

1 Minutes of the Centerville **City Council Work Session** held Tuesday, May 21, 2024 at 5:30 pm,  
2 with participants present at City Hall, 250 North Main Street.

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4 **MEMBERS PRESENT**

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6 Mayor Clark Wilkinson

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8 Council Members Cheylynn Hayman  
9 Robyn Mecham  
10 Brian Plummer  
11 Spencer Summerhays

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13 **MEMBER ABSENT** Gina Hirst

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15 **STAFF PRESENT** Brant Hanson, City Manager  
16 Lisa Romney, City Attorney  
17 Jennifer Robison, City Recorder  
18 Nate Plaizier, Finance Director  
19 Bethany Frank, HR Specialist  
20 Bryce King, Administrative Services Director  
21 Haley Turner, Community Services Manager  
22 Paul Child, Centerville Police Chief  
23 Lt. Allen Ackerson, Centerville Police Department  
24 Cameron Woodbury, Drainage Supervisor  
25 Dave Walker, Deputy Public Works Director

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27 **UTAH RETIREMENT SYSTEM (URS) TIER 2 CONTRIBUTION DISCUSSION**

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29 Finance Director Nate Plaizier introduced HR Specialist Bethany Frank. Ms. Frank  
30 explained changes to URS Tier 2 contributions. Employees in the URS prior to July 1, 2011  
31 qualified for the Tier 1 Program. Employees who started with URS on or after July 1, 2011 were  
32 in the Tier 2 Program. Tier 2 employees could choose a 401(k) option, or a hybrid option with  
33 pension contribution and possible 401(k) contribution depending on rates each year. Ms. Frank  
34 said under the Tier 2 plan, employers were required to contribute at least 10% of a public  
35 employee's salary to their retirement plan. Employers were required to contribute at least 14% for  
36 public safety employees. She said employees new to the URS were automatically enrolled in the  
37 hybrid option for the first year.

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39 Ms. Frank said wages had dramatically increased in the last 10 years, leading to an  
40 increase in the cost of the retirement fund. Beginning July 1, 2024, the hybrid plan employee  
41 contribution would increase by 0.7%, with a 4.73% increase for public safety employees. When  
42 rates increased for public safety employees in 2020 (2.59%), the State Legislature passed a bill  
43 that allowed employers the option to cover the increase for the public safety employees, which  
44 Centerville City and most employers along the Wasatch Front chose to do. For FY 2025, the  
45 increase for public safety employees would be 2.14% (4.73-2.59). Ms. Frank said Senator Harper  
46 sponsored a bill that would have enabled employers to pick up the increase for regular public  
47 employees, but the bill had not passed.

48  
49 Ms. Frank showed a table with the total increase that Centerville Tier 2 employees would  
50 be required to contribute beginning July 1, 2024. The additional 0.7% would be an after-tax

1 contribution. Ms. Frank said staff recommended the City keep Tier 2 employees as equitable as  
2 possible to Tier 1 employees by continuing to match the Tier 1 rate for Tier 2 employees through  
3 a 401(k) contribution, and pick up the 2.14% increase in Tier 2 public safety employee  
4 contributions. She noted that the decision to cover the 2.14% for the public safety employees  
5 would be irrevocable. Ms. Frank said staff recommended the City give all Tier 2 public employees  
6 in the hybrid system a lump-sum pre-tax bonus of 0.7% to cover most of the increase in required  
7 contribution. Councilmember Hayman asked what the additional cost to the City would be to  
8 gross-up and provide a bonus that would cover the entire 0.7%. Mr. Plaizier said the City had 22  
9 public employees and 7 police officers participating in the Tier 2 hybrid system. The cost to provide  
10 a pre-tax lump sum for the 22 employees would be \$11,163. He estimated the cost to provide a  
11 true net of 0.7% would be approximately \$15,000.  
12

13 Councilmember Hayman suggested providing a one-time lump-sum bonus of 2.14% to  
14 public safety employees instead of picking up the 2.14% contribution increase, since the  
15 contribution would be irrevocable going forward. City Manager Brant Hanson said a one-time  
16 lump sum was certainly an option. He said Bountiful City had opted for a 401(k) match.  
17 Councilmember Mecham said UTOPIA had opted to give a one-time lump sum. She said it was  
18 her understanding that many city managers believed the Legislature would correct the problem  
19 with the URS program next year.  
20

21 Mr. Hanson expressed a desire to make all employees whole for FY 2025, with the  
22 understanding that it may not always be sustainable for the City to cover the contributions. Mayor  
23 Wilkinson and Councilmember Mecham said they did not like the idea of entering anything  
24 irrevocable, especially if the legislation might change in the future. Mr. Hanson spoke in favor of  
25 treating all employees equitably.  
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27 City Attorney Lisa Romney asked if employees could be given a choice between a 401(k)  
28 contribution or a lump sum. Mr. Hanson said he would prefer to be consistent, but said he  
29 supposed employees could be given a choice. Mr. Hanson said the City would prefer the 401(k)  
30 match because it involved less payroll tax. The Council discussed the inequity for the City if  
31 employees were given an option between the two. He said the difficulty for employees was not  
32 necessarily going to be the additional 0.7%, but in getting used to the complete shift in the  
33 retirement system going forward.  
34

35 Councilmember Mecham said she liked the idea of providing a pre-tax lump sum to cover  
36 both the 0.7% and the 2.14% increases. Councilmember Hayman said she agreed. Ms. Frank  
37 explained the City was required to pay retirement contributions on any lump-sum bonuses given  
38 to public employees. The City was not required to pay retirement contributions on public safety  
39 bonuses unless the bonuses were performance based. Ms. Romney asked if the amount could  
40 be distributed in paychecks throughout the year, and Mr. Hanson responded that such an  
41 arrangement would be a lot more work for staff. Mr. Hanson suggested spreading it out as  
42 semiannual distributions. Ms. Frank explained the Legislature required that any increase given to  
43 public safety employees in the Tier 2 hybrid system also needed to be given to public safety  
44 employees in the Tier 2 401(k) system, which added one more public safety employee for  
45 Centerville.  
46

47 Councilmember Hayman asked how much the City would save by opting to provide a  
48 401(k) match instead of a lump sum. Mr. Plaizier said the City would save \$2,000-\$3,000 on public  
49 employees, and said he had not calculated the savings on public safety employees. Mayor  
50 Wilkinson expressed support for providing a pre-tax lump sum to cover both the 0.7% and the

1 2.14% increases. Councilmember Plummer said he agreed. Mayor Wilkinson thanked Ms. Frank  
2 for the presentation.

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4 **DRAINAGE UTILITY FEE AUDIT – CLOSED SESSION**

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6 At 6:23 pm, Councilmember Hayman **moved** to go into closed session in Council  
7 Chambers for the purpose of discussing pending or reasonably imminent litigation and attorney-  
8 client matters privileged under Utah Code 78B-1-137, with intent to return to open work session.  
9 Councilmember Summerhays seconded the motion, which passed by unanimous vote (4-0). In  
10 attendance: Mayor Wilkinson; Councilmembers Hayman, Mecham, Plummer, Summerhays; City  
11 Manager Brant Hanson; City Attorney Lisa Romney; City Recorder Jennifer Robison; Finance  
12 Director Nate Plaizier; Deputy Public Works Director Dave Walker; Drainage Supervisor Cameron  
13 Woodbury.

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15 The Council returned to open work session at 7:00 pm.

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17 **ADJOURNMENT**

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19 At 7:00 pm, Councilmember Hayman **moved** to adjourn the work session. Councilmember  
20 Summerhays seconded the motion, which passed by unanimous vote (4-0).

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22 DocuSigned by:  
23 *Jennifer Robison*  
24 \_\_\_\_\_  
25 Jennifer Robison, City Recorder

6/5/2024 | 12:13 PM MDT

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Date Approved

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