



**MURRAY CITY MUNICIPAL COUNCIL  
COUNCIL INITIATIVE WORKSHOP**

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A Murray City Council Initiative Workshop was held on Tuesday, February 4, 2014 in the Murray City Center, Conference Room #107, 5025 South State Street, Murray, Utah.

**Members in Attendance:**

Brett Hales	Council Chairman
Dave Nicponski	Council Member
Blair Camp	Council Member
Jim Brass	Council Member
Diane Turner	Council Member

**Others in Attendance:**

Frank Nakamura	City Attorney	Janet M. Lopez	Council Administrator
Jan Wells	Chief Administrative Officer	Mike Terry	Human Resources Director
Tim Tingey	ADS Director	Mayor Eyre	Mayor
Pete Fondaco	Police Chief	Brent Davidson	Deputy Recorder
Jennifer Kennedy	Recorder	Doug Hill	Public Services Director
Justin Zollinger	Finance Director	Janet Towers	Exec. Assistant to the Mayor
Russ Kakala	Public Services	Georganne Weidenbach	Century Link
Scott Dansie	Comcast	Deborah Ng	Resident
Kellie Challburg	Council office	Jennifer Brass	Resident
Pat Griffiths	Resident		

Mr. Hales called the Council Initiative Workshop to order at 4:30 p.m. and welcomed those in attendance.

**Discussion Item**

**Medical and Dental Coverage for City Council Members- Diane Turner**

Ms. Turner stated that she was aware this topic was previously discussed. She noted that she was surprised to find out that the Council does not offer insurance to the Council Members. She wanted to talk about the issues, and find out what other cities offer insurance. Ms. Turner listed some possible

issues:

- Insurance benefits would encourage a wider, more diverse pool of qualified people to run for Council.
- The number of hours that the Council Members put in should be considered.
- The Council Member job should be done because of a commitment and love to the community, but not a hardship. The pay received is minimal and insurance would be helpful.
- Cost of insurance needs to be considered, whether the Council budget has ongoing funds.
- Qualifications for insurance. Mr. Terry noted that the qualifications standards comes from the PEHP contract. The PEHP contract states that eligible employees include elected or appointed officials, if they meet the Utah Retirement System guidelines, which Murray officials do.

There was a comparison done for other City Councils in Utah. Of the 44 listed cities, 21 cities offer insurance to their Council Members. Ms. Turner handed out a sheet of the comparison. Ms. Turner commented that if the decision was made to approve the insurance, it would need to be decided when insurance should begin; now or with the new budget year.

Mr. Zollinger explained that the monthly cost for a single person insurance is \$429.00 per month, two-party families cost \$911.00, and a family costs \$1,250.00. Mr. Hales clarified that was the total amount billed. Mr. Zollinger replied that was correct and the City then pays 85%, and the employee pays 15%.

Ms. Turner explained that it isn't known if all of the Council Members would even sign up for the insurance. Mr. Hales asked how that budget is created if some take it and some don't. Mr. Zollinger said that as long as there is not an election, the budget could be created with the knowledge of which Council Members are interested. If there is uncertainty, then the budget would be higher to be safe.

Mr. Terry noted that if the Council voted to begin insurance coverage in July, open enrollment is in May and the interested Council Members would sign up, so the numbers would be known for budget reasons. Otherwise, a special open enrollment window would have to be created, and that could be an option.

Ms. Turner asked if there were any questions.

Mr. Nicponski commented that his constituents have made it clear to him that they are aggressively opposed to this idea and he would not be able to vote for it. Mr. Hales said he appreciated the honesty.

Mr. Hales asked Mr. Zollinger his opinion on the subject. Mr. Zollinger stated that he is aware of the many hours the Council puts in, and it is not accurate to call it a part-time job. It would be the Council's job to call it either a part-time or full-time job.

Mr. Nicponski stated that his constituents would say that a person knew what they were getting when they ran for office.

Mr. Zollinger mentioned an idea of remaining budget neutral, and to compensate those Council Members with the equivalent amount if they elect not to get the insurance. That would result in equal pay for all. Currently, the Council Members are paid just over \$14,000 in compensation. The Council Member would take the benefits and therefore, have their paycheck reduced by that amount. Mr. Nicponski noted that he has insurance and doesn't want it to appear as if he is getting a benefit by having his own insurance. Mr. Zollinger stated that it wouldn't be a benefit because the total compensation would remain fairly equal.

Mr. Camp said he believed that Council Members did have access to the City insurance years ago. Mr. Terry remarked that was before his time here at the City. Mr. Terry said he believes that the PEHP contract requires the City to pay at least 50% of the insurance cost. Mr. Terry said that is in the contract to limit a city from putting unlimited people on the plan that may not have any affiliation to the City. This way, the City has a vested interest in everyone on the plan.

Mr. Nakamura mentioned that the required percentage was listed also, so that certain classes of employees are not treated differently than other classes.

Mr. Brass said in the city comparison, two cities are listed that the Council Members pay 100% of the cost. Mr. Terry mentioned that those cities could be with different providers, other than PEHP.

Ms. Turner asked if there was any interest in moving this idea forward. She noted that there isn't always a lot of interest in residents running for Council Office, and this may encourage a more diverse pool of applicants. She restated the many hours that are put in to this position.

Mr. Camp commented that he would be interested in looking into a budget neutral option that Mr. Zollinger suggested. That option gives the Council Member the insurance coverage if that is a need, while not increasing the cost to the City.

Mr. Brass questioned that if this occurred in the new budget year, if a new class could be created for the Council with a different percentage ratio of the insurance cost. Mr. Nakamura said that information could be provided as to whether that is a legal option.

Mr. Terry said that if the employee were to pay 100% of the cost, it may be cost prohibitive and cheaper insurance could be found elsewhere. Mr. Hales asked if there were currently less expensive options due to the Affordable Care Act. Mr. Terry said that healthcare.gov offers a wide variety of plans with different levels of coverage. Mr. Brass asked what the deductible on the City insurance was. Mr. Terry replied that the deductible was \$500.00 per person/\$1,000.00 family, with a maximum out of pocket cost of \$8,000.

Mr. Brass said that it needs to go through the budget process if it is to move forward. Mr. Hales clarified that it isn't an eligibility issue, but primarily a budget issue. Mr. Nakamura said he needs to look into the legal issues of paying a different percentage of the premium. Mr. Zollinger said the City would still pay the same amount of the insurance, but the Council Members pay would be reduced by that

amount. Mr. Terry said that there would be a disparity in compensation. Mr. Zollinger said the total compensation could be the same if the options were known. Mr. Zollinger added that it would affect the amount contributed to the URS for retirement, and the dollar amount given is based on the salaries reported. Mr. Hales asked if there were insurance benefits provided post-employment. Mr. Terry replied that only COBRA was offered for a period of 18 months.

Mr. Zollinger noted that he would like the opinion of Mr. Nakamura before continuing.

Mr. Hales thanked Ms. Turner and adjourned the meeting.

Council Office Administrator II  
Kellie Challburg