

## COUNCIL MINUTES

September 19, 2019

The City Council of the City of Mesa met in a Study Session in the lower level meeting room of the Council Chambers, 57 East 1st Street, on September 19, 2019 at 7:30 a.m.

### COUNCIL PRESENT

John Giles  
Mark Freeman \*  
Jennifer Duff  
David Luna  
Francisco Heredia  
Kevin Thompson  
Jeremy Whittaker

### COUNCIL ABSENT

None

### OFFICERS PRESENT

Christopher Brady  
Holly Moseley  
Jim Smith

(\*Vice Mayor Freeman participated in the meeting through the use of telephonic equipment.)

### 1. Review and discuss items on the agenda for the September 23, 2019 Regular Council meeting.

All of the items on the agenda were reviewed among Council and staff and the following was noted:

Conflict of interest: None

Items removed from the consent agenda: None

Transportation Department Director RJ Zeder introduced Management Assistant Andrew Calhoun who displayed a PowerPoint presentation. **(See Attachment 1)** He pointed out there are approximately 600 scooters within the City which is significantly lower than when scooters and bikes first became available. He stated there are four shared active transportation vehicle (SATV) operators in Mesa; Lyft, Bird, Lime and Spin.

Mr. Zeder reported based on the industry feedback, Transportation staff made modifications to the service area, fees and indemnification language. (See Page 3 of Attachment 1)

Mr. Zeder reported on three items that may come before Council depending on the direction received:

- Ordinance that modifies City Code framework for SATV.
- Resolutions for Terms and Conditions under which the SATV operators can stage the vehicles in the public right-of-way.
- Resolution to establish a license fee.

Mr. Zeder suggested letting the market determine where the SATV should be placed and recommending reducing the \$100 impound fee to \$50. He stated the City is looking at the SATV as a pilot program and proposing a \$100 license fee that will provide an opportunity to evaluate what the costs are to provide SATV's in Mesa. (See Page 4 of Attachment 1)

In response to a question from Councilmember Luna, Mr. Zeder explained surrounding Cities have substantially higher fees, such as Phoenix and Tempe. He added Scottsdale does not require a license, but they do have penalty fees. (See Page 5 of Attachment 1)

Mr. Zeder stated the City Attorney's office agreed to modify the indemnification process language for the modified staging requirements for scooters and/or bikes. He continued by requesting a proposal to reduce the helmet requirement from 500 to 100 per year that each operator would have to donate as part of a safety program.

Mr. Zeder highlighted the timeline and added in November 2020 staff would come back to Council with an overview of how the program went and propose any changes.

In response to a question from City Manager Christopher Brady, Mr. Zeder confirmed a 60-day notice was given before implementing the proposed fee changes for SATV's.

In response to a question from Councilmember Luna, Mr. Zeder noted there are scooters located throughout the City, but they are more prevalent in the Fiesta District near Mesa Community College (MCC) and transit lines.

In response to multiple questions from Vice Mayor Freeman, Mr. Zeder explained the license will only affect for-profit companies who are staging scooters and/or bikes for rent in the public right-of-way. He added there would be conditions in the Ordinance that will affect the use of scooters in terms of the maximum speed limits. He continued by stating the scooters are authorized to be operated on sidewalks unless there is signage restricting their use.

Vice Mayor Freeman commented he would like to see the application fee be raised to \$400 for each scooter and/or bike operator.

Councilmember Duff agreed the application fee was too low and would like to see it raised to offset other costs such as administrative costs and time.

In response to multiple questions from Councilmember Duff, Mr. Zeder explained the speed limit for scooters cannot exceed 15 miles per hour (mph), and bikes cannot exceed 20 mph. He pointed out there is a prohibition on staging scooters and/or bikes in parks which was communicated to the vendors. He commented the City may not see as many scooters and/or bikes as the prior year but stated the fall weather could add to the 600 scooters and/or bikes that are already in the City. He mentioned staff will reach out to one of the operators to confirm they still have the helmet program. He stated he would like to require each operator to provide 100 helmets to the City to give to riders. He added the City will host bike training courses at Mesa schools where helmets will be encouraged and provided.

In response to a question from Councilmember Duff, Mr. Calhoun stated helmets are not required but highly encouraged.

In response to a question from Councilmember Duff, Mr. Zeder clarified that citizens must be 18 years of age to rent a scooter and there is a limit of one person per scooter.

In response to multiple questions from Councilmember Heredia, Mr. Zeder stated he believes charging \$5000 (Phoenix model) would not be fair, but staff will monitor the program over the next year to see how much staff time the program requires. He pointed out there are requirements on how SATV's can be staged, but there are not specific areas identified as to where they have to be staged.

In response to a question from Mayor Giles, Mr. Brady explained it would be difficult to designate drop areas for scooters and/or bikes since the program is Citywide, and they provide a quick and easy mode of transportation.

Mayor Giles commented despite the initial surge of scooters and/or bikes in Mesa, it is a good mode of transportation for those who need to get from point A to point B or just to go that last mile to their destination.

In response to a question from Mayor Giles, City Attorney Jim Smith mentioned one company has concerns signing the indemnification but thinks once other companies sign, they will follow suit. He stated the most critical language mirrors one the City has with Salt River Project (SRP).

Mayor Giles commented he was in support of increasing the license fee to \$400.

Councilmember Thompson expressed his support for SATV's but cautioned they can be dangerous just like any mode of transportation.

In response to multiple questions from Councilmember Whittaker, Mr. Zeder clarified the fee is per company, not per SATV. He explained the heat resulted in a decreased use of scooters, and stated economics will not support the number of scooters the City had previously.

Councilmember Luna supported the license fee change for scooters.

In response to a question from Vice Mayor Freeman, Mr. Zeder reported there were 2500 scooters at its peak and currently there are only 600.

Vice Mayor Freeman expressed support for the license fee change and expressed many citizens enjoy riding scooters to local events.

Mr. Smith suggested creating a 60-day effective date and leaving the Ordinance on the Agenda for the upcoming Regular Council meeting.

2-a. Hear a presentation and discuss an update on the 2020 Employee Benefits Program.

Employee Benefits Administrator Janice Ashley introduced Interim Human Resources Director Teri Overbey who displayed a PowerPoint presentation. **(See Attachment 2)** She commented she would like to highlight the City's comprehensive and competitive benefit programs that are coming up in the open enrollment period for 2020.

Ms. Ashley stated benefits are funded through the Employee Benefit Trust Fund that generates funding from City contributions, employee and retiree premiums, state retirement system subsidies, and other contracted vendor negotiated subsidies and rebates.

Ms. Ashley highlighted the City's medical programs including medical, behavioral health, and prescription drug benefits that will see an increase in 2020 of six percent for active employees

and three percent for retired employees. She pointed out factors that contribute to the medical increases are from a gain of members and utilization, medical trend increases across the nation, cost of services and drugs, and the continued use of Out-of-Network services.

In response to a question from Councilmember Whittaker, Ms. Ashley explained both employee and City rates increased and that it is a six percent increase on the total premium for active employees and three percent on the total for the retired employees.

In response to a question from Mayor Giles, City Manager Christopher Brady clarified the City pays a portion of each medical plan depending on which plan the employee is enrolled.

Ms. Ashley provided information on the three types of medical plans offered to active employees. She identified the Choice plan which is the most popular and is an 80/20 which means 80% of allowed charges are paid by the plan and 20% the employee/patient is responsible. She added the increase for the Choice plan for a single employee would be eight dollars and for a family the cost would increase sixteen dollars. She reported the Copay plan rates would increase eleven dollars for a single employee or thirty-three dollars for the family plan. She added the Basic plan rates would remain the same for 2020.

In response to a question from Mr. Brady, Ms. Ashley reported the difference between the Choice and Copay plan is the Choice plan has a \$250 deductible for a single employee or \$750 for a family, and the Copay plan has no deductible but does require a copay.

Mr. Brady stated individuals who elect the copay plan have chosen to have more money taken out of their paychecks with the idea they may have medical concerns and will have less out-of-pocket expenses as a result.

Ms. Ashley continued by saying the Basic plan has a \$500 single person deductible and \$1500 family deductible. She added the plan will pay 50% once the plan deductible is met. She pointed out the plan provides a much lower benefit but does provide all essential benefits and the City does cover the plan premium.

Ms. Ashley reported there will be changes to the medical and vision plans for 2020 but the dental will remain the same. She explained the Out-of-Network deductibles on the medical plans have been increased to try and incentivize employees and their families to use in-network providers and facilities.

Mr. Brady commented that there have been negotiated fees for those who stay in-network.

Ms. Ashley advised those who stay in-network will see discounts from 20% to 80% depending on the provider and their contract arrangements with the insurance network. She explained out-of-network there is no opportunity for discounts. She highlighted the out-of-network coinsurance charges for 2020 will change from a 60/40 plan to a 50/50 plan. (See Page 5 of Attachment 2)

In response to a question from Councilmember Luna, Ms. Ashley indicated there are quite a few employees who use out-of-network services depending on service areas. She noted the higher utilization areas for out-of-network services are chiropractic, physical therapy, mental health and behavioral services. She added the City has encouraged employees to find in-network providers.

Ms. Ashley explained many benchmark plan designs within the community and throughout the nation do not have or offer coverage for out-of-network services.

In response to a question from Councilmember Whittaker, Ms. Ashley pointed out removing out-of-network benefits would be hugely disruptive to the patient base and would involve major changes.

Ms. Ashley announced the Vision Care Plans are changing for 2020. She explained there will be an additional plan, to the current Basic and Vision Plus plan, called the Vision Premium Plus plan. She stated the plan has five additional services available and that a patient can choose from one of the five enhanced options. She noted the City is in the last year of the contract with Vision Service Plan (VSP) and the company had provided this incentive for members. She mentioned there will be rate increases on vision plans for 2020 depending on which plan is chosen, rates could increase from ten cents to eight dollars. She pointed out the City has had no premium increases on vision plans for four years. (See Page 6 of Attachment 2)

Ms. Ashley reported this information will be presented in the City's open enrollment period from October 23 through November 6, 2019 and also at the Health and Wellness Benefits Fair on October 29, 2019. She explained by going to the benefits fair, employees have the opportunity to receive extra bonus points for participating in a seminar about Health and Wellness and vendor booth games.

In response to a question from Mr. Brady regarding the importance of bonus points, Ms. Ashley stated the points allow members to receive up to four \$50 gift cards and/or a \$200 discount to use towards insurance premiums.

Ms. Ashley commented the benefits fair will have flu shots, food trucks, wellness vendors, handouts and contests. She expected that 1000 to 2000 employees will attend the event.

In response to a question from Councilmember Luna, Ms. Ashley stated employees and retirees will see an increase in costs the first pay period in January. She added starting October 1, 2019 information about Open Enrollment will be listed on the City website with tools and information about the upcoming enrollment period.

In response to a question from Councilmember Whittaker, Ms. Ashley replied she does not have numbers that show the impact of current liabilities, but based on the analysis it was decided a three percent increase was needed on the retiree premiums to keep liabilities in check.

In response to a question from Councilmember Whittaker, Mr. Brady replied the liabilities are related to those retired and the City providing health benefits.

Finance Director Irma Ashworth explained when actuaries look at open liability, they also look at cost assumptions and where those have changed and that can increase or decrease the City's liabilities.

2-b. Appointment to the Museum & Cultural Advisory Board.

It was moved by Councilmember Luna, seconded by Councilmember Thompson, that the Council concur with the Mayor's recommendations and the appointment be confirmed.

Upon tabulation of votes, it showed:

AYES – Giles-Freeman-Duff-Heredia-Luna-Thompson-Whittaker

NAYS – None

Carried unanimously.

3. Acknowledge receipt of minutes of various boards and committees.

3-a. Parks and Recreation Advisory Board meeting held on May 8, 2019.

It was moved by Councilmember Thompson, seconded by Councilmember Luna, that receipt of the above-listed minutes be acknowledged.

Upon tabulation of votes, it showed:

AYES – Giles-Freeman-Duff-Heredia-Luna-Thompson-Whittaker

NAYS – None

Carried unanimously.

4. Current events summary including meetings and conferences attended.

Mayor Giles:

Apple Global infrastructure  
Mesa Historical Museum  
Mesa Arts Center kick-off

Councilmember Duff:

Mesa Arts Center season kick-off  
Natures Cooling System with Natures Conserving Center  
International Parking Day

Councilmember Luna:

Superstition Police Station ride-along homeless count  
District 5 Senior Living Facility ribbon cutting  
Suicide Awareness at Shepherd Junior High  
Mental Health Awareness Resources with Mesa Public Schools  
Visit Mesa Networking Event – Autism Certification  
Mesa Arts Center kick-off

Councilmember Thompson:

Apple Global infrastructure  
Naturalization Meeting

Councilmember Heredia thanked City staff for the Love Your City projects and thanked the Eagle Scouts for helping clean up District 3.

5. Scheduling of meetings and general information.

City Manager Christopher Brady stated that the schedule of meetings is as follows:

Monday, September 23, 2019, 5:00 p.m. – Study Session

Monday, September 23, 2019, 5:45 p.m. – Regular

6. Convene an Executive Session.

It was moved by Councilmember Thompson, seconded by Councilmember Duff, that the Council adjourn the Study Session at 8:37 a.m. and enter into an Executive Session.

Upon tabulation of votes, it showed:

AYES – Giles-Freeman-Duff-Heredia-Luna-Thompson-Whittaker

NAYS – None

Carried unanimously.

- 6-a. Discussion or consultation for legal advice with the City Attorney. (A.R.S. §38- 31.03(A)(3))  
Discussion or consultation with the City Attorney in order to consider the City's position and instruct the City attorney regarding the City's position regarding pending or contemplated litigation or in settlement discussions conducted in order to avoid or resolve litigation. (A.R.S. §38-431.03(A)(4)).

1. Archer v. Orr, et al., Case No. CV-18-2434-HRH

7. Adjournment.

Without objection, the Study Session adjourned at 9:07 a.m.

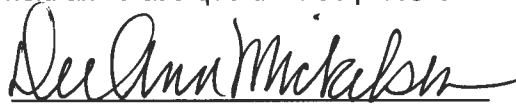
  
JOHN GILES, MAYOR



ATTEST:

  
DEE ANN MICKELSEN, CITY CLERK

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Study Session of the City Council of Mesa, Arizona, held on the 19<sup>th</sup> day of September 2019. I further certify that the meeting was duly called and held and that a quorum was present.

  
DEE ANN MICKELSEN, CITY CLERK

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(Attachments – 2)

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(Attachments – 2)



# **Shared Active Transportation Vehicles**

## **Terms and Conditions and Ordinance**

### Participating Departments

Transportation

Mesa Police

City Attorney's Office





# SATV Operators

Operator	Daily Staged Scooters
Lyft	150
Bird	50
Lime	350
Spin	50



Operating in Mesa

Left Mesa on 4/30, may return

**JUMP**

**Note:** Staged SATV Numbers (as of early-Aug 2019) indicate highest number reported by Operator and vary between weekdays and weekend days



# Industry Feedback Overview

- Transportation staff received feedback from Operators on the original draft Terms and Conditions and Indemnity language.
- Overall, there has been general agreement among Operators with the concepts in the Terms and Conditions presented by the City.
- Based on input received, staff made modifications to the service area, fees and indemnification language. The next slide provides information regarding some of the modifications to the original draft Terms and Conditions and Indemnity language.



# Modifications: Terms and Conditions

- **Eliminated Per SATV Fees** - City to reevaluate after one-year pilot
- **Eliminated Staging Area Map** - Operators can stage citywide
- **Reduced Impound Fee** - \$100 to \$50 per incident
- **Reduced License Fee** - \$5,000 to \$100 annually
- **Revised Indemnity language** – changed to “sole negligence” which is the same language the City agrees to with SRP in the design and use of the multi-use paths
- **Modified Staging requirement** – eliminated “regardless of Operator” language
- **Reduced Helmet requirement** – 500 to 100 helmets per year per Operator



# Penalties/Fees

City	Permit/ License	Application	Per SATV	Per Ride	Relocation/ Impoundment/ Citations
<b>Mesa</b> <i>Proposed</i>	<b>\$100</b> (Annually)	---	---	---	<b>\$50</b> /per SATV (Impoundment)
<b>Phoenix</b>	<b>\$5,000</b> (6 months)	<b>\$500</b> (One-time)	---	<b>\$0.10</b> (Ride surcharge)	<b>\$80</b> /per e-scooter (Relocation)
<b>Tempe</b>	<b>\$7,888</b> (Annually)	---	<b>\$1.06</b> (Daily)	---	<b>\$100</b> /per SATV (Relocation)
<b>Scottsdale</b>	---	---	---	---	<b>\$50/\$250/\$1,000</b> – 1st/2nd/3rd+ violations (Citation)



## Next Steps

### Approximate Timeline

- **October 2019** – Council adopt/authorize
- **November 2019** – SATV program to start
- **November 2019 - October 2020** - evaluate geographic area, safety compliance, parking, fees, engagement and data
- **November 2020** – update Council and recommend changes, if necessary

# Questions



# 2020 EMPLOYEE BENEFITS PROGRAM

CITY COUNCIL PRESENTATION  
September 19, 2019



## Benefit Programs/Services Overview

- ❑ **Main employee benefit programs and services**
  - Medical (3 plans)
  - Dental (3 plans)
  - Vision Care (3 plans)
  - EAP Program
  - Life and Disability Insurance
  - Health and Wellness Center
- ❑ **Benefits are funded through Employee Benefit Trust Fund**
  - Contributions from the City
  - Employee and retiree premiums
  - State retirement system subsidies
  - Other subsidies and rebates

## Medical Plan Rate Changes for 2020

### Medical Plan Premiums:

- ❑ Active - **6% increase 2020**
  - Employee premium increases \$8 - \$33 per month CY 2020
- ❑ Retirees – **3% premium increase 2020**

### Financial Considerations:

- ❑ Frequency increases - higher membership and utilization
- ❑ Severity - reduction of high dollar claims
- ❑ Out-of-network usage

# Active Medical Plan Rates for 2020

## ACTIVE F/T MEDICAL PLAN RATES – MONTHLY – 6% Increase

BASIC 50% PLAN	2020		
	City Contribution	EE Contribution	EE Difference vs 2019
Single	\$517	\$0	<b>\$0</b>
Family	\$1,151	\$0	<b>\$0</b>

CHOICE 80% PLAN	2020		
	City Contribution	EE Contribution	EE Difference vs 2018
Single	\$517	\$130	<b>+\$8</b>
Family	\$1,151	\$287	<b>+\$16</b>

COPAY PLAN	2020		
	City Contribution	EE Contribution	EE Difference vs 2018
Single	\$517	\$194	<b>+\$11</b>
Family	\$1,151	\$585	<b>+\$33</b>

## Highlights - Health Plan Changes for 2020

### Medical Plans

- ❑ Increased **out-of-network deductibles** for Basic, Choice and Copay Medical Plans:
  - Single OON deductible – \$1,000 to \$1,500
  - Family OON deductible – \$3,000 to \$4,500
- ❑ Reduced **out-of-network coinsurance** benefit – Choice and Copay Medical Plans:
  - 60%/40% to 50%/50%
  - Basic Plan remains at 25%/75%

## Health Plan Changes for 2020 cont.

### Vision Care Plans (with Vision Service Plan – VSP)

- ❑ Basic Vision – exams annually, materials every two years
- ❑ Vision Plus Plan – exams and materials every year, and a new enhanced plan:

#### ❖ Vision Premium Plus Plan

- Same benefits as Vision Plus Plan, plus
- EasyOptions - additional materials benefit for each covered person annually
- ❑ Modest premium rate increases for employees/retirees (after no increases for 4 years)

## Open Enrollment/Health & Wellness Fair 2019

### ❑ Open Enrollment

- ❑ Online eBenMesa October 23 – November 6, 2019
- ❑ Passive enrollment (except FSA)

### ❑ **Health and Wellness Benefits Fair** – Tuesday, October 29 9:00 am to 2:00 pm – Mesa Convention Center

- ❑ Theme: “Getting Smarter About Benefits and Wellness”
- ❑ Flu Shots
- ❑ Mammography/P.O.P screening appointments
- ❑ Seminars/presentations
- ❑ Wellness points opportunities for employees
- ❑ Multiple benefit plan vendors, wellness events, demonstrations, food trucks and Employee Network vendors