

COUNCIL MINUTES

September 12, 2022

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 12, 2022, at 4:46 p.m.

COUNCIL PRESENT

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

COUNCIL ABSENT

Kevin Thompson

OFFICERS PRESENT

Christopher Brady
Holly Moseley
Jim Smith

Mayor Giles conducted a roll call.

Mayor Giles excused Councilmember Thompson from the entire meeting.

1. Review and discuss items on the agenda for the September 12, 2022, 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

2-a. Hear a presentation and discuss overview changes to the City's Personnel Rules.

Human Resources Director Teri Overbey introduced Employee Benefits Administrator Janice Ashley and displayed a PowerPoint presentation. **(See Attachment 1)**

Ms. Overbey reminded Council that personnel rules are an ordinance, and that changes have been reviewed with City Management, Union representative personnel, Fire and Police Management, as well as approved by the Merit board. She discussed the key changes to probation periods for part-time benefited, grant funded, and project funded positions. (See Page 2 of Attachment 1)

Ms. Overbey reviewed the addition of a 12-hour shift for Fire personnel to aid paramedics and emergency medical technicians, which include conversion rates for holidays, vacation, sick, and bereavement in various sections on the rules. (See Page 3 of Attachment 1)

Ms. Overbey discussed the modifications to the grievance process versus the appeals process. She explained a grievance process is an employee's right to submit or grieve any item. She mentioned previously grievances covered all sections, but the recommendation is to divide grievances and appeals to aid in the process. She noted template forms are being developed. (See Page 4 of Attachment 1)

Ms. Overbey provided an overview of the written counseling process, which is one of the first levels of a non-disciplinary action. She mentioned the recommendation is to maintain the written counseling form in the Supervisor's workstation file, rather than the personnel file. She explained the updates to the rules for suspension. She stated to coincide with the City's workplace schedule of 10-hour workdays, employees are entitled to a pre-deprivation hearing for suspensions greater than 20 hours. (See Pages 5 and 6 of Attachment 1)

Ms. Overbey outlined demotion changes for an employee who is failing to meet the requirements of their position. She explained the changes allow the department flexibility where an employee is still of value, and a certification is not required. She stated the employee may remain within the department if requirements are met. She reviewed the recommended disciplinary probation restrictions and approval required. (See Pages 7 and 8 of Attachment 1)

Ms. Overbey discussed the proposed incentives for recruitment and retention of employees. She explained the addition of December 24 as a City holiday, and the proposed rollover option of designated sick time converted to vacation time, which can be used for vacation payout. She commented sick time is accrued up to the maximum of 1,040 hours. (See Page 9 of Attachment 1)

In response to a request from City Manager Christopher Brady regarding clarification on sick time accrual, Ms. Overbey explained currently full-time employees accrue 96 hours of sick time per year and can reach the maximum accrual of 1,040 hours in approximately 10 years, if sick time is not utilized. She commented the recommendation is to have the option to roll over sick time hours to vacation once 1,040 hours are reached.

Ms. Overbey advised Council of the upcoming dates regarding the personnel rule changes. She noted if approved, the changes go into effect on November 2, 2022. (See Page 10 of Attachment 1)

In response to a question posed by Councilmember Spilsbury regarding changes to the personnel rules, Ms. Overbey stated changes to the personnel rules are made on an as-needed basis. She indicated the last time changes were made was in September of 2019. She advised there are times when personnel rules are updated as a result of changes made to state or federal laws regarding benefits, policies, or procedures. She explained when Prop 206 went into effect, the rules had to be amended to account for changes in sick leave. She pointed out the disciplinary changes will provide supervisors and employees more options.

Mayor Giles thanked staff for the presentation.

2-b. Hear a presentation and discuss an update on the 2023 Employee Benefits and Wellness Programs, and employee recruitment and retention incentives.

Employee Benefits Administrator Janice Ashley displayed a PowerPoint presentation regarding the 2023 Employee and Wellness Programs. **(See Attachment 2)**

Ms. Ashley provided an overview of the City's plans for the employee benefit plans in 2023. She stated all the current programs, vendors, administrators, and insurers have been continued or renewed to support the 2023 programs. She commented a contract is generally for a three-to-five year period and can have as much as a two-year renewal opportunity thereafter. (See Page 2 of Attachment 2)

In response to a question from Mr. Brady regarding the continuation of benefits, Ms. Ashley indicated a third-party administrator for the medical plans was selected, and all the other contracts are for regular renewal or ongoing guarantees.

Ms. Ashley highlighted the health plan benefit enhancements which will become effective January 1, 2023. She advised all benefit levels will remain the same, with the exception of in-network outpatient behavioral health and substance abuse care that will now be offered at 100% coverage. She pointed out gene, cellular therapy products, and related services have been excluded to allow enough time to review all the data and ensure that the services are safe and efficacious for members, as well as provide appropriate clinical outcomes, while managing costs. (See Page 3 of Attachment 2)

Ms. Ashley explained the flexible spending account (FSA) plan is enabled by Internal Revenue Service (IRS) guidance and regulations; and to remain competitive and maximize healthcare spending, the annual election amount has increased to \$2,850 and the rollover maximum has increased to \$570. She explained Mesa's Vision plans (VSP) have a guaranteed period of premiums and the City does not anticipate any changes to premiums in the next three-to-four years. She reported the Short-Term Disability Insurance plan was subject to renewal and negotiations related to premiums, and the City decided to change the seven-day waiting period to a 14-day waiting period, along with a modest premium increase to balance the plan; however, the 29-day and 44-day waiting period plans remain the same. (See Page 4 of Attachment 2)

In response to a question from Councilmember Freeman, Ms. Ashley stated FSA rollovers are performed automatically by Mesa's third-party administrator, Navia Benefit Solutions, and participants are notified once the rollover occurs. She explained there is approximately a two-month period at the beginning of the calendar year to finalize claims and rollover amounts from the previous year. She indicated to be eligible for a rollover amount, participants are required to establish a new account for the new year.

Ms. Ashley advised the proposed premium rate increases for the City's medical plans in 2023 will be approximately 5% on active plans and 3% for City contributions towards retiree plans. She provided a summary of the financial considerations that went into the rate increase. She supplied a chart demonstrating the monthly medical plan rates for employees and the City's monthly contributions. (See Pages 5 and 6 of Attachment 2)

Ms. Ashley announced the 2023 Mesa Wellness 360 program begins on November 1, 2022, through October 31, 2023, and WebMD will continue to provide the technology platform and services. She commented the program is open to all employees and spouses enrolled in City medical plans. She noted the rewards structure will remain the same as the previous years, and described the rewards points available under the program. She pointed out employees/spouses achieving more than 1,000 points will be entered in a raffle for additional prizes. (See Page 7 of Attachment 2)

In response to a question from Mr. Brady regarding examples of the type of activities that employees can earn points for the Wellness program, Ms. Ashley stated employees can earn points for attending annual physical wellness screenings, by participating in reading challenges,

team-based steps challenges, wellness classes, or other events sponsored by the Mesa Wellness program.

Ms. Ashley discussed Mesa's on-site Health and Wellness Center, which is available for employees, retirees beginning in July 2022, and their respective covered dependents enrolled in City active or retiree medical plans. She explained the Health and Wellness Center is a group of contracted medical professionals who deliver quality, accessible primary and preventive care services, and dermatology screenings free of charge. (See Page 8 of Attachment 2)

Ms. Ashley highlighted open enrollment begins October 5 through 19, 2022 and is a two-week period used by employees to engage an online enrollment tool, eBenMesa, which allows employees and retirees access to benefits information, documents, and adjustments or updates to their benefits. She explained employees do 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. (See Page 9 of Attachment 2)

Ms. Ashley informed Council the Health and Wellness Benefits Fair will be held on October 6, 2022, from 9:00 a.m. to 2:00 p.m. at the Mesa Convention Center and all employees and retirees are invited. She indicated the main employee benefit plan vendors, and City department information booths will be in attendance. She added Wellness presentation classes will be offered as well as giveaways, raffle prizes, and volunteers will be available to assist employees in navigating the eBenMesa website and making enrollment selections. She noted that the Fire and Medical Department will be administering flu shots. (See Page 10 of Attachment 2)

In response to a question from Councilmember Luna regarding COVID vaccinations, Ms. Ashley stated COVID vaccinations will not be available at the Benefits Fair.

Ms. Ashley added food and beverage trucks will be available outside the facility for convenience of those attending the Benefits Fair.

Ms. Ashley discussed the recruitment and retention strategies that will be effective on January 1, 2023, for post-retirement health insurance categories, which include medical, dental, and vision insurance, and reviewed the eligibility requirements. (See Page 11 of Attachment 2)

Ms. Overbey reviewed additional proposed incentives for recruitment and retention, including increasing discretionary time off (DTO). She explained the purpose of this extra time is to acknowledge that the prospective employees may have vacations or events planned, and the City would benefit from providing extra assistance during their first year as a new hire. (See Page 12 of Attachment 2)

In response to multiple questions from Councilmember Heredia, Ms. Ashley clarified that employees who might retire in 2029 or later that were hired post-2009, would be responsible for 100% of the health benefit costs. She explained those who retired with pre-2009 hire dates, pay approximately 20% of health benefit costs, minus any eligible subsidies from the state retirement system subsidies.

Mayor Giles thanked staff for the presentation.

3. Current events summary including meetings and conferences attended.

Vice Mayor Duff –

Mesa Arts Center – season kickoff

Contemporary Arts Museum reception - art exhibition for Ron English
CO+HOOTS at Benedictine – public grand opening
911 National Day of Service
United Food Bank
AmeriCorps Volunteers - volunteer project

Councilmember Freeman –

911 National Day of Service
Mesa Leadership Organization - Jackie Mercer

Councilmember Heredia –

Meeting with new MCC President, Dr. Tammy Robinson

Councilmember Luna –

Boeing Advanced Composite Fabrication Center

Councilmember Spilsbury –

Meeting with new MCC President, Dr. Tammy Robinson

Mayor Giles, Vice Mayor Duff, along with Councilmembers Luna, Spilsbury, and Freeman attended an East Valley Hispanic Chamber of Commerce event.

4. Scheduling of meetings.

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

Thursday, September 15, 2022, 7:30 a.m. – Study Session

Monday, September 19, 2022, 5:15 p.m. – Study Session

Monday, September 19, 2022, 5:45 p.m. – Regular meeting

5. Adjournment.

Without objection, the Study Session adjourned at 5:43 p.m.

JOHN GILES, MAYOR

ATTEST:

HOLLY MOSELEY, 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 12th day of September 2022. I further certify that the meeting was duly called and held and that a quorum was present.

HOLLY MOSELEY, CITY CLERK

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(Attachments – 2)

KEY PERSONNEL RULES

CHANGES Effective 11/2/22

Teri Overbey Brown
Human Resources Director

Part-Time Benefited, Grant Funded, Project Funded Change to Full-Time (Initial Regular Probation)

- Movement within Same Department
 - Employed greater than one year
 - Most Recent Performance Appraisal is successful
 - Will not have to serve Initial Regular Probation
- Movement to a Different Department
 - Employed greater than one year
 - Most Recent Performance Appraisal is successful
 - Will serve a six-month probation period which cannot be extended
- Movement prior to one year of service
 - Will serve a twelve-month probation period

Fire Personnel 12 Hour Shift

- Adding the conversion rates for Fire Personnel working a 12 Hour Shift for the following:
 - Holidays
 - Vacation
 - Sick
 - Bereavement

Grievance vs Appeal

- Grievance
 - Used when a Rule, Policy or Procedure has been misapplied/misinterpreted or
 - Step Increase has been denied
- Appeals
 - Used to Appeal a Disciplinary Action
- Submissions will be on template forms

Written Counseling

- Considered to be non-disciplinary action
- Will no longer be maintained in the Personnel File
- Will be maintained in the Supervisor's Workstation File
- Will no longer be signed
- Written Counseling will take the place of non-disciplinary Memorandum of Understanding

Suspension Changes

- Pre-deprivation hearing is required for suspensions greater than 20 hours (previously was 16 hours)
- Police Sworn Employees are entitled to a Pre-deprivation hearing for ALL suspensions regardless of the amount of hours
- Suspensions must begin to be served within 90 days

Demotion Changes

- An employee who is demoted for failing to meet the requirements of the position shall:
 - Be demoted to the formerly held position if existing or vacant or
 - Be demoted to a currently existing, vacant and funded position which the employee meets the requirements within the employee's department or
 - If neither are available, the employee shall be terminated

Disciplinary Probation Changes

- While on Disciplinary Probation, an employee will not be allowed to compete in any promotional testing
- May apply and be considered for demotion or lateral transfer with City Manager Designee approval

Recruitment and Retention

- Adding December 24th as a City holiday
- Proposed Sick Rollover Option (Effective Date TBD)
 - Allows employees with a defined balance of sick hours to elect to convert 50% of future accrued sick time hours to vacation
 - Full-time = 480 hours
 - Part-time = 240 hours
 - Fire Personnel working a 24-hour shift = 672 hours
 - Fire Personnel working a 12-hour shift = 504 hours

Dates

- September 19, 2022
Introduce Ordinance –
Repeal/Replace Personnel Rule
- October 3, 2022
Public Hearing/Take Action on
Ordinance Change
- November 2, 2022
Personnel Rules Effective

Questions

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2023 EMPLOYEE BENEFIT & WELLNESS PROGRAMS

CITY COUNCIL PRESENTATION

September 12, 2022

Benefit Programs/Services Overview

Employee benefit programs/services/third-party administrators/networks

- ☐ Medical/Prescription Drug (3 plans: Basic, Choice and Copay) – Cigna and MedImpact/VibrantRX/PaydHealth
- ☐ Dental (3 plans: Preventive, Dental Choice and Dental Choice Plus) – Delta Dental AZ
- ☐ Vision Care (3 plans: Basic, Vision Plus and Vision Premium Plus) - VSP
- ☐ Employee Assistance Program – ComPsych
- ☐ Flexible Spending Account Plan (FSA) for Health and Dependent Care – Navia Benefits
- ☐ Life/AD&D and Short-Term Disability Insurance – MetLife and Unum
- ☐ Health and Wellness Center (OnSite Care Inc.) and Mesa Wellness 360 – 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 Benefit Changes for 2023

Medical/Prescription Drug Plans:

Enhanced benefits – effective January 1, 2023:

- ❑ In-network outpatient behavioral health and substance abuse care: 100% coverage (aligns with current in-network inpatient behavioral health care)
- ❑ In-network high-tech radiology services (MRI, CT, PET etc.): 100% coverage
- ❑ In-network Global Maternity Fee \$300 (pre/post natal and delivery) for professional medical services – cost predictability aligned in all three medical plans

Cost containment:

- ❑ Exclusion of Gene and Cellular Therapy Products and related services

Highlights - Health Plan Changes for 2023 cont.

Flexible Spending Accounts (FSA) Plans

- ❑ Increase Health FSA annual election max to **\$2,850** and rollover max to **\$570**
- ❑ No change Dependent Care FSA annual limits and no rollovers

Vision Plans (VSP):

- ❑ Enhanced benefit - \$20 fixed copay Retinal Digital/Photographic Screening (no premium changes)

Short Term Disability Insurance (UNUM):

- ❑ Voluntary insurance - three waiting period options:
 - STD14 (**changed from STD7**) + premium increase
 - STD29 (no premium change)
 - STD44 (no premium change)

Medical Plan Premium Rate Changes for 2023

Medical Plan Premiums:

☐ **Active employees:**

- ☐ \$6 to \$16 per month rate increase for Choice Medical Plan
- ☐ \$10 to \$33 per month rate increase for Copay Medical Plan
- ☐ Basic Medical Plan – remains 100% City funded for full-time employees

☐ **Retirees:**

- ☐ \$6 to \$14 per month rate increase for Retiree Choice Medical Plan
- ☐ \$12 to \$24 per month rate increase for Retiree Copay Medical Plan
- ☐ Retiree Basic Plan - \$0 premium for retirees (with full retirement system subsidies)

Financial Considerations:

- ☐ National and City medical cost trend increases approximately 7% to 8% annually
- ☐ Modest increases in membership, utilization and severity of high-cost claimants
- ☐ EBT fund balance projections support the need for approx. 5% rate increases in active plans and 3% increase in City contributions for retirees in CY 2023

ive Medical Plan Premium Rates for 2023

ACTIVE F/T MEDICAL PLAN RATES – MONTHLY

BASIC 50% PLAN	2023		
	City Contribution	EE Contribution	EE Difference vs 2022
	Single	\$599	\$0
	Family	\$1,332	\$0

CHOICE 80% PLAN	2023		
	City Contribution	EE Contribution	EE Difference vs 2022
	Single	\$599	\$149
	Family	\$1,332	\$333

COPAY PLAN	2023		
	City Contribution	EE Contribution	EE Difference vs 2022
	Single	\$599	\$224
	Family	\$1,332	\$678

sa Wellness 360



Wellness Program – November 1, 2022, through October 31, 2023

- ❑ WebMD technology platform and services
- ❑ Open to **all** employees - those enrolled in City medical plans eligible for incentives
- ❑ Spouse/committed partners enrolled in City medical plans can engage in WebMD platform, events and rewards

Rewards:

- ❑ 250 points = \$50 debit/gift card (up to 4 x \$50 = \$200) for both employee and spouse/CP
- ❑ 1,000 points = \$200 premium discount next calendar year – both employee and spouse/CP can earn
- ❑ Raffle prizes/other recognition for high achievers above 1,000 points and non-medical plan members

sa Wellness 360 cont.



th and Wellness Center:

- ❑ For employees, retirees (*new!* July 2022) and respective covered dependents enrolled in City active or retiree medical plans
- ❑ Contracted medical professionals delivering quality, accessible, primary and preventive care services and dermatology screenings – free of charge

Open Enrollment 2022 for 2023 Benefit Plans

Open Enrollment:

- ▣ October 5 – October 19, 2022
- ▣ Inside Mesa and Benefits Website links to eBenMesa
- ▣ Passive enrollment (except FSA positive enrollment)
- ▣ Updated Guides, other communications, 2023 Plan Document, SBC's and other Required Documents

Health and Wellness Benefits Fair 2022

Health and Wellness/Benefits Fair: Thursday, October 6, 2022

9:00 am to 2:00 pm at the Mesa Convention Center

- ▣ Employees/retirees welcome (100 Wellness Points for employees)
- ▣ Benefit plan vendors and City department information booths
- ▣ Wellness presentations/classes
- ▣ Employee Network vendors
- ▣ Information, giveaways and raffle prizes
- ▣ Assisted enrollment computer kiosks
- ▣ Free Flu Shots (Fire/Medical administered – first come, first served)
- ▣ Mammography/P.O.P with appointments
- ▣ Food and beverage trucks

Recruitment and Retention

Effective January 1, 2023, post-retirement health insurance (medical, dental and vision) and City contributions will be available to employees regardless of hire date (previously ended 1/1/09) who meet the following criteria:

- ▣ Retire from the City of Mesa
- ▣ Retire from one of the State pension plans
- ▣ Have a total of 20 years or more of cumulative benefit eligible service with the City of Mesa
- ▣ Have 10 or more consecutive years of benefit eligible service with the City of Mesa immediately before retirement

Recruitment and Retention (Continued)

Discretionary Time (DTO)

- ▣ Changing amount that is granted annually on 7/1 from 16 hours to 20 hours

▣ New Hire

- ▣ If hired between July and December 31st, new hire will get the standard 20 hours of DTO and a one-time extra 20 hours of DTO
- ▣ If hired between January and May 31st, new hire will get the standard 10 hours of DTO and a one-time extra 10 hours of DTO

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