

# MINUTES

## EXECUTIVE COMMITTEE MEETING

April 8, 2009

Parowan, Utah

### MEMBERS IN ATTENDANCE

Commissioner Chad Johnson  
Commissioner Clare Ramsay for  
Commissioner Maloy Dodds  
Commissioner Lois Bulloch  
Commissioner Douglas Heaton  
Commissioner Denny Drake

### REPRESENTING

Beaver County Commissioner Representative  
Garfield County Commissioner Representative  
  
Iron County Commissioner Representative  
Kane County Commissioner Representative  
Washington Co. Commissioner Representative

### OTHERS IN ATTENDANCE

Kenneth Sizemore

Five County Association of Governments

## I. WELCOME AND APPROVAL OF JUNE 12, 2008 AND MARCH 15, 2009 MINUTES

Commissioner Denny Drake, Chair, welcomed members of the Executive Committee, acknowledged that a quorum was present, and noted that Commissioner Ramsay, was representing Commissioner Maloy Dodds. Chairman Drake presented minutes of the June 12, 2008 and March 15, 2009 meetings for discussion and approval.

**COMMISSIONER CHAD JOHNSON MOVED THAT MINUTES OF THE JUNE 12, 2008 EXECUTIVE COMMITTEE MEETING AND MARCH 15, 2009 TELEPHONIC MEETING BE APPROVED AS PRESENTED. COMMISSIONER LOIS BULLOCH SECONDED THE MOTION, WHICH PASSED UNANIMOUSLY.**

## II. FINANCIAL

### A. FRINGE BENEFIT PACKAGE

Mr. Sizemore provided copies of a summary outlining the fringe benefit package for Five County AOG employees. It is important that assumptions be established for the FY 2010 budget. The Association of Governments operates on a fiscal year beginning on July 1<sup>st</sup> and currently has 53 employees. He referenced the fringe benefit package handout and reviewed items as follows: **1) Social Security Match--** Remains at 7.65 percent of gross salary; **2) Retirement System--** This is bumping up a small amount to 11.66 percent. All employees, with the exception of one, are covered under the non-contributory plan. When this shift was made, one employee opted to remain on the contributory plan; **3) Matching Contribution--** In 1995 there was no cost-of-living adjustment for employees but the Executive Committee approved a 1.25% matching contribution to a 401K. This contribution remains for all employees who were on board in 1995. New employees do not receive this

contribution; **4) Health Insurance**-- Costs associated with health insurance have increased by approximately 8%, which is less than what was expected and considered a manageable amount. A smaller employee pool creates a disadvantage in terms of insurance costs. Retired Executive Director, John Williams, is still on the AOG insurance coverage through utilization of the AOG sick leave conversion policy. Upon retirement, an employee is able to convert one-half of their sick leave to paid health insurance or cash. Commissioner Lois Bulloch mentioned that this is a good benefit and many agencies do not afford this opportunity. Commissioner Chad Johnson questioned whether staff went out to competitive bids this year. Mr. Sizemore responded that he did not this year because that process was completed two years ago. Competitive bids will be solicited next year. It was noted that none of the five county governments carry PEHP. However, all of the seven AOG's have remained on PEPH insurance coverage. It was suggested that all of the AOG's pool together to capture a better rate. Commissioner Denny Drake commented that self funded insurance is great for employees but is very costly to counties; **5) Workers Compensation**-- Costs are decreasing a small amount; **6) Unemployment Insurance**-- Remains the same; **7) Holidays, Vacation, and Merit System**-- Comparisons to other counties are provided on the benefit package comparison sheet.

Mr. Sizemore reviewed the second handout containing he and Bob Rasmussen's recommendation for the coming fiscal year as follows: **1) Cost-of-Living Adjustment**-- Based on the serious financial difficulties faced by all local governments at both the county and municipal level, management staff has decided not to recommend a cost-of-living adjustment for FY 2010; and **2) Insurance Costs**- - It is recommended that the AOG cover increased health insurance premium costs.

**MOTION WAS MADE BY COMMISSIONER DOUGLAS HEATON, TO APPROVE MANAGEMENT STAFF'S RECOMMENDATION TO COVER INCREASED HEALTH INSURANCE PREMIUMS, NOT PROVIDE A COST-OF-LIVING ADJUSTMENT, AND COVER INCREASED RETIREMENT COSTS AS OUTLINED ABOVE. MOTION WAS SECONDED BY COMMISSIONER CHAD JOHNSON. MOTION CARRIED.**

Commissioner Lois Bulloch pointed out that Iron County had to increase the deductible amount this year to \$1,000. Executive committee members discussed various merit systems, evaluations, pay for performance, etc. used by counties and the AOG to evaluate employee performance. Chairman Drake explained that in Washington County department heads and employees set goals, department heads then conduct employee evaluations, and in some instances if goals are not achieved then merit increases are not provided. Commissioner Chad Johnson pointed out that counties are the most hesitant entity to recommend increases for their employees in comparison to School Districts, municipalities, etc.

**B. COST-OF-LIVING ADJUSTMENT FY 2010**

None, reviewed above.

**C. COUNTY PARTICIPATION**

Mr. Sizemore referenced page seven of the packet containing Steering Committee meeting information for June 12, 1996 depicting the last time that county participation rates were increased. At that time, participation rates were raised from \$10,000 to \$15,000, effective January 1997. Staff has completed an analysis of match funding and recommends that the current rate of \$15,000 remain in effect for the upcoming fiscal year.

**MOTION WAS MADE BY COMMISSIONER CHAD JOHNSON, SECONDED BY COMMISSIONER CLARE RAMSAY, TO APPROVE STAFF RECOMMENDATION FOR COUNTY PARTICIPATION RATES TO REMAIN AT THE CURRENT LEVEL OF \$15,000 FOR THE UPCOMING FISCAL YEAR. MOTION CARRIED.**

Mr. Sizemore noted that the amount of money that is being matched with federal dollars is increasing and money which has been set-aside in a reserve account is shrinking. Eventually this will necessitate a re-visit of match contributions in the future. A good example is in regard to Economic Development Administration planning grant funds which have remained at \$50,000 for the past number of years. EDA is now considering bumping this amount up to \$75,000. The downside to this is that match funding is required for this increased amount.

**III. INDIRECT COST ALLOCATION PLAN FOR FY 2010**

Mr. Sizemore explained that indirect cost planning allows an agency receiving contracts to take a percentage of those funds to cover costs associated with overhead costs for administering those contracts. The percentage amount is determined through analysis of salary and fringe costs from the previous fiscal year audit report. This number is divided by eligible costs to depict a percentage for that particular fiscal year. The indirect cost allocation amount for the current fiscal year has been 12.4% and the amount for FY 2010 is 12.5%. Approximately 40% of Ken's salary is covered by indirect costs, all of the Human Resources functions is funded through this administrative fund, a portion of secretarial/clerical support as well as fleet maintenance.

**MOTION WAS MADE BY COMMISSIONER LOIS BULLOCH, SECONDED BY COMMISSIONER DOUGLAS HEATON, TO APPROVE THE INDIRECT COST ALLOCATION PLAN FOR 2010 AS PRESENTED. MOTION CARRIED.**

**IV. UTAH FOREST RESTORATION WORK GROUP PARTICIPATION**

Mr. Sizemore referenced a letter contained in the packet from the U.S. Forest Service requesting his participation on a statewide work group, and noted that he has participated in this effort at the regional level for a number of years. This is a restoration work group being created at the state level to address mainly the aspen regeneration issue. Mr. Sizemore reported that this would entail four meetings a year and asked for authorization to participate with this committee. The first meeting will be held in Salt Lake City and future meetings could rotate to other areas of the state. This line item has been programmed into the Economic Development Administration Planning Grant application.

**MOTION WAS MADE BY COMMISSIONER CLARE RAMSAY, SECONDED BY COMMISSIONER DOUGLAS HEATON, GRANTING APPROVAL FOR MR. SIZEMORE TO PARTICIPATE ON THE UTAH FOREST RESTORATION WORK GROUP. MOTION CARRIED.**

Mr. Sizemore reported receiving a letter from the state of Utah Fleet Services in regard to leasing of state vehicles. The Association of Governments has been able to participate in this program, using it to great advantage. One of the impacts of cutbacks at the state level is that this service will no longer be offered to non-state entities, including the AOG's. The AOG will be allowed to run their fleet through the current fiscal year. At that point, they are offering an option for the AOG to purchase the vehicles assigned and pay off the remaining residual value. Staff has analyzed the current fleet and have determined that it would be a benefit to pay the residual value for these vehicles. It will be more cost effective to keep these cars than to purchase new ones. The age of these vehicles range from 2003 to 2005 and vehicles have higher mileage between 80,000 to 100,000 miles. It will also be necessary to acquire two new vehicles, one in Cedar City and one in St. George. Staff is in the process of soliciting lease proposals for these vehicles. The AOG currently has nine cars available in the fleet, four of which are already owned by the AOG. The biggest cost resulting in this switch will be mechanical failure, tires, etc. Commissioner Drake asked if staff had taken into consideration purchase versus lease. Mr. Sizemore indicated that there is not sufficient cash available to purchase vehicles outright. Utilizing some of the money currently in savings may be taken into consideration.

Meeting adjourned at 11:40 a.m.