



**UNIFIED FIRE AUTHORITY BOARD
BENEFITS AND COMPENSATION COMMITTEE MEETING MINUTES**

February 18, 2021 at 7:30 a.m.

This meeting was held electronically via ZOOM, due to the COVID-19 Pandemic

Committee Members Present:

Council Member Hull
Mayor Peterson
Mayor Dahle

Council Member Bowen
Mayor Hale
Council Member Stewart

Committee Members Absent:

Mayor Bush
Mayor Overson

Staff:

Chief Petersen
CLO Roberts
Cal Ricotta
Sylvia Cardenas

CFO Hill
Arriann Woolf
Cyndee Young
Steve Quinn, Local 1696

Guests:

Bill Brass
Brad Larson
Brad Lynn
Bryan Case
Calogero Ricotta
Chad Green
Dan Borge
Dan Yates
Dea Theodore
Debbi Cigarroa
Dominic Burchett
Dustin Dern
Erica Langenfass
Ginger Watts
Greg Fisher

Jared Henderson
Jared Wayman
Jeff Silvestrini
Justin Watters
Kate Turnbaugh
Kendall Perry
Lana Burningham
Local 1696
Mark Henderson
Mark Jones
Matt Call
Matthew McFarland
Michelle Morse, Gallagher
Nate Bogenschutz
Nile Easton

Patrick Costin
Rebecca Norfleet, Gallagher
Rob Morley
Ryan Love
Shawn Peterson
Sheldon Baumgartner
Shelli Fowlks
Stephen Higgs
Tina Brown
Tom Smolka
Wade Winder
Wesley Lathen

Call to Order

Meeting called to order by Chair Dahle at 7:31 a.m.

Public Comments

None

Public comment was made available live and with a posted email address

Minutes Approval

Council Member Stewart made a motion to approve the minutes from the March 30, 2020 Benefits & Compensation Committee Meeting Minutes as submitted

Council Member Hull seconded the motion

All in favor, none opposed

Health Insurance Review and Forecast – HR Deputy Director Ricotta/Gallagher

- ◆ Michelle Morris presented the current status of insurance with SelectHealth
 - ◆ The plan is running phenomenally
 - ◆ 94% loss ratio, overall claims are down
- ◆ Renewal
 - ◆ Mayor Dahle inquired as to the high trend in prescriptions
 - Pharmacy is up 18% and is abnormal for UFA, however, still below the benchmark
 - Pharmacy costs are higher and medical is lower this time
 - Mayor Dahle is concerned that if this trend continues, there could be serious impacts for next year
 - Michelle Morris stated that a self-funded market would allow more creativity in managing prescriptions, but currently we are subject to how SelectHealth manages their prescriptions
 - ◆ With the COVID effect, claims dipped between 2-4%
 - Some surgeries were postponed
 - Other medical visits will not take place and will not hit the plan (physicals, elective surgery, etc)
 - ◆ SelectHealth released a 0% increase in renewal for UFA
 - In actuality, it should be a negative 3.5%, \$250,000 less in premium would be the savings
 - Mayor Silvestrini stated that he felt they would not give a break next year if we don't fight for the negative this year
 - Council Member Stewart agreed to fight for the negative and internally reserve the savings for future need
 - Mayor Dahle agreed with both and directed Michelle Morris to capture the negative and fight for everything she can
 - Chief Petersen wants to give the savings to the members and allow us to manage future increases through the normal budget process
 - He would be concerned with setting aside the savings to apply to an ongoing cost
 - Council Member Stewart asked as to the feasibility for a high deductible plan
 - Michelle Morris stated that UFA employees are good consumers of their insurance
 - Chief Petersen pointed out the general higher level of health UFA employees have and the options available to them in keeping so

Sworn Market Wage Review – HR Deputy Director Ricotta

- ◆ Presented the wage comparable summary
- ◆ Chief Petersen stated that next year he wishes to merge the Engineer position with the Specialist as it is difficult to compare Specialists with other agencies
 - ◆ The same can be done with the BC/DC ranks
 - ◆ Captains are easy to compare between agencies, BC's are not however as other agencies have different classifications within this rank; exempt, non-exempt, etc.
 - ◆ BC's make 16% more than Captains today and this percentage can be applied to maintain an appropriate gap between these ranks

- ◆ IAFF President Quinn agrees that the BC rank is a little difficult to compare, but is concerned about not at least reviewing their position occasionally to be sure they do not fall behind
- ◆ HR Deputy Ricotta stated that all agencies were revisited to compile the summary to ensure correct data
 - ◆ Includes any anticipated external agencies adjustments
- ◆ Mayor Dahle stated that the goal to bring wages to the Top 3 has been a 5-year project
 - ◆ Credit needs to be given to the Board, employees, and Command Staff, this was a collective effort to reach this goal
 - ◆ We are now in the Top 3 and going forward this just needs to be maintained
 - ◆ Considering the SelectHealth monies; it may be possible to adjust the market in specific ranks such as PM to help promote and retain Paramedics
 - ◆ Also consider COLA or just hold tight to keep the Member Fees as low as possible
- ◆ Chief Petersen discussed that the Market review is bringing current wages in line with previous year comparable agencies and CPI is designed to maintain the position in the market for the upcoming fiscal year

Civilian Market Wage Review – HR Deputy Director Ricotta

- ◆ Annually HR samples 1/3 of the civilian employees for comparison
- ◆ This last year, due to open allocations, 6 instead of 15-18 positions were compared
 - ◆ This process is still in progress and will be complete for presentation at the March 25 meeting

Cost of Living Adjustment (CPI) Review – Chief Petersen/CFO Hill

- ◆ Chief Petersen stated that the all cities average CPI is 1.2%
 - ◆ This is the adopted method by URS and the one we have been using to determine CPI
- ◆ Chief would like to consider the option to apply the CPI to the VEBA Plan
 - ◆ The 1.2% increase provided for all employees in VEBA would cost \$465,000
 - ◆ The VEBA contribution is not taxed when deposited into the VEBA account, not taxed when drawn, and any growth is not taxed, these monies are great for post-retirement needs
- ◆ Chief Petersen stated that UFA saves a little since there are not URS rates or payroll taxes
 - ◆ The Benefits and Compensation Committee discussed the consideration of a 2% increase to stay in front of the market, particularly this year with a flat health insurance premium and the VEBA savings
 - ◆ Mayor Peterson stated the 2% is such a benefit for employees, and the impact to the municipalities is the same, giving this in VEBA is a very good idea
 - ◆ Chief Petersen suggested providing 1% in July and the other January 1, 2022 to help offset the full cost
 - ◆ IAFF President Quinn shared that he has begun to gather the opinions of the membership regarding VEBA, but he was not yet prepared to say his membership supports this
 - He personally thinks it is a great time to make this happen, but has some work to do
 - If the option is a 1.2% wage increase or a 2% VEBA contribution, he is pretty confident the membership will choose the VEBA plan
- ◆ Mayor Dahle asked to see both a 1.5% and 2% CPI to judge impact to the budget
 - ◆ With the reduction in insurance, a 3% Member Fee may be realized
 - ◆ Chief Petersen stated that with a flat health insurance increase, 3.5% would meet several priorities, including a 2% CPI and with a 3% reduction in health insurance costs we can be closer to 3%
- ◆ Mayor Dahle feels that UFA should be at the top of the list as a career destination department
 - ◆ Chief agrees and feels the work of the Board has solidified us in being able to recruit and retain high quality people who really enjoy working at the UFA
 - ◆ The Board's support over the last several years is helping create a very positive culture that will continue to allow us to put kind and capable people in your living rooms
 - ◆ The Firefighters feel very supported and appreciate the focus on compensation

Closed Session

None

Adjournment

Council Member Stewart moved to adjourn the February 18, 2021 Benefits & Compensation Committee Meeting

Mayor Peterson seconded the motion

All voted in favor, none opposed

DRAFT