

MINUTES

FINANCE COMMITTEE MEETING

April 20, 2016 - 1:15 p.m.

**Iron County School District Office, Conference Room B
2077 West Royal Hunte Drive, Cedar City, Utah**

MEMBERS IN ATTENDANCE

Commissioner Mike Dalton, Chair
Commissioner Dell LeFevre, Vice-Chair
Commissioner Dale Brinkerhoff
Commissioner Jim Matson
Commissioner Victor Iverson

REPRESENTING

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

OTHERS IN ATTENDANCE

Bryan Thiriot
Allison McCoy
Gary Zabriskie

Five County Association of Governments
Five County Association of Governments
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Commissioner Mike Dalton, Chair, called the meeting to order and welcomed those in attendance. It was noted that a quorum was present for conduct of business.

I. MINUTES - REVIEW AND APPROVE

A. DECEMBER 30, 2015 AND JANUARY 13, 2016 MEETINGS

Commissioner Mike Dalton presented minutes of the December 30, 2015 and January 13, 2016 meetings for discussion and approval.

MOTION WAS MADE BY COMMISSIONER JIM MATSON, SECONDED BY COMMISSIONER DALE BRINKERHOFF, TO APPROVE MINUTES OF THE DECEMBER 30, 2015 AND JANUARY 13, 2016 MEETINGS AS PRESENTED. MOTION CARRIED BY UNANIMOUS VOTE.

II. FY 2017 BUDGET

A. FRINGE BENEFIT PACKAGE

Ms. Allison McCoy reviewed the proposed rates for fringe benefits for FY 2017 as follows: **1) Social Security Match on Gross Salaries--** Remains the same as last fiscal year at 7.65%; **2) Utah State Retirement on Gross Salaries--** This also remains the same; **3) Select Health, Utah Local Governments Trust & TDA Insurance--** There is a proposed 8% increase in the cost of Select Health insurance and a slight increase in dental coverage through TDA. Vision coverage through Utah Local Governments Trust remained the same; **4) Worker's Compensation--** There is a slight increase on both county and clerical employees for worker's compensation; **5) Unemployment Insurance--** A slight decrease from .013 to 0.11;

6) Salary Deferral Program-- Employees can elect to participate in 457, 401k and IRA programs offered through Utah State Retirement. Post 1995 employees receive a 1.25% match (Jo, Janiel, and Curt); **7) Holidays--** There are 12 paid holidays; **8) Vacation and Sick Leave--** Benefitted employees receive four hours per pay period; **9) Pay for Performance--** Same as last year on a case-by-case basis; and **10) Cost-of-Living Adjustment--** A 2% cost-of-living adjustment is recommended for employees. Information is contained on the bottom of the sheet depicting COA adjustments from 2008 through 2016.

Commissioner Mike Dalton commented that there are two different insurance breakdowns on page 10 and 11 that have different figures for Select Health. Ms. McCoy indicated that the figures on page 10 include the vision and dental altogether. Commissioner Dale Brinkerhoff expressed concern in terms of the increasing cost for health insurance and how it would impact deliverables. In addition, administrative costs keep going up in terms of the indirect cost allocation plan. Ms. McCoy indicated that administrative costs have decreased from 13.47% to 12.61%. Administrative costs used to run the agency have varied in particular years depending on payout to employees who are retiring. Year over year costs decreased and lease payments on cars have ended. Mr. Bryan Thiriot indicated that cost breakouts for an HSA are not included because the employee group is less than 50 employees. It also costs more to fund an HSA accounts versus paying a premium. Commissioner Dell LeFevre commented that Garfield County employees have a \$2,500 co-pay deductible amount and this has helped to decrease insurance usage and associated costs. Commissioner Mike Dalton suggested that Five County employees be responsible to pay the same percentage of the increased premium amount as they currently are contributing. That way the employee share increases as well as the share covered by the AOG. Ms. McCoy explained that employees currently contribute \$150.00 a month toward their insurance premium. Employees are responsible for co-pays associated with doctor visits, instacare and emergency room visits. There is also a \$2,000 deductible amount for single coverage and \$4,000 for family coverage that falls onto employees. There are 40 full-time benefitted employees who receive health insurance coverage. Ms. McCoy explained that employees with single coverage are paying the same amount as those with family coverage. Mr. Gary Zabriskie mentioned that this has been the case for some time and it does not seem equitable that a single person or couple would pay the same amount as a family that may have six or more people. Commissioners were in agreement that employees with family coverage should be paying a greater share of the premium. Commissioner Mike Dalton noted that Beaver County employees pay the same percentage of the premium amount for single, couple or family coverage. Employees should not be paying the same amount because they are not getting the same coverage. Employees with single insurance are currently paying 21.7% of the premium.

MOTION WAS MADE BY COMMISSIONER DALE BRINKERHOFF, SECONDED BY COMMISSIONER JIM MATSON, TO APPROVE THE FRINGE BENEFIT PACKAGE TO EMPLOYEES, USING THE CURRENT AMOUNT OF EMPLOYEE CONTRIBUTION PLUS THE 8% INCREASE FOR INSURANCE COVERAGE, INSTRUCTING MS. MCCOY TO BASE THE COST TO EMPLOYEES ON A PERCENTAGE OF THEIR INSURANCE PREMIUM FOR SINGLE, COUPLE, FAMILY, ETC. THE CONTRIBUTION PAID BY THE AOG IS TO REMAIN THE

SAME. THE MOTION WAS AMENDED TO INCLUDE INSURANCE COVERAGE FOR RETIRED EMPLOYEES UTILIZING THE SAME PERCENTAGES AS FOR FULL-TIME EMPLOYEES. MOTION CARRIED BY UNANIMOUS VOTE.

It was pointed out that figures approved today will be utilized in drafting the proposed budget for FY 2017. The FY 2017 budget will be effective July 1, 2016 through June 30, 2017. Information will be provided to Finance Committee members once Ms. McCoy has completed the calculations. Ms. McCoy explained that there are two retired employees, Bob Rasmussen and Beth Cottam, who are included in the AOG's health coverage benefit through this fiscal year.

B. COST-OF-LIVING ADJUSTMENT

Commissioner Victor Iverson questioned how the 2% cost-of-living increase is proposed to be distributed to employees. This is a difficult decision because not all employees are equal and some may need more of a bump in pay. Commissioner Mike Dalton mentioned that the COA has been distributed as the same dollar amount to all employees and not based on a percentage of individual salaries. Bryan Thiriot also had the opportunity in the past to recommend pay for performance for specific employees who have gone above and beyond in completing tasks and delivery of their jobs. These recommendations are presented on a case-by-case basis to the Finance Committee for consideration. Mr. Gary Zabriskie explained that grants are written based on the inclusion of a 2% COA adjustment and deliverables will not be impacted.

MOTION WAS MADE BY COMMISSIONER JIM MATSON, SECONDED BY COMMISSIONER VICTOR IVERSON, TO APPROVE THE 2% COST OF LIVING ADJUSTMENT TO FIVE COUNTY EMPLOYEES BASED ON THE FORMULA UTILIZED IN THE PAST WITH A SET DOLLAR AMOUNT TO EACH EMPLOYEE. MOTION CARRIED BY UNANIMOUS VOTE.

C. COUNTY PARTICIPATION - LEGAL COUNSEL

Mr. Bryan Thiriot explained that the Five County Association of Governments has been using legal counsel of Washington County during the past year. Some contracts require the signature of the Executive Director as well as legal counsel. There needs to be a means for the AOG to obtain legal counsel. Mr. Gary Zabriskie indicated that Snow and Jensen has provided legal counsel for the Revolving Loan Fund, but the AOG is not currently under contract for legal counsel. It was suggested that a Request for Proposals be advertised based on the number of hours that would be realistic over a year's period of time. A special thanks was extended to Washington County for the assistance provided over the past year.

D. INDIRECT COST ALLOCATION PLAN

Ms. Allison McCoy referenced information provided in the packet outlining the Indirect Cost Allocation Plan for FY 2017 and explained that administrative costs have decreased for the upcoming fiscal year. The salaries and fringe benefits of each program are added together and divided into administrative costs to determine

the rate that will be charged to programs. The rate has decreased from 13.47% to 12.61%. The total cost for administration in FY 2016 was \$329,216 divided by FY 2017 salaries and fringe equals 12.61%, which is the amount to be charged to specific programs to operate the AOG for FY 2017. Funding into Aging programs increased and this helped to keep the administrative costs down. Ms. McCoy explained that the FY 2017 Indirect Cost Allocation Plan incorporates new Office of Management and Budget circulars and guidance.

MOTION WAS MADE BY COMMISSIONER VICTOR IVERSON, SECONDED BY COMMISSIONER DALE BRINKERHOFF, TO APPROVE THE FY 2017 INDIRECT COST ALLOCATION PLAN AND PERCENTAGE ALLOCATION OF 12.61% AS PRESENTED. MOTION CARRIED BY UNANIMOUS VOTE.

III. COUNTY RESOURCE MANAGEMENT PLANNING CONTRACTS

Mr. Bryan Thiriot reported that he met with the Six County AOG during their leadership summit to complete selection of individuals and/or firms that will be contracted to provide data collection that will be utilized in writing individual county resource management plans. Contracts will be executed between the Five County AOG and the following individuals and/or firms: **1) Jim Long--** Forestry; **2) Gil Miller--** Socioeconomic; **3) Jim Rasmussen--** Minerals/Mining; and **4) Lamar Smith-** Range/Grazing. Staff is still working to complete the contract with Durant McArthur for the sagebrush, pinyon/juniper element. Commissioner Mike Dalton mentioned that someone suggested the inclusion of hydrology in the pinyon/juniper element. Commissioner Jim Matson explained that there will be a separate hydrology section in the plans. This may eventually require the services of a hydrologist to pull this together in an integrated fashion. This will be further addressed as counties get further into the analyses.

MOTION WAS MADE BY COMMISSIONER VICTOR IVERSON, SECONDED BY COMMISSIONER DALE BRINKERHOFF, TO AUTHORIZE THE CHAIR'S SIGNATURE TO EXECUTE CONTRACTS WITH THE INDIVIDUALS OUTLINED ABOVE. MOTION CARRIED BY UNANIMOUS VOTE.

IV. OTHER BUSINESS

Mr. Bryan Thiriot mentioned that Mayor Tracy Dutson has resigned as the mayor of Rockville. He had previously been designated as the mayor representative for Washington County to serve on the Five County AOG Steering Committee. In addition, it has been suggested that the Iron County delegation consider appointing a new representative to serve on the Steering Committee. Commissioners from these respective counties were asked to work with their county delegations to appoint a new representative. This should be addressed at the Mayor's Association meetings. The next Steering Committee meeting is scheduled for June 8th in Kanab.

Commissioner Mike Dalton suggested that the annual meeting schedule be revised for the February meeting to be held in Kanab and the June meeting to be in Beaver.

The meeting adjourned 1:55 p.m.