

MINUTES

EXECUTIVE COMMITTEE MEETING April 11, 2012 Parowan, Utah

MEMBERS IN ATTENDANCE

Commissioner Clare Ramsay, Chair
Commissioner Chad Johnson
Commissioner Denny Drake

REPRESENTING

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

OTHERS IN ATTENDANCE

Kenneth Sizemore
Scott Leavitt
Diane Lamoreaux

Five County Association of Governments
Five County Association of Governments
Five County Association of Governments

MEMBERS NOT IN ATTENDANCE

Commissioner Dale Brinkerhoff, Excused
Commissioner Douglas Heaton, Excused

Iron County Commissioner Representative
Kane County Commissioner Representative

I. WELCOME AND APPROVAL OF JULY 21, 2011 MINUTES

Commissioner Clare Ramsay, Chair, called the meeting to order and welcomed those in attendance. Commissioner Douglas Heaton asked to be excused due to important meetings with Arizona representatives regarding a push by environmental groups to establish another national monument that would have devastating impacts on grazing. Commissioner Dale Brinkerhoff is unable to attend due to a previously scheduled meeting. Mr. Sizemore tried to call Commissioner Dan Webster but was unable to make contact. It was noted that a quorum was present for the conduct of business. Chairman Ramsay entertained a motion to approve minutes of the July 21, 2011 meeting.

MOTION WAS MADE BY COMMISSIONER DENNY DRAKE, SECONDED BY COMMISSIONER CHAD JOHNSON, TO APPROVE MINUTES OF THE JULY 21, 2011 MEETING AS PRESENTED. MOTION CARRIED UNANIMOUSLY.

II. FINANCIAL

A. FRINGE BENEFIT PACKAGE

Mr. Sizemore introduced Scott Leavitt, CFO, replacing Bob Rasmussen and indicated that it is important for Scott to be involved with the deliberations and process utilized to establish the annual budget. He indicated that senior staff is continuing to retire, and Diane will be joining those employees in 2013. He provided copies of a spreadsheet which contains a summary of Five County AOG and each of the five counties benefit packages for employees. Approval of the fringe benefit package is the first step in building a budget for the period July 1, 2012 through June 30, 2013. He reviewed costs for Utah State retirement, 401k, health

insurance, paid holidays, annual and sick leave, sick leave conversion, merit increases, term life/group life and cost-of-living increase. It was noted that Utah State Retirement costs increased for all jurisdictions. The 401k programs offered by individual counties and the AOG do not have a lot of commonality. Five County employees who were employed prior to 1995 receive a 1.25% contribution to their 401k. New employees may elect to participate in a 401k on their own. The Association of Governments switched to IHC Select Health two years ago. Two of the counties are insured by IHC Select Health, one by PEHP and two are self insured. He reviewed the range of increases to each county and the AOG. IHC Select Health has agreed to a seven percent (7%) increase if the AOG does not shop around with other insurance companies. As per adopted policy of April 2011, sick leave conversion is on a graduated sunset between 2012 and 2017. Merit increases have been implemented by Beaver, Garfield and Kane counties. However, Iron and Washington counties did not implement merit increases. The cost for Term Life/Group Life have not changed. Garfield and Kane counties both approved cost of living increases at two percent and three percent respectively.

Mr. Sizemore proposed that merit increases be reinstated at 3.5% for AOG employees that are eligible on the grade/step system with an acceptable performance evaluation, health insurance costs be covered in full by the AOG, and that employees be granted a one percent (1%) cost-of-living increase. Commissioner Chad Johnson asked about the number of full-time employees that would be involved in the grade/step system. Mr. Sizemore responded that approximately 45 employees receive benefits and participate in the system. Proposed resumption of the grade/step merit system would be effective beginning July 1, 2012. Evaluations are based on the employee's performance and fall at more frequent intervals for newer employees. The system graduates to longer intervals between steps based on longevity of employees. It was explained that immediate supervisors perform employee evaluations and provide a recommendation for an increase to the Executive Director. Committee members commented that evaluations should be performance based and not as a result of longevity. Commissioner Denny Drake expressed his preference with the merit system versus cost-of-living increases.

Mr. Sizemore indicated that the AOG would solicit proposals from insurance companies next fiscal year. He pointed out that the deductible amount is \$1,000. Executive Committee members were concerned with the benefit to salaries percentage ratio which is at 51%. Mr. Sizemore explained that there are a number of reasons why this is so high, particularly because the insurance premium is paid in full by the AOG and also a direct result of the number of new employees who begin lower on the grade/step system. The commissioners indicated that employees need to participate in the cost of the health insurance premium. There was considerable discussion of various alternatives that could be pursued for employee participation. Commissioner Denny Drake proposed that the cost-of-living recommendation of one percent (1%) be approved, but employees would be required to participate \$100.00 per month towards the health insurance premium. Committee members asked that a spreadsheet be provided via e-mail outlining the impact to employees.

MOTION WAS MADE BY COMMISSIONER DENNY DRAKE, SECONDED BY COMMISSIONER CHAD JOHNSON, TO APPROVE THE FRINGE BENEFIT

PACKAGE FOR FIVE COUNTY ASSOCIATION OF GOVERNMENTS EMPLOYEES AS PRESENTED, INCLUDING A ONE PERCENT (1%) COST-OF-LIVING ADJUSTMENT, WITH THE EXCEPTION THAT EACH EMPLOYEE PARTICIPATE \$100.00 PER MONTH TOWARD THE HEALTH INSURANCE PREMIUM. MOTION CARRIED.

B. COST-OF-LIVING ADJUSTMENTS FY 2013

This item was included in the fringe benefit discussion and action.

C. COUNTY PARTICIPATION

Mr. Sizemore reported that staff has examined funding for the upcoming fiscal year and is not recommending an increase in county participation for FY 2013. He explained how match funding has been collected from member counties since the inception of the organization. The amount of match funding was adjusted in 1996 to \$15,000. The bulk of this funding is utilized to match state and federal contracts.

MOTION WAS MADE BY COMMISSIONER DENNY DRAKE, SECONDED BY COMMISSIONER CHAD JOHNSON, TO APPROVE THE COUNTY PARTICIPATION AMOUNT OF \$15,000 FOR FY 2013. MOTION CARRIED.

D. MEAL PER DIEM RATE INCREASE

Mr. Sizemore provided a handout from the Five County Association of Governments Travel Policy outlining the current and proposed meal per diem rates. Adjustments to these rates have not been considered since the early 1990s. It is proposed that the per diem rate for in-state meal reimbursement increase from \$30.00 to \$36.00 and the out-of-state rate increase from \$38.00 to \$45.00 as outlined. This brings the meal reimbursement rates up to par with state of Utah rates. It is proposed that the mileage rates remain unchanged at \$.30 per mile and \$.25 per mile as per restrictions outlined in the policy.

MOTION WAS MADE BY COMMISSIONER CHAD JOHNSON, SECONDED BY COMMISSIONER DENNY DRAKE, TO APPROVE INCREASES FOR IN-STATE AND OUT-OF-STATE MEAL REIMBURSEMENT AS PRESENTED. MOTION CARRIED.

III. INDIRECT COST ALLOCATION PLAN FOR FY 2012

Mr. Sizemore explained that Office of Planning and Budget Circular A-87 allows the Association of Governments to adopt an indirect cost allocation plan to cover administrative costs. Each contract is charged a set rate to provide funding for administrative functions. The rate is determined by summing all salary and fringe costs from the last audited statements and dividing those costs by the total agency expenditures. The rate typically ranges from 10 to 13 percent and was set at 11.1% last year. The rate for the upcoming fiscal year is 11.1% percent. Mr. Sizemore asked for authorization to sign the plan for submission to the state of Utah.

MOTION WAS MADE BY COMMISSIONER CHAD JOHNSON, SECONDED BY COMMISSIONER DENNY DRAKE, TO APPROVE THE FY 2013 INDIRECT COST ALLOCATION PLAN AS PRESENTED, INCLUDING AUTHORIZATION OF THE EXECUTIVE DIRECTOR'S SIGNATURE. MOTION CARRIED.

IV. BUDGET REVISIONS

Mr. Sizemore referenced budget revisions for FY 2012 on pages 13 through 43 of the packet and indicated that the major changes include increased revenue into the various cost centers. Committee members questioned an unallocated expense in the Volunteer Center of Washington County budget. Scott Leavitt explained that some of the Senior Corps programs were in the negative last year and these funds will be allocated to cover those overages. These funds were received from a United Way grant to cover program deficits. The budget for a new program is included on page 43 of the packet. These funds are provided through a contract with the Department of Workforce Services under a Temporary Assistance for Needy Families (TANF). This will allow senior companions to provide transportation to low-income individuals, most of which are single parents, to allow them to improve their skills and become gainfully employed. Transportation will be provided to the Work to Success Class offered by DWS, to job interviews, etc. Senior Companions must complete and pass an on-line driving course in order to provide these services. The budget includes \$67,243 for needy family expenses. Transportation costs will be reimbursed at the rate of \$40.00 per trip. This contract was negotiated by Carol Hollowell and will run through the end of the current fiscal year.

MOTION WAS MADE BY COMMISSIONER CHAD JOHNSON, SECONDED BY COMMISSIONER DENNY DRAKE, TO APPROVE FY 2012 BUDGET REVISIONS AS PRESENTED. MOTION CARRIED.

V. OTHER BUSINESS

Mr. Ken Sizemore mentioned that because of the changes in the sick leave conversion policy that were made last year, he would need to make a decision on retirement prior to June 30, 2013. Because the Utah State Retirement has put in place regulations that prohibit double dipping, this will have a dramatic impact on his post retirement opportunities. These constraints will make it difficult to pursue employment with other state or federal agencies, including higher education. Replacement of the Executive Director position will require a more comprehensive search than what was used for replacement of the Chief Financial Officer. He proposed that the Executive Committee address his retirement and consider allowing him to be exempt from the sick leave conversion policy deadline. This option would allow him to continue serving in the capacity of Executive Director on a contract basis similar to how city managers contract with jurisdictions. This consideration would be a function of the Executive Committee to discuss providing this opportunity. This agenda item will be included on the June Executive Committee agenda.

Meeting adjourned at 11:45 a.m.