

Arvada City Council Workshop, September 8, 2014

Notes taken by Susan Shirley

All councilmembers were present: Mayor Marc Williams, Mayor Pro Tem Mark McGoff, and Councilmembers Don Allard, Bob Dyer, Bob Fifer, Jerry Marks, and John Marriott.

Public attendance was 6.

Beginning the workshop was a presentation by Ken Paker, Vice President of Network Services and CTO of TDS Telecom. Paker, formerly of AT&T, was here to provide a six-month followup to City Council regarding progress in certain critical areas of service following TDS' August 1, 2013 takeover of Baja Broadband. TDS/Baja provides service on the west side of Arvada, Comcast on the east, and Council has repeatedly expressed a high level of dissatisfaction with virtually everything about Baja, especially in comparison to the relatively stellar performance of Comcast.

The City's contract with TDS stipulates periodic updates to Council about progress on a 15-month (from March, 2014) goal of "enhanced video services including, at a minimum, authenticated subscriber access to multichannel cable video programming using computers, smart wireless telephones, computer tablets and like devices, whole home DVR and enhanced user guide solutions, personalized user interface and IP Video on Demand."

Paker said that, while it takes time to turn networks around, TDS is committed to the fifteen-month window and he believes they are making great progress toward it. They are branching into broadband and doing core upgrades to their streaming video capabilities, of which Netflix is the most notable example.

TDS, though originally a phone company, is steadily working toward closing the gap in streaming video, DVR, and cable video interface, said Paker. They also plan to add a number of channels over the coming months, such as Fusion, NFL Network, Hallmark, AMC HD, WFN, and Fox Life. TDS has already added several channels, including MTV, National Geographic Wild, and Fox Biz.

Paker said that over the next nine months the focus will be greatest on streaming video and DVR capabilities, as well as broadband. He said that TDS recently acquired an Oregon company which is already using major upgrades, providing TDS with valuable information to apply systemwide.

Councilmembers, and in particular the technologically gifted Bob Fifer, requested much more specific information relating to Arvada rather than TDS' entire network. Fifer asked for future updates to include charts showing progress in areas such as additions to the cable lineup, and which are specific to Arvada.

Outages have also historically been a source of frustration, with interruptions routinely lasting twelve to fifteen hours or longer. Mayor Marc Williams joined Fifer in requesting future information about how TDS is improving in that area. Councilmember Bob Dyer, normally the most vocal opponent of TDS/Baja, was satisfied with Fifer's grilling of Paker and said he had no need to add anything.

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The next portion of the workshop was an update on the self-funded medical plan, and the Paladina Health Clinic which was opened in February for city employees to use.

City Manager Mark Deven provided background about the clinic and why the move was made toward self funding. He said that, while preparing a ten-year budget in 2012, it was painfully apparent that the costs of health care were rising 8 to 10 percent per year; at that rate, the costs would double by the end

of the ten-year span. Deven and his staff decided that, by 2019, the annual increases would be reined in to a more manageable four percent; the question was how to achieve that.

At first, the best solution seemed to be to require employees to shoulder a higher proportion of the costs. However, City Council requested other alternatives and that, said Deven, was the impetus his department needed to look into self-funded health care. An integral part of that new system is the Paladina Health Clinic. This workshop provided a look into how things are going so far in this radically new program, which is currently bringing a lot of attention to Arvada from other cities, for its innovative approach to the problem of escalating health care costs.

Mayor Williams began by telling Paladina representatives that, unlike the cable providers, Council is hearing glowing reports about Paladina.

Over 770 members are enrolled already, surpassing the goal of 750 set in February. This breaks down into about 60% of the approximately 700 benefited city employees, plus their dependents.

A point of interest, or maybe just an anomaly, is that the prevalence of chronic disease (e.g. hypertension, diabetes, depression/anxiety) is about ten percent higher here in Arvada, than what is usually seen elsewhere. Mayor Williams wondered if this is because Arvada employees tend to stay longer in their jobs, and therefore they are significantly older than employees elsewhere. However, the Paladina representative said that the average age is about 41, which is in line with other areas. Councilmember Fifer said maybe a look at median age, not average age, would yield more information.

Beyond that, though, this new approach to health care may provide greater than expected cost savings partly BECAUSE of the relatively high prevalence of chronic disease, since successful management of chronic conditions yields immediate and lasting savings.

Face-to-face office visit time everywhere in this country has obviously decreased to alarming levels; a recent article by Kaiser Health News places it at an excruciatingly low eleven-to-fifteen minutes per patient seen by a physician. Paladina's model is drastically different, with two kinds of visits: office visits dealing with a single complaint, and comprehensive physical examinations. Paladina's internal records show an average of 50 minutes of face-to-face time with a doctor for an office visit (scheduled for at least 30 minutes) and 88 minutes for a physical (scheduled for 60 to 90 minutes.) Their waiting room time is an impressive 2 minutes, compared with the national average of 22 minutes. Member satisfaction is very high, and Paladina expects to eventually enroll about 70% of city employees and their dependents.

City employees pay 20% of costs, and the City the other 80%. So the early news is very good all around; cost savings are at a rate of a 15.2% reduction in 2014 compared with 2013. It will naturally take a longer time to know what to expect going forward, but it appears that the savings may be very significant. Mayor Williams and Councilmembers Fifer and Marriott all commended staff for the innovative approach, with Williams declaring it "phenomenally good news."

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Finally, the budget. Director of Finance Bryan Archer presented an overview of the 2015-2016 budget, along with some 10-year planning information. This will be followed by presentations on September 22 by the Arvada Center, Public Works Department, IT, the City Attorney, Municipal Court, and AEDA; then, on October 13, by the City Manager, HR, Finance, Parks, Utilities, Public Safety, and Community Development. The budget is expected to be adopted in the October 20 City Council meeting.

As with any budget, certain assumptions are made when looking ten years out. Archer's slide showed assumptions of sales tax increases in coming years of anywhere from 2% to 3.75%, and Archer reminded Council of the loss of sales tax revenue to the TIF given to Walmart. Other costs and funds were similarly forecast to go up and down based on various factors.

Street maintenance is a sore spot. About \$5 million per year is allocated in the budget of the General Fund, acknowledged by all to be an extremely low figure. City Manager Mark Deven recommends waiting to see what the Citizens' Capital Improvement Committee says about the relative importance of street maintenance, before deciding how to proceed in allocating funds.

Arvada Center is finding ways to reduce costs, among those being a reduction in the number of shows presented. The Parks fund is meeting their goals, but Hospitality and Golf are not.

Arvada plans to increase the number of police officers between 2015 and 2017. There are also plans for a third substation in the next few years.

Director of Utilities Jim Sullivan presented information about Utilities, which are Water, Wastewater, and Stormwater. Councilmember Bob Dyer asked about the stormwater fees, saying he is frequently contacted by people wanting to know why it is on their bill, if it is legal, etc. Sullivan said that it is mandated by the State of Colorado, and goes to making transportation possible despite the ravages of weather; for example, keeping bridges functioning, and maintaining intersections so they are passable during heavy downpours.

Sullivan also outlined the city's current program of replacing main water lines. There are 450 miles of main line in Arvada, the oldest of which is made of cast iron and is expected to be completely replaced within ten years. Before the replacement program began, there were 120 to 130 main line breaks per year, now down to around thirty.

Assistant Director of Finance Lisa Yagi rounded out the evening with a look at the Capital Improvements' ten-year overview.

Continuing projects include Transportation, nearly \$1.9 million; Facilities, \$60,000; Parks, \$732,000; and the Arvada Center, \$50,000.

Proposed for 2015-2016 are:\

Britton and Griffith Station Parks Street Improvements, \$575,000\

Improvements to the intersection, W. 72nd Ave. and Indiana Street, \$515,000\

Ralston Road Corridor Improvements, \$322,000 (this is only one phase of a very major long-term project)\

Cold Storage and Weapons Testing Facility, \$500,000\

Leyden Creek Trail, \$154,000\

Arvada Center and Hospitality Master Plans, \$255,000

One-time requests:

Phase I TOD, \$900,000\

Table Mountain Animal Center, \$179,315\

AEDA, for their loan and grant program, \$500,000\

Sand and salt dome, \$120,000\

Land Development Code, \$200,000\

Four pieces of patching and snow removal equipment, \$210,000\

IT tools, \$80,000

Following Yagi's presentation, Mayor Williams discussed with members their submissions of rankings of applicants for the Planning Commission, Board of Adjustments, and Citizens' Capital Improvement committee. Rankings are to be submitted to the City Clerk's office, and City Attorney Chris Daly reminded Council not to discuss applicants with each other via email.

With that, business was concluded and Mayor Williams adjourned the workshop at 8:35.