



COUNCIL MINUTES

September 16, 2021

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 16, 2021, at 7:30 a.m.

COUNCIL PRESENT

John Giles
Jennifer Duff
Mark Freeman
Francisco Heredia
David Luna
Julie Spilsbury
Kevin Thompson

COUNCIL ABSENT

None

OFFICERS PRESENT

Christopher Brady
Dee Ann Mickelsen
Jim Smith

Mayor Giles conducted a roll call.

1. Review and discuss items on the agenda for the September 20, 2021, 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

Vice Mayor Duff requested an overview on Items 3-e and 3-f, (**Dollar-Limit Increase to the Term Contract for the Streetlight Monitoring System for the Transportation Department (Sole Source) (Citywide), and Dollar-Limit Increase to the Term Contract for LED Streetlight Fixtures for the Transportation Department (Citywide)**), on the September 20, 2021, Regular Council meeting agenda. Transportation Department Director RJ Zeder explained Items 3-e and 3-f are to purchase smart nodes, which is the technology that allows the City to manage the streetlights, and to purchase the light fixtures. He stated the Housing Department approached Transportation seeking viable projects to use Community Development Block Grant (CDBG) funding and LED lighting upgrades for lower-income neighborhoods have helped provide better lighting to create a safer community.

In response to a question posed by Vice Mayor Duff, Mr. Zeder indicated light fixture improvements have been accelerated using the CDBG funding. He pointed out upgrading the existing high pressure sodium lights in the city to LED is a seven-year program; however, this will expedite the process.

Housing and Community Development Director Michelle Albanese explained 65% of CDBG funding must go to non-public service activities, as well as meet the spending ratios. She said Housing was looking for shovel-ready projects that would allow the City to expend the funds while also meeting the community's needs. She commented there have been several non-public service projects that have been cancelled or not progressed due to the onerous reporting requirements; and in order to spend the dollars, viable projects need to be identified.

In response to a question from Vice Mayor Duff, Ms. Albanese indicated the funding is regular CDBG dollars, not COVID-19 funding.

In response to an additional question from Vice Mayor Duff regarding the project timeline, Mr. Zeder reported approximately 2,100 lights would be funded using CDBG dollars and would take one year to complete. He added approximately 7,000 lights per year citywide are being replaced and staff will be able to fit the additional lights into the schedule.

Responding to a request from Vice Mayor Duff for an update on the schedule of projects, Ms. Albanese clarified that none of the projects approved from last fiscal year were changed and these CDBG dollars are in addition to those approved projects.

City Manager Christopher Brady said at times projects will not advance and the money allocated for that project needs to be spent in a certain timeframe and Housing then scrambles to find a new project, which is the case in this situation.

In response to a question posed by Councilmember Freeman, Mr. Zeder confirmed the contract is for the purchase of the material. He explained the Streetlight Master Plan was significantly less expensive with staff installing the lights and monitoring the systems.

In response to multiple questions posed by Councilmember Heredia, Mr. Zeder shared there is a map that Transportation is working from which shows specifically where the CDBG funded lights can be installed within the low to moderate income areas. He elaborated the replacement process is reactive in the sense that if a light is out, instead of repairing the light, the light will be replaced with LED and staff will attempt to replace lights on the same electrical circuit while onsite. He added proactively, a map is being implemented for citywide upgrade. He mentioned specifically for the CDBG-funded lights, the installations will all be proactive where entire sections of neighborhoods will be upgraded at one time.

In response to a question from Councilmember Luna regarding whether wi-fi will be added as a piece of the project, Mr. Zeder commented that Chief Information Officer Travis Cutright will come back to Council with those answers.

In response to a question from Councilmember Freeman regarding Item 4-f, **(Approving and authorizing the sale of certain City-owned real property located near the northeast corner of North Stapley Drive and East Main Street (1240 East Main Street) to Country Creek Multifamily, LLC., for the sale price of \$6,900,000. (District 4))**, on the September 20, 2021, Regular Council meeting agenda, Real Estate Services Administrator Kim Fallbeck reported there were two parties interested in purchasing the old Mervyn's site. She said both offers were entertained and the City went with the highest and best purchase price of the two, which was \$6.9 million. She added the terms of the sale are a 60-day feasibility, 10-day close, and \$250,000 has been deposited into an escrow account. She mentioned the owner will need to have the property rezoned to allow the type of use they are seeking.

Ms. Fallbeck pointed out the property was purchased for \$2.7 million; however, approximately \$70,000 was used to purchase right-of-way for the Gilbert Road light rail extension project. She remarked because the Federal Transit Administration (FTA) was paying for the right-of-way, the City wanted to ensure the current owner conveyed the property to the City. She advised for the time period October 2016 to May 2019, Valley Metro and the light rail contractor utilized the Mervyn's property for their offices and the City collected \$436,000 in rent for the property. She informed Council in May the property appraised for \$4 million.

In response to a question from Councilmember Freeman on whether the zoning is contingent on the sale of the land, Ms. Fallbeck confirmed the sale is as is and there are no assumptions for future zoning.

Ms. Fallbeck advised Council that Item 4-e, **(Approving and authorizing the sale of certain City-owned real property located at the northwest corner of North Recker Road and East Adobe Road (APN: 141-78-820) to Kinwell Development, LLC., for the sale price of \$435,000. (District 5))**, on the September 20, 2021, Regular Council meeting agenda, is a piece of property that the City paid \$45,000 for to house a future fire station which never materialized, and the City has attempted to sell the property many times over the years. She explained the property should close on October 15, 2021.

In response to a question from Councilmember Thompson regarding Item 3-g, **(Dollar-Limit Increase to the Term Contract for Emergency and Non-Emergency Response for Unknown, Hazardous and Non-Hazardous Materials for the Environmental Management and Sustainability Department (Citywide))**, on the September 20, 2021, Regular Council meeting agenda, Environmental Management & Sustainability Department Director Scott Bouchie explained the unanticipated projects include an underground storage tank that was discovered and a couple of spills that had to be cleaned up. He mentioned this contract is used by multiple departments, including Mesa Police Department, Energy Resources, and Environmental.

In response to a question from Councilmember Thompson regarding the referenced upcoming projects, Mr. Brady clarified the language was meant to identify unforeseen circumstances that come up that need to be addressed and to have the additional amount available.

2-a. Hear a presentation and discuss and update on the 2022 Employee Benefits and Wellness Programs.

Humans Resources Director Teri Overbey introduced Employee Benefits Administrator Janice Ashley and Employee Health and Wellness Manager Kristin Muise and displayed a PowerPoint presentation. **(See Attachment 1)**

Ms. Ashley stated the Employee Benefits Program is available to over 3,800 employees, 2,100 retirees, and more than 8,400 family members that are eligible under various programs. She remarked that all current benefit programs and many current vendors, administrators, and insurers have been renewed or are continuing under current contracts in 2022. She outlined the vendor partner relationships and indicated there are no reductions in benefit levels. (See Page 2 of Attachment 1)

Ms. Ashley mentioned January 1, 2022, the prescription drug administrator will change to MedImpact for active employees and non-Medicare retirees, and VibrantRx for individuals covered under the City-sponsored Medicare Part D programs. She added there will be no change in benefit levels for the prescription drug programs, co-pay amounts will remain the same with a

similar pharmacy network, and increased availability of 90-day supplies. She noted new prescription drug ID cards will be mailed at the end of the year. (See Page 3 of Attachment 1)

Ms. Ashley reported PaydHealth, a new innovative service provider for prescription drugs, will provide specialty drug advocacy services to help members receive alternative funding for high-cost specialty drugs. (See Page 4 of Attachment 1)

In response to a question from Councilmember Freeman, Ms. Ashley explained approximately 1-2% of the City's member population use specialty drugs at any point in time; however, the specialty drug co-pays make up 46% of the entire costs on the prescription drug side. She said because of the high costs, making certain the City finds the best cost containment opportunities will have a huge impact on the total costs for prescription drugs.

Ms. Ashley continued by saying that the specialty drug advocacy services that PaydHealth will provide will allow members to receive the drugs under alternative funding mechanisms. She added members will be required to participate in the program; and if not eligible, will be returned to the prescription drug benefit under the current program.

Ms. Ashley indicated the Flexible Spending Account (FSA) administrator will be changing from ConnectYourCare to Navia Benefit Solutions. She highlighted the service enhancements with the new administrator. She mentioned the current FSA administrator will be used through the end of the year and there is a three-month period at the beginning of the calendar year to finalize claims from the previous year. (See Page 5 of Attachment 1)

Ms. Ashley pointed out the medical plan changes will equate to approximately 6% increase for active employees, or \$9 to \$36 per month depending on your plan. She explained the basic medical plan, which is the highest active enrollment plan, will continue to be available for no cost.

Mr. Brady commented that approximately 1,500 employees are enrolled in the basic plan with no premium costs; however, there are greater out-of-pocket costs. He said 1,260 employees are covered under the Choice Plan and the family plan will increase by \$18. He added the Copay plan has approximately 800 participants and will see the highest increase per month.

Ms. Ashley elaborated the City contributes the same amount to each plan regardless of which plan the employee chooses and if the employee enrolls in a higher benefit level plan, the employee will pay more. She commented with the Copay plan being the highest experience rated plan means there is a bigger differential between what the City is contributing and what the employee contributes.

Ms. Ashley continued by describing the financial considerations that led to the rate changes. (See Page 6 of Attachment 1)

Mr. Brady stated like the General Fund, the Employee Benefits Trust Fund has its own reserves that are managed to ensure the reserves cover the payments. He added future costs and impacts are continually being monitored.

Ms. Ashley presented the rate structure changes. She mentioned the City contribution portion also increased 6%. (See Page 7 of Attachment 1)

Ms. Ashley spoke about the \$100 COVID-19 vaccine wellness credit available to active employees who have received their vaccine by December 31, 2021. She explained the wellness program for 2022 begins November 1 and WebMD will be the new platform of the program. She mentioned all employees will be eligible and those employees enrolled in City medical plans are eligible for incentives. She reported that spouse or committed partners will be eligible to participate in the platform and enjoy rewards and incentives as well. (See Page 8 of Attachment 1)

Ms. Ashley described the rewards that are available under the program. She commented the on-site Health and Wellness Center allows employees and covered dependents on medical plans to utilize the contracted medical professionals for quality primary and preventive care services free of charge. (See Page 9 of Attachment 1)

Responding to an inquiry from Mr. Brady regarding examples of the types of programs that employees can earn points on, Employee Health and Wellness Manager Kristin Muise informed Council that employees can earn points for attending annual exams or screenings, for being active and tracking that activity, or taking wellness classes. She mentioned the hope is that the financial incentive entices participation and over time, the intrinsic motivation kicks in to continue the health benefits.

In response to a question from Councilmember Luna regarding how employees receive information on the wellness program, Ms. Muise reported employees can find information on Inside Mesa, emails sent out to highlight events that are happening, as well as attend department meetings to promote activities.

Ms. Ashley advised that open enrollment would take place October 6 through 20, 2021. She said enrollment is required only if an employee would like to make a change to their current benefits; however, to participate in the FSA, enrollment is required each year. She commented employees can use the benefits website link on Inside Mesa. She added all information regarding the 2022 plan documents will be available on the benefits website. (See Page 10 of Attachment 1)

Ms. Ashley announced the Benefits Fair will be in-person at the Mesa Convention Center on October 7, 2021, from 9:00 a.m. to 2:00 p.m., and she said multiple benefit plan vendors will be in attendance, including the new benefit vendors. She indicated there will be wellness events and demonstrations, giveaways and raffles, and employees can process their enrollment on site. She noted that Fire and Medical will be administering flu shots and the COVID-19 vaccinations as well. (See Page 11 of Attachment 1)

In response to a question from Mayor Giles regarding whether boosters will be accessible for employees, Mr. Brady replied there has been no guidance on boosters at this time. He said conversations have taken place with the County and at the time boosters become available the City is committed to help distribute them as was done with the vaccines.

In response to an additional question from Mayor Giles, Ms. Ashley commented the City will be in the last year of the Cigna contract next year and will need to start the RFP process for the following year to determine the best opportunity for the medical plan administration.

Responding to an inquiry from Councilmember Freeman about whether employees can be tested for COVID-19 if the need arises, Ms. Overbey stated the Wellness Center has symptomatic testing available by appointment from the parking lot and non-symptomatic testing is offered two days a week.

In response to additional questions from Councilmember Freeman, Ms. Ashley clarified the benefit enrollment is a passive process, meaning the employee does not need to re-enroll if there are no changes to the plan, with the exception of the FSA that requires re-enrollment each year. She added employees can put up to \$2,750 into their FSA; and due to legislative changes, employees are allowed to rollover the total amount left at the end of the year, not just \$550, for one more year.

Mayor Giles thanked staff for the presentation.

3. Current events summary including meetings and conferences attended.

Councilmember Luna – Hispanic Heritage Month videos
Mesa’s Footprint for the Future meeting

Mayor Giles stated that several Councilmembers, as well as former Mayor Keno Hawker, participated in the 20th annual memorial service for Balbir Singh Sodhi.

Councilmember Spilsbury gave a shout out to Mesa Police for their handling of the chaotic bomb threat situation at Mesa High School and making sure the students and staff were safe.

Councilmember Thompson thanked Mesa Police Department (PD) for their work and efforts on illegal massage parlors in the community, and Council for passing the ordinance to give PD more tools to fight this crime.

Councilmember Luna announced there will be a POD for COVID-19 vaccines, boosters for immune-compromised individuals, and flu shots at Fremont Junior High in East Mesa.

Councilmember Freeman invited community members to attend the Parks Master Planning and Climate Action Plan meeting at Hale Elementary School this evening.

Vice Mayor Duff reported the Masks Alive Festival will be held at Pioneer Park on Sunday, September 19, 2021, from 2:00 to 5:00 p.m.

4. Scheduling of meetings.

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

Monday, September 20, 2021, 5:15 p.m. – Study Session

Monday, September 20, 2021, 5:45 p.m. – Regular Session

5. Convene an Executive Session.

It was moved by Councilmember Luna, seconded by Councilmember Thompson, that the Council adjourn the Study Session at 8:34 a.m. and enter into an Executive Session.

Upon tabulation of votes, it showed:

AYES – Giles-Freeman-Duff-Heredia-Luna-Spilsbury-Thompson
NAYS – None

Carried unanimously.

5-a. Discussion or consideration of employment, assignment, appointment, promotion, demotion, salaries, discipline, dismissal, or resignation of a public officer, appointee or employee of the City. (A.R.S. §38-431.03A(1));

1. City Attorney Review
2. City Manager Review

(The Council adjourned the Executive Session at 10:08 a.m.)

6. Adjournment.

Without objection, the Study Session adjourned at 10:08 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 16th day of September 2021. I further certify that the meeting was duly called and held and that a quorum was present.



DEE ANN MICKELSEN, CITY CLERK

jg/la
(Attachment – 1)



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2022 EMPLOYEE BENEFIT & WELLNESS PROGRAMS

CITY COUNCIL PRESENTATION

September 16, 2021

Benefit Programs/Services Overview

- ❑ **Employee benefit programs/services/third-party administrators/networks**
 - Medical (3 plans) – Cigna and NEW! MedImpact/VibrantRX/PaydHealth
 - Dental (3 plans) – Delta Dental of Arizona
 - Vision Care (3 plans) - VSP
 - EAP Program – ComPsych
 - Flexible Spending Account Plan (FSA) for Health and Dependent Care – NEW! Navia
 - Life/AD&D and Disability Insurance – MetLife and Unum
 - Health and Wellness Center (OnSite) and Mesa Wellness 360 – NEW! WebMD platform

- ❑ **Employee Benefit Trust Fund – Funding Sources**

- Contributions from the City
- Employee and retiree premiums
- State retirement system subsidies
- Other third-party administrative credits, subsidies and rebates

Highlights - Health Plan Changes for 2022

Medical/Prescription Drug Plans

- ❑ Medical claims administration, network and medical management – **Cigna** – no change medical ID cards
- ❑ **Prescription drug program changes:**
 - ✓ PBM administration: **MedImpact** (for active employee and non-Medicare eligible retiree populations) and affiliated **VibrantRx** (for retiree EGWP Medicare Part D populations)
 - New prescription drug ID cards for all members
 - 65,000 retail network pharmacies nationwide
 - Enhanced availability of 90-day supplies at **all** network pharmacies
 - MedImpact Mail Order and Specialty Drug pharmacy services

Highlights - Health Plan Changes for 2022 cont.

Medical/Prescription Drug Plans continued:

- ❑ Prescription drug program changes:
 - ✓ **New! Specialty Drug Advocacy Services introduced with PaydHealth**
 - Financial advocacy services to qualify members for alternate funding sources for high-cost specialty drugs
 - Reduces out-of-pocket costs for members and City Plans

Highlights - Health Plan Changes for 2022 cont.

Flexible Spending Accounts (FSA) Administration

- New! FSA Administration with Navia Benefits Solutions
- Service enhancements:
 - Debit cards for both health and dependent care FSA account holders
 - Opt-in service for automatic claim generation/alerts/reimbursement
 - Dependent care national provider network access/discount opportunities
- Run-out administration for 2021 FSA accounts – ConnectYourCare (Optum Financial)

Medical Plan Premium Rate Changes for 2022

Medical Plan Premiums:

- Active employees - \$9 to \$36 per mth rate increase (Choice and Copay medical plans)
- Basic Medical Plan – highest active enrollment – 100% City funded for full-time employees
- Retirees – maintain 2021 rates

Financial Considerations:

- National and City medical cost trend increases approximately 7% to 8%
- Claims volatility in 2021 and beyond due to:
 - Return to pre-pandemic healthcare utilization trends for preventive, elective and non-emergency care
 - Previously-postponed care/severity increases due to delays/reduced access to care
 - Continuing COVID-19 testing and treatment costs
- EBT fund balance projections support the need for approx. 6% rate increases in CY 2022

Active Medical Plan Premium Rates for 2022

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

		2022		
BASIC 50% PLAN		City Contribution	EE Contribution	EE Difference vs 2021
	Single	\$570	\$0	\$0
	Family	\$1,269	\$0	\$0

		2022		
CHOICE 80% PLAN		City Contribution	EE Contribution	EE Difference vs 2021
	Single	\$570	\$143	+\$9
	Family	\$1,269	\$317	+\$18

		2022		
COPAY PLAN		City Contribution	EE Contribution	EE Difference vs 2021
	Single	\$570	\$214	+\$12
	Family	\$1,269	\$645	+\$36

- ❑ **2021 Wellness Program enhancement: COVID-19 Vaccine Wellness Credit**
 - ▣ All active City employees encouraged to participate
 - ▣ \$100 Wellness Credit – both shots (or one-dose Johnson & Johnson) COVID-19 vaccine **by December 31**
 - ▣ Access to free COVID-19 vaccines – Mesa Fire/Medical administered at Benefit Fair (no appointments required); Health and Wellness Center and various drug store locations (by appointment)
- ❑ **2022 Wellness Program** – November 1, 2021, through October 31, 2022
 - ▣ NEW! WebMD technology platform and services
 - ▣ Open to **all** employees - those enrolled in City medical plans eligible for incentives
 - ▣ NEW! Spouse/committed partners enrolled in City medical plans can engage in WebMD platform, events and rewards

Mesa Wellness 360 cont.



□ 2022 Wellness Program continued:

- Rewards:
 - 250 points = \$50 debit/credit card (up to 4 x \$50 = \$200) – both employee and spouse/CP
 - 1,000 points = \$200 premium discount (applied in paychecks next calendar year) for participants in Choice or Copay medical plans (spouse/CP can also earn \$200 premium discount to apply to employee subscriber paychecks)
 - Raffle prizes and other recognition for high achievers above 1,000 points

□ Health and Wellness Center:

- For employees/covered dependents (plus many non-Medicare eligible retirees and dependents) – enrolled in City active or retiree medical plans
- Contracted medical professionals delivering quality, accessible, primary and preventive care services – free of charge

Open Enrollment 2021 for 2022 Benefit Programs

Open Enrollment:

- ▣ October 6 – October 20, 2021
- ▣ Inside Mesa and Benefits Website links to eBenMesa
- ▣ Passive enrollment (except FSA)
- ▣ Updated Guides, other communications, 2022 Plan Document and other Required Documents

Health and Wellness Benefits Fair 2021



Wellness/Benefits Fair – back in person (spacing, sanitation stations,

masks personal preference) on Thursday, October 7

9:00 am to 2:00 pm – Mesa Convention Center

- ▣ Employees and retirees welcome (100 Wellness Points for employee attendance)
- ▣ Multiple benefit plan vendors (including new vendors for 2022!) and City department information booths
- ▣ Wellness events/demonstrations
- ▣ Employee Network vendors (sorry, no back massages this year!)
- ▣ Information, giveaways and raffle prizes
- ▣ Assisted enrollment computer kiosks inside and I Love Mesa Van with IPADs outside
- ▣ Flu Shots and COVID-19 vaccinations (Fire/Medical administered – no appointments req'd)
- ▣ Mammography/P.O.P screening appointments
- ▣ Food and beverage trucks

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