

WORK SESSION

Tuesday, September 17, 2013 6:00 p.m.  
Community Recreation Center  
10640 N Clubhouse Drive, Cedar Hills, Utah

Present: Mayor Gary Gygi  
Council Members: Scott Jackman, Daniel Zappala, Stephanie Martinez, Jenney Rees (6:10 p.m.)  
Absent: Trent Augustus  
David Bunker, City Manager  
Chandler Goodwin, Assistant City Manager  
Jeff Maag, Chief Building Official  
Colleen Mulvey, City Recorder  
Others: Sam Liddiard, Mark Cram

This work session of the City Council of the City of Cedar Hills, Utah, having been properly noticed, was called to order at 6:07 p.m. by Mayor Gygi.

Social Security Options

Chandler Goodwin stated that full time employees were presented the Social Security options and the repercussions of each decision, including the need for retirement savings and other compensating insurance plans, such as death benefits, disability benefits, etc. He explained that the employee would have no claim on the employer's portion of the Social Security share. The 401K plan was explained, and it was explained that there was no ongoing guarantee of a 401K match. The employee vote was in favor of not opting in to Social Security at a 4 to 1 margin, contingent on the employer's portion becoming a 401K match plan. If the city does not choose to issue the employer's portion to the employees, the employees would be inclined to opt in to Social Security. If the City Council wants to not opt in to Social Security, a federal form would need to be signed and filed, new W-2 forms issued and a resolution passed. Opting in would require a resolution and a signed and filed form. MetLife offers death benefits and long-term disability. Those policies will increase because they would no longer be supplemented by Social Security. He would recommend that part of the 6.2% go towards covering the increased cost of those insurance policies. He suggested holding an employee training meeting with insurance vendors to cover all the options and repercussions, perhaps after work hours with spouses present.

Mayor Gygi stated that he is most concerned with the loss of death benefits, disability, etc because he is skeptical that many employees will pick those up on their own.

C. Jackman stated that this City Council will decide what to do with the employer's portion for the past three years and for this budget year, but beyond that there is no guarantee because it is a yearly decision of the City Council. He is concerned that the employees' decision seems to hinge on that element of the plan. While the employer's portion is not the employees' money, the city put the money in as if it were. He feels that money should go to the employees.

C. Zappala stated that he is comfortable with the city's portion going into a 401K match. He favors going forward with deciding what kind of 401K match the city will make and then taking it back to the employees.

David Bunker stated that to incentivize the employees to save, the city is talking about a match only if the employee is putting away retirement savings.

#### Siemens Group

Mark Cram of Siemens presented on potential utility cost savings. Improvements to the system generate savings, which can then be used to finance the improvements. Siemens would take over the project from financing to procurement and construction. Siemens makes money through the construction, but all savings belongs to the city. Project savings vary per project, but average about 10%. As per discussion with staff, the Siemens group is investigating improvements in city wide pressurized irrigation (PI) water metering, city wide street lighting, secondary water connection to parks and pumping cost efficiency. Preliminary numbers show that this process will save the city 10-15% or an annual savings of \$56,000 to \$84,000. Those numbers don't include the PI water metering, because those numbers haven't been worked through yet.

C. Zappala stated that he is most interested in seeing the water savings. He would like to see these numbers in the future.

C. Jackman stated that with PI metering he is interested in both the installation costs as well as ongoing maintenance costs.

This meeting was adjourned at 6:57 p.m. by Mayor Gygi.

/s/ Colleen A. Mulvey  
Colleen A. Mulvey, CMC  
City Recorder