



UNIFIED FIRE AUTHORITY BOARD BENEFITS & COMPENSATION COMMITTEE MINUTES

February 12, 2026, 9:00 a.m.

1. Call to Order
Chair Buroker called the meeting to order at 9:01 a.m.
2. Public Comment
None
Public comment was available live and with a posted email address.
3. Minutes Approval
Mayor Jackson made a motion to approve the minutes from January 22, 2026, Benefits and Compensation Committee Meeting as submitted. Mayor Fotheringham seconded the motion, and all voted in favor; none opposed.
4. Voluntary Employees Beneficiary Association (VEBA) Overview
Chief Burchett introduced Bill Brass, retired Assistant Chief and current policy analyst for UFA to provide an overview of the VEBA program.

Program Background

Bill explained that in 2013, the UFA Board eliminated the Other Post-Employment Benefit (OPEB) program due to concerns regarding long-term financial liabilities associated with providing retirees with up to 80% of their single health insurance premiums. To transition away from OPEB, the Board established VEBA accounts funded by approximately \$1.75 million, distributed to employee accounts using a Board-approved formula. Additional funds from a previous Nationwide post-employment program were also transferred into the VEBA accounts.

Purpose of VEBA

The VEBA program is a tax-exempt trust designed to help employees cover healthcare costs between retirement and Medicare eligibility. It reimburses qualified medical expenses under IRS guidelines. Eligible uses include:

- Health insurance premiums
- Medicare Part B premiums
- Dental and vision expenses
- Prescription costs
- Co-pays
- Long-term care premiums (subject to IRS limits)

Funding Sources

The VEBA program is funded through several sources:

- 2% employer contribution of employee salary (approved in 2022)
- Conversion of excess sick leave
- Sick leave and vacation leave conversion upon retirement
- Vacation leave conversion upon separation

Sick leave caps currently include:

- 640 hours for civilian employees
- 960 hours for firefighters

Excess sick leave above the cap is purchased by the organization at 60% of salary value and deposited into VEBA accounts.

Tax Advantages

VEBA accounts offer a triple tax advantage:

1. Contributions are not taxed.
2. Qualified withdrawals are not taxed.
3. Investment earnings grow tax-free.

Program Administration

Funds are pooled for investment purposes but tracked individually for each participant.

Program oversight includes:

- VEBA Board of Trustees
- Outcome Private Wealth (investment manager)
- APA Benefits (third-party administrator)

The Board discussed the importance of VEBA in bridging the healthcare coverage gap between retirement and Medicare eligibility. The tax efficiency of VEBA compared to other retirement vehicles, such as 401(k) plans. The role of pooled investments and professional management in improving outcomes for retirees. The Board expressed support for the program and stated that VEBA is widely regarded as a valuable benefit within public safety organizations.

5. 401K Contribution

Chief Burchett presented a proposal for potential implementation of an employer 401(k) contribution for employees.

Background

UFA currently does not offer a 401(k) contribution, though several peer agencies do.

Comparable agency contributions include:

- South Salt Lake: 3%
- Sandy: 3%
- Draper: 3.5%
- West Valley: 2%
- West Jordan: 2%
- Orem, Provo, Park City, South Jordan: 4%

Chief Burchett explained that the proposal is largely driven by changes in the Tier 2 retirement system, employees working longer before retirement eligibility, and concerns about employees' ability to retire at appropriate ages. Average hire age is approximately 28, meaning employees may not be eligible for retirement until approximately age 53 under Tier 2 rules. A 401(k) contribution could help bridge financial gaps and support workforce sustainability.

The Chief suggested a phased approach:

- Initial contribution between 1% and 1.5%
- Gradual increase over several years
- Target range between 2% and 3%

The Board discussed whether a 401(k) contribution should be funded through COLA adjustments or implemented as a separate benefit, considering long-term financial sustainability and market competitiveness with other fire agencies.

Union leadership emphasized the importance of maintaining wage growth separately from retirement benefits to support employees early in their careers.

6. Utah Retirement System Update

CFO Hill presented updated URS contribution rates for the upcoming fiscal year. For Tier 2 employees, the employee portion of the retirement contribution will increase from 4.73% to 5.98%, a difference of 1.25%. UFA has historically covered the employee share of this contribution. If UFA continues this practice, the estimated cost increase to the organization will be approximately \$267,000.

Mayor Jackson made a motion to recommend that UFA pick up the Tier II employee portion for sworn and public safety employees. Council Member Henderson seconded the motion and all voted in favor; none opposed.

7. Cost-of-Living Adjustment (CPI) Process

CFO Hill presented the COLA adjustment, calculated using the seven-year rolling average of the Consumer Price Index (CPI). Current CPI seven-year average is 3.6%, and the annual CPI for 2025 2.6%. Funding the COLA at 3.6% would be approximately \$2.5 million for the budget.

The Board discussed the benefits of using a rolling CPI average for predictable budgeting. There were some concerns expressed about applying a uniform percentage across all salary levels as well as the need to remain competitive with other fire agencies.

Mayor Gettel made a motion to recommend the Cost of Living as discussed. Mayor Gray seconded the motion, and all voted in favor; none opposed.

8. Sworn Market Comparison

HR Director Day presented the sworn wage comparable summary report. Human Resources conducted an annual wage comparison using wages from 15 agencies across the Wasatch Front. The comparison evaluates base wages, guaranteed compensation elements, and non-performance pay factors. HRD Day stated that overall, UFA remains well-positioned across all sworn classifications relative to the surveyed agencies. The exception is the Senior Paramedic classification. The Senior Paramedic rank target is held at 3% above market to encourage advancement and retention. A targeted 0.68% market adjustment was identified to maintain the classification's structure positioning at approximately 3% above market.

Council Member Henderson made a motion to recommend the Sworn Market Comparison increases as discussed. Mayor Fotheringham seconded the motion, and all voted in favor; none opposed.

9. Battalion Chief/Division Chief Rank

Chief Burchett gave the committee a historical explanation of the Battalion Chief/Division Chief rank. The goal for staff has been to maintain a 16% spread from the Captain rank to the BC/DC rank. It would be the recommendation of staff to increase the spread to 18%, which would result in a \$63,000 increase to the budget.

Mayor Gettel made a motion to recommend the Battalion Chief/Division Chief compensation as discussed. Mayor Fotheringham seconded the motion and all voted in favor; none opposed.

10. Civilian Market Comparison

HR Director Day presented the civilian compensation market review to the committee, stating that 80 civilian positions were reviewed. As a result, 23 positions will receive market adjustments. Recommended increase ranged between 3-6%, with no position reclassifications required.

Mayor Jackson made a motion to recommend the Civilian Market Compensation increases as discussed. Mayor Bennion seconded the motion, and all voted in favor; none opposed.

11. Health and Dental Insurance Renewal Update

Deputy HR Director Calogero Ricotta introduced Gallagher representatives Rebecca Norfleet and Nathan Lamb, who presented the preliminary renewal analysis for UFA's health and dental insurance programs. Gallagher began by reviewing UFA's recent claims experience to provide context for the renewal projections.

For the 2025 calendar year, UFA experienced approximately \$5.5 million in medical claims, equating to \$293 per member per month (PMPM). This represents an 8.9% increase over the previous year. Gallagher explained that the increase was primarily driven by a rise in emergency room utilization and increased use of mental health and chemical dependency services.

Prescription drug claims also increased significantly. Pharmacy claims totaled approximately \$1.7 million, or \$90.87 PMPM, representing a 33.8% increase from the prior year. This increase was largely attributed to the use of high-cost specialty medications and claims related to chronic conditions requiring ongoing treatment.

Combined medical and pharmacy claims totaled approximately \$7.16 million for the year, resulting in a loss ratio of 103.5%. Gallagher explained that a loss ratio above 100% means the insurance carrier paid out more in claims than it received in premiums. In this case, for every dollar UFA paid in premiums, the carrier paid approximately \$1.03 in benefits.

Historical Cost Trends

Gallagher also reviewed the historical trend of plan costs compared to premium increases.

Over the past six years:

- Plan costs have increased approximately 42%
- Premiums have increased approximately 15%

Gallagher explained that Select Health had previously provided relatively low renewal increases, and in some years even reduced premiums, in order to remain competitive and retain UFA's business. However, with recent increases in claims utilization and the loss ratio exceeding 100%, the carrier indicated that it would be less willing to reduce the renewal amount significantly this year.

Select Health's preliminary renewal proposal included the following increases:

Medical Insurance

- 16.8% increase
- Approximately \$1.3 million in additional annual cost shared between UFA and employees

Dental Insurance

- 9.9% increase
- Approximately \$52,000 in additional annual cost

Gallagher noted that this proposed medical increase represents the largest renewal increase UFA has experienced in several years.

Plan Design Options to Reduce Premium Increases

Gallagher presented several plan design options intended to reduce the proposed premium increase while minimizing disruption to employees.

Option 1 – Moderate Deductible Adjustment

Under this option:

- Individual deductible increases from \$1,000 to \$2,000
- Family deductible increases from \$2,000 to \$4,000
- Out-of-pocket maximums increase proportionally

All other plan design features would remain the same. This adjustment would reduce the premium increase from 16.8% to approximately 6.7%.

Option 2 – Higher Deductible Adjustment

Under this option:

- Individual deductible increases to \$3,000
- Family deductible increases to \$6,000
- Out-of-pocket maximums increase to \$5,000 / \$10,000

This approach would effectively result in a rate hold, eliminating the premium increase.

Gallagher explained that increasing deductibles shifts some financial responsibility from the insurance carrier to plan participants, which lowers the overall cost of the plan.

Health Reimbursement Account (HRA) Options

Gallagher recommended pairing any deductible adjustments with changes to UFA's Health Reimbursement Account (HRA) program in order to offset the increased out-of-pocket exposure for employees. Currently, UFA provides HRA reimbursement through APA Benefits. Two potential approaches were presented:

Expanded HRA with Existing Administrator (APA)

Under this approach:

- Deductibles would increase
- HRA reimbursement limits would increase proportionally
- Employees would continue to utilize the current APA reimbursement structure

Gallagher explained that approximately 100 employees currently maximize their HRA benefit each year, and those utilization patterns were used in estimating the financial impact of the proposed changes. This option would maintain the existing administrative structure and minimize disruption for employees.

Alternative HRA with Care Navigation (Garner Health)

Gallagher also presented an option utilizing Garner Health, a healthcare navigation platform designed to guide employees toward high-quality, lower-cost medical providers.

The program includes:

- Provider recommendations based on cost and quality data
- Immediate HRA reimbursement beginning with the first dollar spent
- Financial incentives for employees who utilize recommended providers

Gallagher explained that this approach could reduce overall claims costs by encouraging employees to select more cost-effective providers.

The Board discussed several aspects of the proposal. Some members expressed concern about introducing an additional administrative layer through the Garner platform and questioned how provider rankings were determined and weighted. Other members noted that increasing deductibles while expanding the HRA could create an appropriate balance by encouraging responsible plan utilization while still protecting employees from significant out-of-pocket expenses. The Board members also discussed the importance of maintaining a competitive benefits package and ensuring employees have access to quality healthcare options.

The Board discussed a Health Savings Account (HSA) Consideration and asked whether transitioning to a High Deductible Health Plan (HDHP) with a Health Savings Account (HSA) had been evaluated. Gallagher explained that this option was reviewed but was not recommended at this time. Because HSA contributions are deposited directly into employee-owned accounts regardless of utilization, a significant portion of those funds would likely remain unused in the short term, reducing the cost savings compared to the HRA model. Gallagher recommended revisiting the HSA option in the future as claims trends evolve.

Dental Insurance Review

Gallagher recommended that UFA re-market the dental insurance plan to determine whether more competitive rates could be obtained. They also suggested exploring a self-funded dental model, which would allow UFA to pay actual claims rather than fixed premiums.

Under a self-funded dental structure:

- UFA would pay a monthly administrative fee to the carrier
- Claims would be paid directly by UFA
- Carrier profit margins built into traditional premiums would be avoided

Gallagher noted that dental plans are often suitable for self-funding because annual benefits are capped, which limits financial risk.

The Board expressed interest in exploring competitive bids for dental coverage and evaluating the feasibility of a self-funded dental plan.

12. Contract Employees/Possible Closed Session

Chair Buroker explained that the possible closed session was intended to allow the board members to discuss topics related to the contract employee compensation and performance considerations.

To ensure compliance with open meeting requirements and to provide the Board with an opportunity to give direction, the group agreed that the possible closed session discussion would be deferred to the March UFA Board Meeting.

13. Adjournment

Mayor Gary moved to postpone the closed session until the March UFA Board Meeting and adjourn the February 12, 2026, UFA Benefits and Compensation Committee Meeting. Mayor Fotheringham seconded the motion, and all voted in favor; none opposed.

BOARD MEMBERS IN ATTENDANCE

Council Member Henderson	Mayor Overson
Mayor Buroker	Mayor Gettel
Mayor Jackson	Mayor Gray
Mayor Fotheringham	Mayor Bennion

STAFF IN ATTENDANCE

Chief Dominic Burchett	CFO Tony Hill	CLO Brian Roberts
HRD Kiley Day	Clerk Micayla Dinkel	

ATTENDEES

AC Dern	AC Russell	AC Robinson
Union President Young	Union Vice President Doyle	
DOC Easton	HR Deputy Director Ricotta	Courtney Samuel
Captain Conn	Captain Beckman	Bill Brass
Sylvia Cardenas	BC Fossum	Rebecca Norfleet
Nathan Lamb		