed strategic priorities, along with the new objectives discussed. She stated that there would be a staff retreat regarding the next step of putting into place an action plan. This plan will come back for Council's final consideration.

Discussion and possible action by the City Council pertaining to the City Councilors individual priorities

There was no discussion by the City Council.

**MINUTES**

Work Session Meeting-October 14, 2015

Regular City Council Meeting-October 14, 2015

Motion made by Vice Mayor Kocjan to approve the minutes. The motion was duly seconded and passed upon a vote.

**CONSENT AGENDA**

**MINUTES**

Page Utility Enterprises Board – September 8, 2015

**INFORMATION**

Motion made by Vice Mayor Kocjan to approve the consent agenda. The motion was duly seconded and passed upon a vote.

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### PUBLIC HEARINGS

None

### HEAR FROM THE CITIZENS

No citizens addressed the City Council.

### UNFINISHED BUSINESS

Discussion and possible action by the City Council pertaining to accepting a donated 19'8" Boston Whaler patrol boat-Tabled October 14, 2015

At the October 14, 2015 Regular City Council Meeting, Council voted to table the agenda item.

Motion made by Vice Mayor Kocjan to remove the agenda item from the table. The motion was duly seconded and passed upon a vote.

Presentation to City Council for approval of accepting a donated 19'8" Boston Whaler patrol boat, 225 Mercury Optimax motor and Boat Master trailer. The boat will be used to perform Water Patrol Operations and Boating While Under the Influence Safety Operations in the City of Page/Lake Powell jurisdiction.

The Page Police Department has responded to fights and disturbances at the Chains area located within the jurisdiction of the Page Police Department. There have been several occasions where person(s) that had been arrested have had to walk up the hillside while in handcuffs, putting the officer and suspect(s) in danger of falling. The acceptance of the vessel and trailer will allow Officers to maneuver the vessel to the beach area and place suspect(s) in the boat for transportation to a safe unloading area.

Chief Balkcom introduced the item and stated that his department had prepared a power point presentation, which Lieutenant Lange was there to present.

Lieutenant Lange read some statistics regarding calls and arrests in the Chains area over the last five years. He presented several photos of the area and the challenges the terrain presents.

He continued with a list of proposed actions and benefits of having this boat in the department, as well as a list of costs, insurance, and other logistics.

There was discussion regarding the boat's functionality, its storage, and the City's responsibility on the lake.

Fire Chief Jeff Reed gave the Fire Department's full support of accepting the donation of the boat, and how it would positively impact his department.

Lieutenant Lange reiterated how valuable the boat would be for patrolling during high volume, high crime weekends.

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Chief Balkcom stated that the boat is returnable to the Arizona Game and Fish Department if it does not perform as expected.

There was discussion.

Motion made by Councilor Bryan to accept delivery of the donated 19'8" Boston Whaler patrol boat, 225 Mercury Optimax motor and Boat Master Trailer for the utilization of performing Water Patrol Operations. The motion was duly seconded.

There was discussion.

City Attorney Joe Estes suggested that Council approval could be contingent upon an annual review of number of calls of service and other data, and continuation of the program be reevaluated then.

Councilor Bryan amended his motion to include that after a period of one year, the operations of patrol should be evaluated and pending funding should be contingent.

Councilor Sadler duly seconded the amended motion.

The motion was passed with Mayor Diak, Vice Mayor Kocjan, Councilors Warner, Tennis, Bryan and Sadler voting in favor and Councilor Tappan voting against.

Discussion and possible action by the City Council pertaining to City Code Amendment, Chapter 3, Article 5, Section 5, Lease of City Property-Ordinance 626-15-2<sup>nd</sup> reading

At the Regular City Council Meeting on October 14, 2015, Council passed Ordinance 626-15 to its second reading.

During the Work Session on September 23, 2015, the Mayor and Council discussed certain amendments to City Code 3-5-5, Lease of City Property. Such amendments included: (1) changing the publication requirements from three (3) weeks to two (2) weeks for publications in a weekly paper; (2) requiring the proposed tenant of a lease to pay for the publication costs; and (3) to establish exemptions from the publication requirement and objections for airport hanger leases and other leases of nominal value. The proposed Ordinance incorporates the discussed changes and sets forth a policy statement that public land or buildings shall be leased in a way that maximizes the value of City assets, promotes activities and uses that are in the overall best interest of the city and are consistent with the General Plan.

Motion made by Councilor Warner to introduce Ordinance 626-15 by title only for its second reading. The motion was duly seconded and passed upon a vote. The Deputy City Clerk introduced Ordinance 626-15 by title only.

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AN ORDINANCE OF THE MAYOR AND COMMON COUNCIL OF THE CITY OF PAGE, COCONINO COUNTY, ARIZONA, AMENDING CHAPTER 3, ARTICLE 5, SECTION 5, LEASE OF CITY PROPERTY, OF THE CODE OF THE CITY OF PAGE, ESTABLISHING A POLICY STATEMENT, AMENDING THE PUBLICATION REQUIREMENTS, ASSESSING PUBLICATION COSTS TO PROPOSED TENANTS AND ESTABLISHING CERTAIN EXEMPTIONS FOR LEASES OF NOMINAL VALUE.

Motion made by Councilor Tappan to adopt Ordinance 626-15. The motion was duly seconded and passed upon a vote.

### **NEW BUSINESS**

Discussion and possible action by the City Council pertaining to an additional health care option - Employee High Deductible Health Plan (HDHP) coverage

The 2015 City Council Strategic Plan objective 2.4 reads "review employee insurance and fringe benefits for potential savings." Staff has completed the review and at the June 10, 2015 meeting, presented City Council with the initial phase of moving from the 2-tier medical coverage plan (single-employee only & family coverage) to a 4-tier medical coverage plan (employee only, employee + spouse, employee + child(ren), and employee + family). This change was approved by City Council and went into effect for eligible City Employees beginning July 1, 2015, realizing an annual savings of approximately \$71,200.

Beginning January 1, 2016, staff is recommending offering employees an additional option of a High Deductible Health Plan (HDHP). With this plan, the employee only coverage would have a \$2800 annual deductible; and the employee+ coverage plan would have a \$5,600 annual deductible. RAGHT requires the employer to contribute a minimum of 25% to a Health Savings Account (HSA), with a maximum contribution amount of 50%. Under this plan, the City/PUE would contribute 35% percent of the annual deductible into the employee's HSA accounts. In addition, employees may also voluntarily contribute to their HSA account. Those carrying single coverage may contribute an additional \$2,370 per year, while those with family coverage may contribute an additional \$4,790 per year. The Internal Revenue Service regulates the total allowable amount that can be contributed to an HSA account annually and the use of these funds. City/PUE employees will be able to consider this option during a special open enrollment this coming November.

The following tables show the cost comparisons between the existing plan that the City/PUE employees are currently on with the existing EPO 4-tier plan (Table 1) and the proposed additional option of a HDHP (Table 2) and the associated costs with that option.

With each employee that chooses to move to the HDHP option, the City may realize a cost savings due to the lower utilization rate of the employee's medical services.

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Employees tend to manage their health care costs more carefully when they can make the choice of participating in a high deductible health plan and have the incentive of building a HSA account for their future needs.

**TABLE 1**

| <b>CITY/PUE-EPO 4 Tier Plan</b>                             |                          |                            |                        |                   |
|---|--------------------------|----------------------------|------------------------|-------------------|
|   | Monthly Med<br>Premium** | Monthly Employee<br>Contr. | Monthly City<br>Contr. | Annual<br>Premium |
| Employee  | \$515.59                 | \$51.56                    | \$464.03               | \$5,568.37        |
| Emp/Spouse  | \$1,092.31               | \$218.46                   | \$873.85               | \$10,486.18       |
| Emp/Child(ren)  | \$992.77                 | \$198.55                   | \$794.22               | \$9,530.59        |
| Emp/Family  | \$1,525.38               | \$305.08                   | \$1,220.30             | \$14,643.65       |
| **This premium does not include dental and vision coverage. |                          |                            |                        |                   |

**TABLE 2**

| <b>CITY/PUE-HDHP &amp; HSA Plan</b>                         |                          |                            |  |                   |
|---|--------------------------|----------------------------|--|-------------------|
|   | Monthly Med<br>Premium** | Monthly Employee<br>Contr. | Monthly City<br>Contr. (Incl. 35% HSA) | Annual<br>Premium |
| Employee  | \$408.78                 | \$40.88                    | \$449.57                               | \$5,394.86        |
| Emp/Spouse  | \$851.57                 | \$170.31                   | \$844.60                               | \$10,135.15       |
| Emp/Child(ren)  | \$784.49                 | \$156.90                   | \$790.93                               | \$9,491.18        |
| Emp/Family  | \$1,174.65               | \$234.93                   | \$1,103.06                             | \$13,236.72       |
| **This premium does not include dental and vision coverage. |                          |                            |  |                   |

**BUDGET IMPACT:** Since moving to the 4-tier EPO Plan in July 2015, we should realize an approximated savings of approximately \$71,200 this first year with the current employee elections. Depending on the number of employees interested in moving to the HDHP will determine if any further cost savings can be incurred by the City of Page.

City Manager Crystal Prentice gave an overview of the plan and stated that staff would like to add this additional option for the employees, a high deductible health plan, and pointed out some of the financial highlights and benefits to the City.

There was discussion about the financial ramifications for the employee.

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It was determined that joining this option will be available this year during a special open enrollment in November, and become effective on January 1, 2016.

There was lengthy discussion regarding the health plans that the city offers, how an HSA operates as a savings plan and rolls over every year, and how it could save the city money.

Motion made by Councilor Sadler to direct staff to offer another health care option to City Employees by means of a High Deductible Health Plan (HDHP) in addition to the existing 4-tier EPO Plan starting January 2016. The motion was duly seconded and passed upon a vote.

### Discussion and possible action by the City Council pertaining to GPON Fiber/Wireless Agreements with South Central Communications, Inc.

The City of Page will be switching internet providers from Cable One to South Central Communications. This switch is needed due to Cable One not being able meet the City's requirements for Internet Service bandwidth to perform even the basic of day to day needs. The lack of bandwidth has affected City operations in all areas including but not limited to EMS and Public Safety, Page Library, Email and Cloud Application Services. This agreement will provide internet access to the City at three primary locations with secondary locations to be serviced through the City's internal network infrastructure. The three primary locations are Page City Hall, Public Safety, and Page Public Library. The agreement term with South Central Communications for Fiber / Wireless services will be for 3 years. Refer to the attached Sales Order for the breakdown on bandwidth allotment and costs. South Central Communications is currently installing the equipment to provide the services, which should be available in approximately the next 75 - 90 days.

IT Director Mike Bergner voiced the necessity for better and faster internet in all of the City's departments. He went over some of the technical details of the South Central Communications (SCC) contracts, the benefits, the budget impact for each building per megabits of bandwidth, and the timeline. He stated that SCC estimated the system would be up and running by late December, perhaps into January 2016.

Mr. Bergner gave examples of how much each of the three locations, City Hall (which includes Public Works and the Magistrate Court), the Public Safety building, and the Public Library, need this increased service, and how they are negatively affected by the current service.

Councilor Sadler asked IT Director Bergner how this agreement affects the broadcasting of the City Council meetings, and the City's Channel 4 access.

Mr. Bergner stated that since we have a franchise agreement with Cable One, our Channel 4 access would be unaffected, and we would gain streaming capability in

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addition.

There were technical questions and lengthy discussion.

Mr. Bergner described the 3 phases of the local fiber infrastructure project.

Steve Blevins, 237 Aero, questioned the details of the SCC contract, its pitfalls, and what the City is going to be required to do and pay for once this contract is signed.

City Attorney Joe Estes addressed the concerns regarding the SCC contract.

Motion made by Councilor Warner to approve the GPON Fiber/Wireless Agreement from South Central Communications. The motion was duly seconded and passed upon a vote.

**BID AWARDS**

None scheduled

**BUSINESS FROM THE MAYOR**

None scheduled

**BUSINESS FROM THE MANAGER**

None scheduled

**BUSINESS FROM THE CITY ATTORNEY**

None scheduled

**BUSINESS FROM THE COUNCIL**

None scheduled

**BOARDS & COMMISSIONS**

Discussion by the City Council pertaining to reports by Board Liaisons

There was no discussion by the City Council.

Discussion and possible action by the City Council pertaining to an appointment to the Substance Abuse Task Force

There was one vacancy on the Substance Abuse Task Force. An application was received from Bee Valvo.

Motion made by Councilor Sadler to appoint Bee Valvo to the Page Substance Abuse Task Force with a term ending June 2017. The motion was duly seconded and passed upon a vote.

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**DEPARTMENTS**

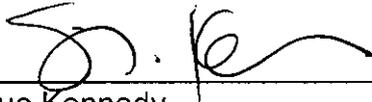
None scheduled

**CLAIMS**

None scheduled

**ADJOURN**

The meeting was adjourned at 8:15 p.m.



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Sue Kennedy  
Deputy City Clerk



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William R. Diak  
Mayor