

**MINUTES
EAGAR TOWN COUNCIL
WORK SESSION
October 2, 2007
6:00 P.M.**

Mayor Gloria Eagar called the meeting to order and welcomed those present. Mayor Eagar said to let the record show that all council members are present.

COUNCIL PRESENT: Gloria Eagar, Mayor
 Vicente Ordonez, Vice Mayor
 Byron Smith
 Kim Holaway
 Gary Finch
 James Nelson, Jr.
 Sue Chacon

STAFF PRESENT: Bill Greenwood, Town Manager
 Rick Pinckard, Finance Administrator
 Mike Hogan, Chief of Police
 Elwin Browning, Public Works Administrator
 Ladonna Tafoya, Events, Recreation and Tourism Director
 Eva Wilson, Town Clerk

**ITEM #1: DISCUSSION OF QUESTIONS TO SEND TO MIKE VOGEL REGARDING
BUSINESS LICENSING**

A list of questions to send to Mr. Vogel was discussed, these questions include:

- What are the positive aspects of the Payson ordinance?
- What are the negative aspects of the Payson ordinance?
- Who enforces the ordinance?
- What additional costs has Payson incurred related to the ordinance? (i.e. staff salaries, paperwork, attorney fees)
- What economic impact has the ordinance had on Payson?
- Is there anything you would do differently?
- Is the ordinance being challenged legally?
- How much of the ordinance is duplication of State Law?

The County Attorney, Criss Candelaria has publicly vowed to enforce the state law in this county; the law takes effect January 1, 2008.

Town Clerk, Eva Wilson will continue to pursue contacting Mr. Vogel on when he can come to an Eagar Council meeting.

ITEM #2: DISCUSSION AND CONSIDERATION OF INSURANCE IN LIEU PROGRAM FOR EMPLOYEES

Finance Administrator Rick Pinckard stated that some of the options include:

- Let the current employee benefits stay as is;
- Do away with this employee benefit;
- Do away with the payment of insurance in lieu in the employee's paycheck, but all them to have a Section 125 program;
- Do away with the Section 125 program;
- Reduce the benefit to match what the Town of Eagar portion of the insurance premium for an individual.

He also made a recommendation of:

- Do away with Insurance in Lieu. Insurance in Lieu is paid in the employees' paycheck without having to produce receipt for medical expenses;
- Allow all employees to participate in the Section 125 program (medical receipts required);
- For employees participating in Section 125, allow reimbursements for medical expenses. The reimbursement will equal the amount paid by the Town of Eagar for employee only premium. Currently, the Town of Eagar pays 80% of the premium, however in July the Town will pay 90% of the premium.
- Do not make any changes until next fiscal year.

Councilor Sue Chacon felt that payment in lieu of insurance is not a benefit, the insurance itself is a benefit and she feels that it was never intended to be a benefit.

Councilor Kim Holaway's concern is that employees are choosing to waive the insurance and are neglecting to find other medical insurance and are doing without medical care, which in turn makes the work place suffer. She feels that all employees should be covered by medical insurance and that family coverage would be charged full or partial for the premium. Councilor Holaway also feels that if the Town continues to offer payment in lieu of insurance that the amount per month be a set amount (not based on increases in premium), or the premium portion that the Town is paying for an employee only, which is 80% of the premium, not the 100% it is paying now.

The Section 125 (medical reimbursement program) is a good program and allows employees to get reimbursed for medical expenses over and above the deductible, plus a lot of over the counter medical supplies and aids. Every employee is allowed to participate in this program.

Employees supporting payment in lieu of insurance said they have become dependent on the extra wage in their paychecks and cannot part with it. They suggest that employees that choose payment in lieu of insurance be made to show proof that they have secured medical insurance elsewhere.

Councilors James Nelson and Byron Smith feel that the payment in lieu of insurance should be considered a benefit and that there is little to no change needed for this practice.

There is not a Town policy that allows payment in lieu of insurance.

ITEM #3: ADJOURNMENT

Vice-Mayor Vicente Ordonez motioned to adjourn the meeting at 7:05 p.m. Seconded by Councilor James Nelson; all were in favor and the motion carried.

Attest: _____

Mayor: _____

Vice-mayor: _____

Council: _____

CERTIFICATION OF COUNCIL MINUTES

I hereby certify that the foregoing minutes are true and correct copy of the minutes of the work session of the Town of Eagar, Arizona held on the October 2, 2007. I further certify that the meeting was duly called and held and that a quorum was present.

Eva Wilson, Town Clerk