

MINUTES

EXECUTIVE COMMITTEE MEETING

April 21, 2010

Parowan, Utah

MEMBERS IN ATTENDANCE

Commissioner Lois Bulloch, Chair
Commissioner Denny Drake
Commissioner Chad Johnson
Commissioner Maloy Dodds
Commissioner Douglas Heaton

REPRESENTING

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

OTHERS IN ATTENDANCE

Commissioner Mark Habbeshaw
Kenneth Sizemore
Diane Lamoreaux

Kane County Commission
Five County Association of Governments
Five County Association of Governments

I. WELCOME AND APPROVAL OF FEBRUARY 10, 2010 MINUTES

Commissioner Lois Bulloch, Chair, called the meeting to order and noted that a quorum was present. She presented minutes of the February 10, 2010 Executive Committee meeting for consideration.

MOTION WAS MADE BY COMMISSIONER MALOY DODDS, SECONDED BY COMMISSIONER DENNY DRAKE, TO APPROVE MINUTES OF THE FEBRUARY 10, 2010 EXECUTIVE COMMITTEE MEETING AS PRESENTED. MOTION CARRIED.

Commissioner Denny Drake indicated that he would need to leave the meeting early to attend a funeral and noted that agenda Item #V would need to be moved ahead.

MOTION WAS MADE BY COMMISSIONER DENNY DRAKE, SECONDED BY COMMISSIONER MALOY DODDS, TO SHIFT AGENDA ITEM #V. PERSONNEL POLICIES AND PROCEDURES REVISIONS AHEAD FOR DISCUSSION. MOTION CARRIED.

V. PERSONNEL POLICIES AND PROCEDURES REVISIONS

Mr. Ken Sizemore provided a handout containing proposed revisions to the grievance policies contained in the Five County Association of Governments Policies and Procedures manual. Information included in the packet had not been reviewed by the Washington County Attorney's office prior to packet distribution. Draft revisions to the grievance policy provided today contain some minor corrections mainly with wording and cleaning up the verbage. Revisions are outlined in red ink and mainly reflect changes with grievances filed against the Executive Director.

The process for filing a grievance was reviewed as follows: **1)** An employee with a grievance concerning the Executive Director must communicate the grievance in writing to the Human Resources Director within five working days after the grievance arises or after the most recent incident concerning the grievance. The grievance must clearly identify the problem and suggest possible solutions; **2)** The Human Resources Director shall forward the grievance to the Chair of the Steering Committee within five working days of receiving it; **3)** The Chair of the Steering Committee will review the grievance, develop a Report of Findings and Conclusions appropriate to the circumstances and communicate it in writing to both parties within 10 working days of the grievance. Either party may appeal from the Report by submitting a written appeal to the Chair within five working days of receiving the Report; **4)** The Chair shall send the appeal, the written grievance and the Report to the Executive Committee of the Steering Committee. The Executive Committee may appoint a Grievance Committee consisting of four individuals to provide conclusions and recommendations following the procedures listed in Step (3) below, or may choose to address the grievance directly following the procedures listed in Step (4) below.

Under the process outlined above, the Executive Committee could appoint a grievance committee consisting of four individuals or they could hear the grievance themselves. Commissioner Doug Heaton mentioned that the best grievance committee would consist of the personnel directors for each county. However, the Executive Committee has the opportunity to select anyone they feel would be appropriate to serve in this capacity. He explained that utilizing employees of the Association of Governments could cause problems and would enable an employee to seek retribution or result in their being reluctant to pass judgement on their boss. Mr. Sizemore pointed out that steps outlined in the grievance procedures are for grievances concerning all other employees other than the Executive Director. It was also noted that a decision by the Executive Committee would be final and binding. Commissioner Bulloch responded that the draft document takes care of the Executive Director conflict but at the same time places a lot of burden on the Chair. Commissioner Doug Heaton commented that the first paragraph sets a five day time frame in which to file and appeal. It is his opinion that this time period needs to be extended to 15 days. Commissioner Denny Drake responded that if the time period is extended out too far the process may be compromised.

MOTION WAS MADE BY COMMISSIONER DOUG HEATON, SECONDED BY COMMISSIONER DENNY DRAKE, TO EXTEND THE TIME PERIOD FOR FILING THE GRIEVANCE FROM FIVE (5) TO FIFTEEN (15) WORKING DAYS. MOTION CARRIED.

Mr. Sizemore indicated that the Executive Committee action to adopt revisions to the grievance section of the AOG policies and procedures will be presented to the Steering Committee for ratification.

MOTION WAS MADE BY COMMISSIONER DENNY DRAKE, SECONDED BY COMMISSIONER MALOY DODDS, TO APPROVE THE FIVE COUNTY ASSOCIATION OF GOVERNMENTS POLICIES AND PROCEDURES GRIEVANCE SECTION REVISIONS TO RECTIFY GRIEVANCES FILED AGAINST THE EXECUTIVE DIRECTOR AS PRESENTED. MOTION CARRIED.

Commissioner Denny Drake indicated that prior to his departure it will be necessary to shift agenda Item #IV ahead for discussion.

MOTION WAS MADE BY COMMISSIONER DENNY DRAKE, SECONDED BY COMMISSIONER MALOY DODDS, TO SHIFT AGENDA ITEM #IV. KANE COUNTY VOLUNTEER CENTER OPERATIONS AHEAD FOR DISCUSSION. MOTION CARRIED.

IV. KANE COUNTY VOLUNTEER CENTER OPERATIONS

Commissioner Doug Heaton requested that Commissioner Mark Habbeshaw join the group at the table to present information in this regard. Committee members agreed that this would be appropriate and acceptable.

Mr. Ken Sizemore referenced information in the packet beginning on page 20 which contains a spreadsheet outlining the expenditure history of the Kane County Volunteer Center. Page 21 of the packet contains a proposed draft Memorandum of Understanding (MOU) for operation of the Kane County Volunteer Center. Mr. Sizemore explained that the AOG has been utilizing some carryover funds for the period beginning July 1, 2009 to cover expenses through March 30, 2010. However, the budget currently reflects a deficit amount of \$31,000 because no payments have been provided by Kanab City or Kane County for this fiscal year. Operations are continuing but revenue is needed to cover these expenses. The MOU drafted by staff utilizes a template from the RSVP program which is used for other volunteer stations that are eligible for RSVP participation. It was explained that the RSVP program is directed by the Five County AOG but there are numerous volunteer stations throughout the five county region, with the Kane County Volunteer Center being one of these many stations. Mr. Sizemore outlined the methods of operation or arrangements for cooperation included in the MOU as follows: **1) Building Lease--** Five County leases the building where the Kane County Volunteer Center is housed and also provides some office space for the Home Energy Assistance Target (HEAT) program. The lease responsibility for this facility would shift to Kane County and the county will be responsible to negotiate the new lease with Zutes Management, the Lessor. Five County would continue to pay a rent payment of \$700.00 per year to accommodate the seasonal operations of the HEAT program in Kane County; **2) Equipment, Furniture and Fixtures--** All equipment, furniture and fixtures with the exception of the laptop computer with inventory tag number 1324 and the file cabinet, copier and fax machine belonging to the HEAT program will be transferred to Kane County effective by a negotiated date; and **3) Final Reconciliation of Costs--** Kane County and Kanab City will remit local contributions committed to the operation of the volunteer center on or before (negotiated date). Five County Association of Governments will prepare a final reconciliation of Kane County Volunteer Center revenues and expenditures as of (negotiated date) on or before (negotiated date). Unencumbered local contributions will be returned to Kane County and Kanab City in equal shares on or before (negotiated date).

Information outlined in the MOU is based on previous discussions of the Executive Committee. This accomplishes the request of Kane County to assume responsibility of the Kane County Volunteer Center operation and staff would become employees of the county. Kane County becomes a volunteer station and no cost sharing of funds occurs from that point forward. Mr. Sizemore explained that funding from the RSVP program is currently split between Terra Sue Honey, Kane County; Tracy Garrett, Iron County; and Linda Sappington, Washington County. This agreement would result in Kane County taking responsibility for operation and funding of the Kane County Volunteer Center.

Commissioner Mark Habbeshaw commented that the MOU does not address issues as proposed by the Kane County Commission in their letter of January 20, 2010. Two options were outlined in that correspondence as follows: 1) Kane County to apply for sponsorship of the RSVP program in Kane County with Five County's cooperation; or 2) Kane County Commission to operate the Volunteer Center independent of the Five County Association of Governments and federal programming. This MOU relegates the Kane County Volunteer Center to nothing. It takes all of the volunteer programs operating in Kane County and puts them under Five County, leaving the county with a volunteer center and no volunteers. Terra Sue Honey currently supervises all of the volunteer stations in Kane County and this would leave her with no responsibilities. Mr. Sizemore commented that he does not perceive it that way. Under the MOU, all of the programming currently under the direction of Terra Sue Honey such as law enforcement and public safety would remain intact. Commissioner Habbeshaw responded that these are only county items that would remain and it does not satisfy Kane County's interests.

Commissioner Habbeshaw acknowledged that this started as a simple personnel matter in terms of Mr. Sizemore's management of Terra Sue Honey and has now grown into a sovereignty issue. Kane County is poised to enter into a major battle to determine whether Five County AOG has quasi-governmental control over the Kane County Commission and affairs in Kane County. The rumor is that he is a lame duck and Commissioner Heaton is softening. This is far from the case as there are eight and one half months left of this term and he intends to continue to protect the interests of Kane County. Commissioner Heaton is not softening, and there is confidence that the new commissioners that come on in January will follow their lead. Elected officials in Kane County are focused on state and local sovereignty.

Commissioner Denny Drake indicated that it was his understanding from previous meetings that this is what Kane County wanted in terms of the RSVP program and everything else would remain with Five County. All other members of the Executive Committee acknowledged that this was also their understanding. Commissioner Habbeshaw explained that all RSVP stations in Kane County fall under the Kane County Volunteer Center and are managed under the direction of Terra Sue Honey with the coordination of Linda Sappington. The intent was to establish a MOU with Five County wherein the Kane County Volunteer Center would operate as it currently does. The simple change would be that the Kane County would manage all volunteer stations and coordinate with Linda Sappington and Ken Sizemore when appropriate. Terra Sue Honey would fall under Kane County management and all of the existing programs as they are currently structured and operated would remain unchanged. The draft MOU guts all of that programming. Commissioner Maloy Dodds commented that he still does not understand what Kane County wants and indicated that his understanding was that the MOU addressed their concerns. Commissioner Lois Bulloch stated that she thought the committee was following directions in drafting this MOU and pointedly asked what the Kane County Commission does want in terms of the Volunteer Center.

Commissioner Mark Habbeshaw indicated that Kane County has drafted a letter proposed for future commission action. Kane County is on the verge of losing Terra Sue Honey because of the supervision practices of Five County and all of the Kane County Commissioners agree that there are problems with the way she has been supervised. The proposed solution was simply to take over management of Terra Sue Honey similar to the

process used with other Five County funding for aging, the area care and share, etc. For these programs, Kane County manages all of the employees and coordinates with Five County. The county's desire was to adopt that same administrative management style with the volunteer center. However, they were informed that federal regulations for the RSVP program would not allow this change. Kane County still disagrees with this perception of federal regulations because it states that you cannot contract responsibilities. Administrative responsibilities of the RSVP program would remain with Five County, but Kane County would assume volunteer station responsibilities as a commission, including the management of Terra Sue Honey as a Kane County employee. Terra Sue would manage all volunteer activities and volunteers in Kane County as she currently does. The draft MOU would leave Kane County with no volunteers and no function for an employee(s). Commissioner Denny Drake commented that it appears that Kane County wants to administer the program but still wants Five County to have the responsibility. Commissioner Habbeshaw explained that Five County AOG staff, Jacob Murakami and Jane Quist of the Corporation for National and Community Service have determined that Five County cannot contract program responsibility to any other entity. The federal regulations identify distinct administrative authority and responsibilities, but the regulations also outline sub-station responsibilities which are different. Kane County is proposing that the Kane County Commission assume the RSVP responsibilities below those of Five County as the program administrator. This is a division of responsibilities with the only change being that the Kane County Commission would be the program role that Terra Sue Honey currently provides. Representatives of the Corporation for National and Community Service and Five County have also stated that all staff of the RSVP program must be employed by Five County as the sponsor agency. Commissioner Habbeshaw asked if any other volunteer center stations in the five county area have paid employees. Mr. Sizemore indicated that there are paid employees at volunteer stations, but their salaries are not provided through Five County or the RSVP program. At this point, Kane County will be contacting Jacob's supervisor, Patrick Covington, to continue dialogue and ask for a determination. The issue is also going to be presented to the State Office of Planning and Budget and Public Lands Planning. It is going to become a major issue because it is about the sovereignty of a county being threatened by actions of the Five County Association of Governments.

Commissioner Denny Drake interjected that this is not really the issue; the issue comes down to straight personnel. Kane County likes Terra Sue Honey and thinks she is doing a great job. This is the issue and there is no sovereignty issue at all. If that is the issue then every other county at the table has an issue with Five County because they are not administering any of those programs right now but have left that responsibility to Five County, who is the governmental entity being used to administer the RSVP program. It is strictly a personnel matter that cannot be settled in the manner that Kane County desires.

Commissioner Mark Habbeshaw responded that there are other issues outlined in the letter as follows: **1) State Route 9--** An article in the Salt Lake Tribune last week reported that Mr. Sizemore is going to have a planning role in the State Route 9 Corridor Management Plan for designation as a Scenic Byway. The Kane County Commission was not informed but only learned of this through the news media. The county feels that Five County does not have the authority to represent Kane County in the consideration of designating State Route 9 as a Scenic Byway. The Kane County Commission is the highway authority for the County and intends to retain its role in coordinating highway planning involving state and local highways with UDOT and federal interests. Designation of byway status could involve BLM restrictions to this corridor and those actions would come back to impact Kane County.

The letter clarifies that Five County does not have the authority to represent Kane County. They can represent other jurisdictions right up to the Kane County line but cannot go beyond that point; and **2) Planning Comments--** Mr. Sizemore has been submitting planning comments independently regarding state of federal planning within Kane County. This is going to stop. Any planning comments submitted by Five County will need to be vetted through the Kane County Commission; and **3) Stimulus Funding--** When the federal stimulus package was received for the Community Services Block Grant program, the Kane County Commission had a lot of concerns and declined receiving these funds. The funding originally intended for Kane County was channeled into a new contract between the Five County AOG and the New Frontiers program to allocate that funding within Kane County to go to the County Health Department. The executed contract crossed out Commissioner Hulet's name and was signed by a non-governmental person. This circumvented the Commission decision on use of stimulus funding in Kane County without consultation or coordination with the Commission. These are definitely sovereignty issues which are very serious and reach beyond the original personnel issue. It is Kane County's desire to get the Five County AOG back in line. Other issues of concern include: **1) Grand Staircase/Escalante National Monument Plan--** Mr. Sizemore's participation as a member of the monument planning team, and that Plan has placed Kane County in the middle of road litigation; **2) Wildland Fire Plan--** Kane County objected to the Five County AOG Steering Committee adoption of this plan which resulted in each county adopting the plan. The Association of Governments was established to coordinate, facilitate and manage programs in a beneficial way for the common benefit of local entities. The Kane County Commissioners are charging that the Five County AOG is becoming a threat to the government in Kane County.

Commissioner Denny Drake asked that the Kane County Commission reach a determination of what they want because he thought that the MOU was written to address the county's concerns. Commissioner Chad Johnson asked that Mr. Sizemore be provided an opportunity to respond to some of the concerns raised because it is his understanding that everything discussed by advisory committees is presented to the Steering Committee for ratification. It was acknowledged by Mr. Sizemore that all actions are presented to the Steering Committee for approval. Commissioner Johnson responded that Kane County has had their input through the Steering Committee with the monument plan and the road plan, because all of these issues and all committee appointments for Mr. Sizemore were presented to the Steering Committee for approval. It is then the responsibility of each county to convey their concerns back to Mr. Sizemore. Commissioner Maloy Dodds indicated that the monument planning team consisted of 20 members, five of which were appointed by the Governor. Governor Mike Leavitt appointed Mr. Sizemore to serve as a member of the planning team. Mr. Sizemore indicated that his responsibility was to assist in preparation of the socio-economic analysis in the monument draft environmental impact statement and to provide a liaison between local governments and the planning team. Local governments had representation on the Community and Economic Development Strategy Committee but not on the planning team.

Commissioner Habbeshaw provided copies of the draft letter for discussion purposes and as Kane County's response to the MOU. This letter concludes by saying that if the Steering Committee is not going to work with Kane County to resolve these issues it may result in restructure of the Five County AOG to a Four County AOG. These issues are that serious in Kane County's thinking.

Commissioner Lois Bulloch apologized that the discussion had shifted to that of sovereignty because today's agenda was established to provide a resolution to the personnel issue by amending the personnel policies and procedures grievance pertaining to the Executive Director. Items contained in the letter do not apply to the agenda for this meeting and a response cannot be provided. Commissioner Maloy Dodds concluded that the group had a misunderstanding of what Kane County had requested for the MOU. He suggested that the Executive Committee first resolve the personnel issue and then could consider sovereignty issues at a later date. Even though Kane County sees these as the same issue, it needs to be a separate agenda item discussion. He stressed that it would not be to the benefit of Kane County or the other counties to have Kane County pull out of the Five County organization. Commissioner Chad Johnson and other members agreed that this started as a personnel issue that has evolved into the sovereignty issue. Committee members had the understanding that they were working to solve the personnel issue but it has moved into the sovereignty issue which is a totally different set of circumstances. Commissioner Bulloch stated that even though commissioners agree with a lot of what has been said, the personnel issue should not be attached to those other issues. Kane County would like the operation to remain intact as it currently exists but with Mr. Sizemore coordinating with the Commission and Terra Sue Honey running Kane County operations. Mr. Sizemore explained that RSVP dollars currently pay part of her salary and if she becomes a county employee RSVP dollars could not be used to pay any portion of her salary. Commissioner Habbeshaw mentioned that Kane County and Kanab City have been contributing \$30,000 annually to support Kane County Volunteer Center operations. No other county is contributing anywhere near that amount but they are receiving the same amount of service. There appears to be no administrative equity in this program. Kane County's intent is to serve as the volunteer station supervisor with the responsibility of managing Terra Sue and leaving all other provisions in place. Mr. Sizemore indicated that the amount of local contributions for Kanab City and Kane County was negotiated by Terra Sue Honey with the Kane County Commission and Kanab City Council. He explained that one major difference between services provided to other counties is that none of the other counties operate the Local Emergency Preparedness Committee (LEPC) through the Volunteer Stations. This is a separate activity in all other counties and it is a significant cost to operate their LEPC's. Commissioner Bulloch noted that Iron County has a full time LEPC manager as well as a secretary and this is a major cost to the county. Mr. Sizemore explained that all of the Kane County LEPC costs are going through Five County's books through this \$15,000 contribution.

Commissioner Habbeshaw then reviewed the contents of a draft letter. It describes Kane County's intent to terminate the Five County AOG from operating program services in Kane County for programs outlined in the correspondence. All other programming with Five County programs will remain intact with the exception of Volunteer Center operations. A Kane County Commission representative serves on the Steering Committee but does not have the authority to independently make decisions that bind Kane County. As a county representative, Commissioner Doug Heaton has the responsibility to come back to the full commission for approval of programs. Another issue with Five County is the lack of service to counties in making application to the Community Impact Board. He noted that John Williams always worked very closely with the commission to foster cooperation and assist the county in developing applications to this funding source. Commissioner Maloy Dodds informed the Kane County Commission that the Community Impact Board pays for a dedicated planner at Five County who provides these services to all of the five counties.

Gary Zabriskie is willing and able to assist with writing applications and assisting counties in whatever capacity they need. Commissioner Chad Johnson commented that in earlier times the county commissions did not have staff expertise and depended on Five County for this type of assistance. As county expertise has expanded, needs have shifted and the focus of services provided by Five County has also evolved. However, this committee needs to get back to the real issue which is a personnel issue. Commissioner Bulloch indicated that discussion has moved so far from the agenda item that it is difficult to know how to proceed. Commissioner Chad Johnson asked what would need to be changed to the MOU to provide everything that Kane County wants. Commissioner Habbeshaw stated that the MOU simply needs to designate the Kane County Commission as the Kane County volunteer station manager to coordinate with Five County, work out finances from scratch and move forward. The only hurdle is that funds from the RSVP program would be used to pay a portion of the Kane County Volunteer station employees salary. Mr. Sizemore once again stressed that RSVP funds are not used to pay salaries for any of the 130 volunteer stations but are only used to pay salaries of Five County employees. It is the determination of the Corporation for National and Community Service, based on discussions with Jake Murakami and Jane Quist, that Five County cannot subcontract RSVP funds with Kane County. Commissioner Mark Habbeshaw indicated that he would be contacting Patrick Covington, Jake's boss, to determine if a subcontract can be put in place with Kane County.

Mr. Sizemore indicated that the last quarter of the fiscal year is beginning and this program account has a \$31,000 deficit because no funds have been received from Kanab City or Kane County to cover salaries and operational costs. This will be a major audit issue. Commissioner Habbeshaw commented that he is not inclined to contribute local funds to cover salaries because there has been no resolution reached. Mr. Sizemore indicated that Five County has been given instruction from Commissioner Doug Heaton to continue operations, status quo paying salaries, as this group works through the resolution. The Association of Governments has continued to pay salaries and other operational expenses without any local contribution. Commissioner representatives agreed that if services and employee salaries are to remain status quo then local fund contributions must also remain in place for this fiscal year. Commissioner Doug Heaton stated that Kane County does not have any intention on reneging on their financial obligation, but has been using it as a leverage to help motivate resolution of the issue. It was explained that expenses which are in deficit at this point are for the period July 1, 2009 through present. The draft MOU states that upon a date of termination, a full reconciliation of the account will take place with expenses pro-rated accordingly. Commissioner Heaton outlined Kane County's options as follows: **1) Approach the National Corps--** Determine if there is a means to sub-contract with Kane County for these services independently; and **2) Kane County--** Assume responsibilities of the Volunteer Center and act independently without funds from the National Corps or Five County. Commissioner Habbeshaw also indicated that Kane County would honor their financial commitment to cover expenses for the fiscal year. Mr. Sizemore asked for clarification from the group that whatever resolution is reached a target date would be July 1, 2010 to implement any changes and until that time, the salary for Terra Sue Honey would continue. Commissioner Heaton indicated that the Kane County Commission instruction would be to cover the salary for Terra Sue until July 1st but not to continue payment after that date.

Commissioner Chad Johnson asked if pulling volunteer center services into Kane County would impact the amount that Kane County contributes to the Five County AOG for other

services. Both commissioners indicated that the \$15,000 annual county contribution to Five County AOG would remain in place to provide match for other programs and services. The only change would be that Kane County would assume responsibility for all volunteer center functions within the county. The county would make applications independently to cover costs associated with the volunteer center. Mr. Sizemore clarified that all applications submitted by Five County provide services to all five counties on a regional basis.

Mr. Sizemore addressed other issues on the record and noted that it is important that discussion continues. From the day the Kane County letter was received in December, he has been asking for an opportunity to visit formally with the Kane County Commission, informally, or one-on-one. It is important that these conversations and or discussion take place. One of the biggest frustrations over the past four months is that no response to these requests has been received. He acknowledged that a lot of this has been due to the formal process, but it is very important to discuss the concerns outlined by Kane County. In terms of byway planning, Five County did not know if funding was going to be released for byway planning until the first of April. The AOG is beginning to engage in this planning process and an appointment has been made with the Kane County Travel Council Director to discuss this planning effort. Commissioner Habbeshaw responded that the county has problems with one commissioner making unilateral decisions and actions that circumvent the other two commissioners. That commissioner has been released from his duties with the land use authority assignment and informed that he has no independent authority and is only to bring items back to the commission for action. The proper coordination for byway planning is the Kane County Commission and not the travel council director. He indicated that the byway planning and other planning issues can be an agenda item for the Kane County Commission on Monday, April 26, 2010. This will include discussion of the byway, the New Frontier for Families contract for stimulus dollars via the Kane County Health Department, and/or a closed session to address personnel matters. Mr. Sizemore explained that the New Frontiers for Families contract was approved through the Human Services Council as well as ratified by the Steering Committee. Commissioner Chad Johnson acknowledged that this also occurs with their commission in terms of other boards where they represent Beaver County and take independent actions. However, this is not necessarily the fault of Five County but more of a county issue. Each county commission handles this somewhat differently, but any policy issues must come back to the Beaver County Commission. Commissioner Habbeshaw agreed that items should be vetted with the entire county commission before any commitment is made.

II. FINANCIAL

A. FRINGE BENEFIT PACKAGE

Mr. Sizemore referenced information beginning on page 5 of the packet containing a spreadsheet comparing benefits of Five County to each of the five counties. For the most part the fringe benefit package has remained fairly consistent with programs benefitting AOG employees. The major discussion point today is the medical insurance and where this needs to head. PEHP has indicated that the premium rate will increase 15% and numbers on the chart depict annual costs per employee for the upcoming year based on this proposed increase. These costs are significantly higher than the county rates. However, when you add in the health savings account and reimbursement accounts in two of the counties they approach

the PEHP numbers. As per instructions from this group to shop for other health insurance alternatives, the services of an insurance broker, Gallagher Benefit Services, was employed to solicit bids from health insurance providers. Bids have been solicited from the following providers: **1) PEHP**- - Advantage option; **2) Humana**- - Three options; **3) United Health Care**- - One option; and **4) Select Health**- - Two options. Through discussion and analysis, it is obvious that Humana would be the cheapest route. However, this company is a new operator in Utah and has no track record. It is the determination of fiscal staff at Five County, in consultation with the insurance broker, that selecting Humana could result in a substantial rate increase in subsequent years once a history with the organization is established. It was pointed out that Humana is a nationwide company and would likely be a competitor in the market. Information for United Health and Select Health programs is on page two of the handout.

The broker recommends the Select Health Option 2 which mirrors the majority of benefits provided currently under PEHP. This would be an approximate 4.4% increase over current expenditures this fiscal year and significantly less than 15% increase from PEHP. The issue then arose regarding AOG retirees who are not yet 65 who are still on the insurance. The health insurance premium for a retiree is significantly higher than regular employees. The current rate for retirees under PEHP is 135% and under Select Health option the cost would be 175%. In addition, it was difficult for the broker to obtain a commitment that they would provide insurance for retirees. The problem with Five County is that there are not 100 employees, which is normally the requirement for this type of coverage. Select Health has committed in writing to provide insurance to retirees at the 175% rate. With this taken into consideration, the increase equates to approximately 6% to cover the additional premium. This is still significantly less than the proposed increase for PEHP. Five County fiscal staff and the broker are recommending shifting to the Select Health option.

It was pointed out that the worst that could happen if the group shifted to Humana could be a substantial increase in premiums next year after they have a better idea of the group's history. Commissioner Chad Johnson commented that it becomes very risky to shop around each year because insurance companies talk to each other and increase rates accordingly. It may be better to hold off on Humana until they have established a track record in the state of Utah. Another extenuating circumstance was taken into consideration. John Williams is still on insurance coverage through Five County and a better pool will exist after he turns 65 because his insurance will terminate.

MOTION WAS MADE BY COMMISSIONER CHAD JOHNSON, SECONDED BY COMMISSIONER DOUG HEATON, TO APPROVE THE SWITCH IN INSURANCE COVERAGE TO SELECT HEALTH OPTION TWO, AS PER STAFF RECOMMENDATION. MOTION CARRIED.

Mr. Sizemore reported that other costs in the fringe benefit package would remain the same, with no changes in annual or sick leave, merit increases, or term and group life insurances which are provided through the Utah Local Government Trust.

B. COST-OF-LIVING ADJUSTMENT FY 2011

Mr. Sizemore reported that management staff is not recommending a cost-of-living adjustment for FY 2011 because of the current economic climate. County representatives discussed how each individual county has dealt with cost-of-living, grade, step and longevity increases for their employees. It was pointed out that benefit packages for employees cost between 40-50% as a general rule.

MOTION WAS MADE BY COMMISSIONER CHAD JOHNSON, SECONDED BY COMMISSIONER MALOY DODDS, TO FOLLOW STAFF RECOMMENDATION OF NO COST-OF-LIVING ADJUSTMENT FOR FY 2011. MOTION CARRIED.

C. COUNTY PARTICIPATION

Mr. Sizemore explained that the county participation amount has been set at \$15,000 since 1996. Staff has analyzed the budget and feels that this amount for FY 2011 will be sufficient to cover existing needs.

MOTION WAS MADE BY COMMISSIONER MALOY DODDS, SECONDED BY COMMISSIONER CHAD JOHNSON, TO ACCEPT STAFF RECOMMENDATION SETTING THE COUNTY CONTRIBUTION LEVEL AT \$15,000 FOR FY 2011. MOTION CARRIED.

D. EXECUTIVE DIRECTOR SALARY ADJUSTMENT

Ms. Sizemore referenced information on page 7 of the packet providing a salary history comparison for himself and John Williams, former executive director. The bottom of this sheet also provides salary comparisons for individuals with comparable positions at other AOG's, cities, Washington County School District and Water Conservancy District. He proposed a 7% increase effective September 2010 which would bring his salary up to \$7,836 per month (\$94,032 annually). His last merit increase was received in September 2007.

Commissioner Chad Johnson indicated that it is tough to consider an increase at this time. Commissioner Maloy Dodds explained that it would be difficult to grant this amount of an increase while at the same time freezing all other staff from receiving a cost-of-living. Commissioner Lois Bulloch expressed concern in light of what the county was able to provide for their employees and the perception it would create. Commissioner Doug Heaton commented that so many individuals are unemployed, and funds to support this increase would be coming from federal and state monies. In addition this type of increase would be very difficult to support during the current economic times. All agreed that they would be opposed to a 7% salary adjustment.

MOTION WAS MADE BY COMMISSIONER MALOY DODDS, SECONDED BY COMMISSIONER CHAD JOHNSON, TO APPROVE A 3% SALARY ADJUSTMENT FOR THE EXECUTIVE DIRECTOR EFFECTIVE SEPTEMBER 2010. MOTION CARRIED.

Committee members indicated that this has nothing to do with capabilities or abilities. They acknowledged that Mr. Sizemore has completed his Masters Degree and will be assuming additional administrative responsibilities of the MPO.

III. INDIRECT COST ALLOCATION PLAN FOR FY 2011

Mr. Sizemore referenced the Indirect Cost Allocation Plan beginning on page 8 of the packet. He explained that the rate is determined by utilizing information from last year's audit to determine the percentage rate charged to cover fringe and salaries for administrative staff. The rate set for FY 2011 did not change from last year and remained at 12.5%.

MOTION WAS MADE BY COMMISSIONER CHAD JOHNSON, SECONDED BY COMMISSIONER MALOY DODDS, TO APPROVE THE FY 2011 INDIRECT COST ALLOCATION PLAN AS PRESENTED. MOTION CARRIED WITH ONE ABSTENTION.

Meeting adjourned at 11:40 a.m.