

**Tooele City Council and the Tooele City Redevelopment Agency
Work Meeting Minutes**

Date: Wednesday, May 17, 2023

Time: 5:30 p.m.

Place: Tooele City Hall, Council Chambers
90 North Main Street, Tooele, Utah

City Council Members Present:

Justin Brady

Maresa Manzione

David McCall

Ed Hansen

Tony Graf, via phone

City Employees Present:

Mayor Debbie Winn

Adrian Day, Police Department Chief

Roger Baker, City Attorney

Shannon Wimmer, Finance Director

Michelle Pitt, City Recorder

Holly Potter, Deputy City Recorder

Jamie Grandpre, Public Works Director

Paul Hansen, City Engineer

Darwin Cook, Parks and Recreation Director

Andrew Aagard, Community Development Director

Kami Perkins, HR Director

Minutes prepared by Katherin Yei

1. Open City Council Meeting

Chairman Brady called the meeting to order at 5:30 p.m.

2. Roll Call

Justin Brady, Present

Maresa Manzione, Present

David McCall, Present

Tony Graf, Present via phone at 5:30

Ed Hansen, Present

3. Mayor's Report

Mayor Winn reported on the following:

The clean-up projects in the community are underway. She shared her appreciation to the people that have completed projects and for future projects happening in the community.

4. Council Member's Report

The Council Members reported on the events they attended during the week.

5. Discussion Items

A. Resolution 2023-38 A Resolution of the Tooele City Council Adopting the Modified Public Employees Health Program (PEHP) IRC Section 125 Cafeteria Prototype Plan for Tooele City's Cash-in-Lieu/Waiver Program

Presented by Kami Perkins, City Attorney

Ms. Perkins presented the modified Public Employees Health Program (PEHP) IRC Section 125 Cafeteria prototype plan for Tooele City's cash-in-lieu/waiver program. Last July, Golden West Insurance discontinued administering flex plans and our plan administration was transferred to PEHP. The plan documents were adopted for dependent care, medical, limited flex, and premium only. The cash-in-lieu waiver program was not adequately covered in the PEHP plan documents. The IRS requires that waiver payments be administered through a Section 125 plan to allow health premiums to continue to be paid pre-tax. Adoption of the Plan document will be retro-active to July 1st. Ms. Perkins has worked with PEHP legal counsel and Tooele City Attorney, to modify PEHP's prototype plan documents to align with Tooele City's plan. During this time, PEHP explained that they are looking at all groups offering cash-in-lieu to establish standards and will allow Tooele City to run the cash-in-lieu alongside the health insurance plan. PEHP will require that the City limit any payment to \$4,000 or less. The City's amount is a little over \$3,700. Anyone on Medicaid or Medicare is unable to participate in the waiver program.

Ms. Perkins explained that there have been several council members who chose the cash-in-lieu option instead of health insurance. Those on Medicare are not eligible for the cash-in-lieu program. The policy of providing health insurance to part-time elected officials has been discussed over the years. A few options were discussed including an option to transition the City Council's total compensation package from benefits to the salary in the amount of the cash-in-lieu equivalent. This would be a decrease in the City Council total compensation package and in the future, it would affect the Council's ability to participate in the health insurance plan. If they did take away the medical insurance, the Council would still have access to flex accounts, dental, and vision.

The City Council asked the following questions:

If all Council took the benefits, what would the cost be?

The Council showed favor of not providing medical insurance for Council members and adding only the value of the cash-in-lieu that they have all been receiving to their salary as direct compensation. As well as leaving dental and vision as is.

Ms. Perkins addressed the Council. The City pays for single coverage at the same cost sharing as regular insurance. It is about \$56000 for all Council members.

Mr. Baker addressed the Council. State law and City ordinance require a public hearing and a resolution or ordinance to adopt the salary schedule. He is of the opinion that when the salary schedule is adopted as part of the regular budget process, the budget public hearing and resolution satisfy the salary schedule public hearing and resolution requirements. If the salary schedule is changed mid-year, a separate public hearing and resolution would be required.

Staff will bring back the Cafeteria document as a formal resolution. As well as the updated policy manual with the benefits the Council is eligible for.

B. Fiscal Year 2023-2024 Budget Discussion

The Council had the opportunity to email questions allowing staff to come prepared with numbers and information.

The Council asked the following questions:

What is the proposed increase in wages compared to the health insurance?

How many employees do cash-in-lieu?

Is the health insurance coverage change drastic or minor?

Ms. Perkins addressed the Council. During a meeting in February, the inflation with an 8% cost of living adjustment was discussed. Staff received direction to move forward with an 8% COLA, with interest in seeing it impact the budget. Staff and Council discussed being upside down in the in the insurance policy, \$1.3 million with an anticipated rate increase of 20%. The increase would significantly increase the City and employee's coverage. They worked with Tooele City's Broker, Goldenwest Health Insurance, and PEHP to make plan revisions that brought the cost increase down to an average of 27%. The budget proposal includes a change in the rate sharing between the City and employees. The free employee-only plan is now the summit plan and we are still able to offer a standard and premier plan if employees want to buy-up to a different coverage. The budget proposal includes a request for a 5.5% cola adjustment to the salary schedule. This is consistent with the State of Utah and reflective of what we've seen in the cooling of the consumer price index these past months which now is at 7%.

Ms. Perkins provided the current salary schedule and what the new salary schedule may look like. The current salary schedule for entry-level blue-collar jobs, is at a grade 10-\$18.06 an hour.

Ms. Perkins provided two advertisements of the same job with two different entities and two different starting pay. The City is 6 months behind the County. With the increase of this, the City will better align with the wage the County is paying for a similar job.

Ms. Wimmer addressed the Council. Print outs were provided that show capital projects and equipment for the 41-fund funded this year, but will be carried to the next fiscal year. There is \$1.2 million to put towards equipment and projects.

The Council asked the following:

What is the definition of each year?

Did the revenue amounts go up or down in?
Does the fund balance have to be a minimum 35%?
Are the grants not listed?
Are the impact fees that were raised included?
How is the fire department being funded?
Is it more beneficial to hire employees in the Parks Department that to contract it out?
Is the increase in each department is mostly in salary and insurance?

Ms. Wimmer addressed the Council's questions. If there is an amount in the first column and the line item, they are looking to approve that amount. The blank slots are not being approved this year. Each year means it is an ongoing cost. There was a month that revenues went down, but the other months have gone up. It was projected at a flat rate for sales tax. The property tax was left at the current rate with the potential to change depending on the tax rate the Council adopts. Staff will enter the grants in once they received those funds. Once they are put in, they are brought back with budget amendments. Looking at building fees, they have dropped off. Impact fees have been increased. Revenue won't necessarily increase. When the tax increase was done, the City will need to put one full year of bond payment in the escrow for the fire department. They will apply for a CIB, Community Impact Board loan with an interest rate 3%. The application is due on June 1st. If they have to go to the bond market, it reduces the money they have for construction costs. The current budget for the fire station is higher than estimated but is more accurate based on current expected costs. They have asked department heads to stay in the budget they used last year to maintain costs.

Mr. Cook addressed the Council. Hiring employees to the work they contract out adds additional costs.

Mayor Winn addressed the Council. It is significantly cheaper to hire out. They did decrease the number of seasonal employees. They can make more in property tax by bringing new business to Tooele.

6. Closed Meeting - Litigation, Property Acquisition, and/or Personnel

There is a closed meeting for litigation and property acquisition.

Council Member McCall motioned for a closed meeting. Council member Manzione Seconded. The vote was as follows: Council Member Hansen, "Aye," Council Member Brady, "Aye," Council Member Manzione, "Aye," Council Member McCall, "Aye." The motion passed.

The work meeting was recessed at 6:34pm.

Those in attendance:

Council Member Manzione, Council Member Hansen, Council Member McCall, Chairman Brady, Council Member Graf by phone, Mayor Debbie Winn, Shannon Wimmer, Michelle Pitt,

Fire Chief McCoy, Andrew Aagard, Jamie Grandpre, Paul Hansen, Roger Baker, and Darwin Cook.

The meeting began at 6:38 p.m.

No minutes were taken during the closed meeting.

7. Adjourn

Chairman Brady adjourned the meeting at 6:56 p.m.

The content of the minutes is not intended, nor are they submitted, as a verbatim transcription of the meeting. These minutes are a brief overview of what occurred at the meeting.

Approved this 7th day of June, 2023

Justin Brady, City Council Chair