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Director's Chair

Steven A. Hansen, *President, Executive Director*



Welcome to our 14 newest members of the Trust that include: Cedar City Housing Authority, Ephraim Ambulance Association, Garden City Cemetery, Jordan River Commission, Moab Valley Fire Protection District, North Utah Valley Animal Special Service District, Perry/Willard Waste Water Treatment Plant, Pioneer Special Service District, Plain City, Provo/Utah County Ice Sheet Authority, Rich County, Saratoga Springs City, Southern Utah Shooting Sports Park, and Utah Chiefs of Police Association. Thank you for placing your confidence in Utah's finest governmental insurance pool, now with some 500 members.

We are pleased to report our second consecutive renewal with 100% member retention - unprecedented. With our July renewal, 31 of our existing members expanded their relationship with the Trust by adding 46 new lines of insurance: liability, workers compensation, and/or property. We are working closely with

dozens of other prospective members around the State who are working to improve their insurance arrangements.

The stability and strength of our pool is tied directly to our membership. In insurance pooling, it's the law of large numbers that dictates and drives sustained security and stability. Retention and growth enable us to maximize economies of scale that benefit members - just what public fiduciaries want, particularly in tough economic times. You can see this first hand in our expanded product offerings, rate stability, improved training programs, and financial security. We recognize you have a choice in who you partner with to fill your insurance needs. We appreciate you choosing the Trust - our continued growth is a key indicator of what we're about.

If you are less familiar with the Trust, please accept our invitation to let us show you how your organization could benefit from association.

Wumbus

Jason Watterson, *Manager, Risk Management*



Good News: Free Streaming Internet Training Videos!

The Trust is excited to announce another great benefit of being a Trust Member. We now provide streaming internet training videos free of charge to our Members! The Trust is sponsoring a webpage where you can have instant access to about 250 training videos. Training topics vary from standard titles like Defensive Driving and Discrimination Prevention to very specialized topics like Cutoff Saw Operation, Pre-Trip Inspections for Garbage Trucks, Lawnmower Operation, Workplace Violence, Snowplow Operation, and Pool Safety and Security.

The process to watch movies is very simple. All you need is an internet connection and a login and password that we will provide upon request. We will provide one account for each member entity (you can share it if you have more than one trainer). To get started, send an email request to jason@ulgt.org with the name and email address of the person you want to control the account. You'll get an email with a login and password and a link to the webpage where you can select and stream the videos.

If you still want to get DVDs by mail, no worries! We will still send out physical copies of DVDs at your request to Julie at the Trust.

So make your training life easier and stream away!

Utah Local Governments Trust

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Steven A. Hansen
President, Executive Director

Loss Prevention:

Jason Watterson, CIH, ARM-P,
x 1334
Doug Folsom, ARM-P,
x 1329
Lance Mergens,
x 1337

Medical, Dental, Life, Liability, Worker's Compensation, Property, or Auto:

Travis Garton, x 1315
Greg Baumgartner, x 1324
Ryan Hatch, x 1317
Josh McKell, x 1308
Jill Johnson, x 1306
Suzie Pope, x 1333

Claims:

Chris Rozelle, x 1305





Trusted Recipes

ICE CREAM FRUIT DESSERT

Provided by Marilyn Beesley,
Executive Assistant

- ½ gal raspberry sherbet, softened
- ½ gal vanilla ice cream, softened
- 4 bananas, sliced
- 1 large can crushed pineapple, drained
- 1 C chopped nuts
- 1 package frozen raspberries, thawed
- ½ hour
- 1 C frozen blueberries, thawed ½ hour

Mix all ingredients together and serve immediately. Does not refreeze well because fruit freezes.



FLSA and Cost Control

Doug Folsom, Risk Manager



As we continue to manage public entities in this tight economy, it seems prudent to look at and scrutinize the controllable line items in the budget. One of our controllable expenditures is payroll. The evaluation of controllable expenses forces us to put some difficult and uncomfortable options on the table. Being creative problem solvers, creative thinking is used to secure solutions that will serve the best interest of our communities, as well as our organizations and employees. When looking for solutions that will help us work within budget constraints, we may question the necessity of specific types of employment-related expenditures and even attempt seemingly common sense adjustments to circumvent undesirable outlays. Some of these specific creative solutions include measures to avoid overtime pay, use of compensatory time, reducing or eliminating training expenses, and possibly the use of more volunteer labor in lieu paying overtime or hiring additional help. Navigating the obstacle course of creative cost cutting is not without peril and rife with hidden pitfalls and snares.

In an attempt to prevent or avoid the cash payment of overtime, there are two methods that are tempting but must be executed properly. First is reclassifying an hourly employee as an “Exempt” or salaried employee. The Fair Labor Standards Act (FLSA) addresses the conditions where an employee may be considered “Exempt.” These exemptions include Executive, Administrative, Learned Professional, and the Creative Professional. Each of these exemptions has specific conditions and tests that must be met to reclassify an employee. Misclassification of an employee’s status could result in legal fees and retroactive payments for overtime if the employee challenges their exempt status.

The other method to avoid cash payments for overtime is giving the employee compensatory time instead of a cash payment. There are certain conditions where State and Local governments may use comp time allowing the employee personal time off at a rate of one and one half hours for each hour of overtime worked. One condition is that an agreement must be met between the employees and the employer prior to the rendering of service for

which the overtime would be owed. When these arrangements are established, reasonable accommodations must be made to allow the employee to use their comp time. There are also limits to the amount of comp time that can be accumulated by specific types of employees.

Another option also exists which may help reduce payroll. Police and fire service employees are subject to different rules and overtime can be based on a pay period of up to 28 days with overtime not being required until after 212 hours for fire personnel and 171 hours for police personnel. If your policy is compensating police or fire employees for overtime after 40 hours in a week, it may be possible to amend your overtime policy. If you are managing a smaller entity, it may also be interesting to note that Section 13(b) (20) of the FLSA provides an exemption from overtime altogether for police and fire employees when the respective departments employ less than five fire or police employees in a week.

Training may be an area where cost cutting may be considered if the perception exists that time spent in training is an unproductive use of compensated time. Two important issues must be considered. When we fail to provide employees with adequate levels of safety and professional training, we must expect more losses. Training is always a key part of our reasonable and prudent efforts to control losses. Failure to do so not only contributes to losses, but may result in difficult legal defenses when liabilities arise. There are also many topics where a minimum level of training is mandated by law. Recognizing that a level of training should be required to control losses, develop necessary professional skills, and maintain standards, we may require employees to be responsible for maintaining their professional credentials and completing needed training on their own time. The difficulty here lies in the FLSA. In general, time spent traveling to, and attendance at, employer-required training is compensable time unless: 1) the training is outside normal hours; 2) attendance is voluntary; 3) the topic is not job related; and, 4) no other work is concurrently performed. There may be an exception to this rule for certain public safety employees and under specific circumstances associated with maintenance of professional credentials (29



FLSA and Cost Control - Continued

CFR §553.226). Be very careful in your decisions to change policy with respect to compensable time. Be sure to always involve your legal counsel in these decisions.

When using volunteers, it is important to remember that regular employees can't volunteer their time performing service that would otherwise be part of their regular job. This could be considered compensable time if challenged. Also, when using volunteers, especially youth, follow the same rules in managing the volunteers as you would with actual employee. Examples of potential legal pitfalls using volunteers include illegal harassment or discrimination of or by a volunteer. It is also important to follow child labor laws for youth volunteers. Issues in question would include age requirements, hours of service limitations, and restrictions on the type of work being performed. If a minor is engaged in a potentially dangerous work that would be restricted under child labor law, we should also avoid using the minor volunteers for such activities. All volunteers must receive relevant safety training associated with the tasks to be

performed.

Navigating the waters of cost cutting requires care, especially when involving changes to employment policy and long established procedures. Steps to control costs in the short term frequently have long term impact and consequences. Always consider the impact such decisions may have on existing contracts and agreements. Some of the most common expenses we would like to eliminate are incurred as a result of State, and especially Federal statute. Inadvertent violation of these laws will come back to haunt. An unhappy employee baring the weight of cost cutting decisions and policy will usually find where his or her rights under the law are possibly being violated and will take legal action resulting in new costs being incurred far outweighing the original savings associated with the change in policy. Being prudent and responsible with the public's funds is a tall order. Make sure all angles are covered and competent counsel is employed to minimize the unintended consequences that frequently seem to follow change and difficult decisions.

Not In My Neighborhood

Chris Rozelle, *Claims Manager*



Substance abuse has been an ongoing plague in society since the introduction of curative agents. There are very few people that haven't had some type of adverse impact in their personal lives related to knowing someone or personally abusing alcohol or drugs. Not only is the disease problematic for our society, but we have also struggled with curative methods. The treatments are virtually endless, ongoing, and complicated. To complicate the care further, there is a stigma associated with those unfortunate enough to have the diagnosis and challenged with the recovery. It's that stigma that creates the concerns about facilities that may appear in your municipalities.

In January of this year, a plaintiff brought suit against a member for the criminal prosecution, constitutional infractions, psychological medical treatment, loss of income, pain, and suffering associated with the operation of a "sober house." You may ask yourself, "What's a sober house?" If you're asking yourself that question you're off to a good start. Let me start by suggesting what a sober house is not. A sober house is not an abuse center. It's not a halfway house. It's not a shelter. It's not a community care facility. There is no treatment, counseling, therapy, or any type of health care services rendered in the home. In theory, a sober house serves as a safe residence for "non-using" alcoholics and drug addicts – in other words, people in recovery. The house must stay alcohol and drug free. The residents of the house must remain alcohol and drug free. The costs of operation of the house are borne by the residents and its operation must be a self-managed democracy. In essence, these are group homes that provide mutual emotional support for people recovering from alcohol and drug abuse in a safe environment. The courts have ruled these homes, "the functional equivalence of a family."

Not only are they a "functional family," but the courts have advised us that they are a "special sort of family" because they are challenged by a disability. It's important to note that the residents of these homes that operate under this charter are considered disabled. By virtue of being disabled, they are protected under the Fair Housing Act. Given this status, they

are entitled to a reasonable accommodation of that home and should be treated as any family with disabled residents.

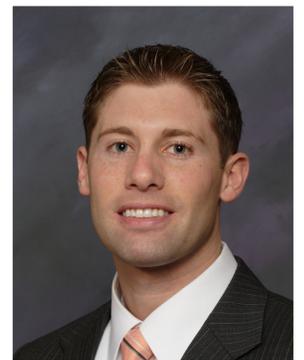
In a recent Board Meeting, it was brought to the attention of the Trust that many of our members and municipalities are struggling with the operation of these facilities and are not sure what to do about the public outcry, administration, state, and local laws associated with the operation of these group homes. The Trust has developed a training module that helps educate your local employees, officers, and administrators. We're hoping that by having a better understanding of the law, you'll be better equipped to investigate and address facilities of this nature in your municipality.

If you have any interest in the presentation, please contact Marilyn Beesley and request: "Not in My Neighborhood."

Employee of the Quarter

Congratulations to Ryan Hatch who was nominated by department managers as Employee of the Quarter. Comments about Ryan included:

- Buff City
- Tenacious
- Killer Follow Through
- Great Sales Abilities
- Member Service Abilities
- Knows His Stuff
- Honest
- Strong



Upcoming Training Calendar

August 3, 2011 | 8a-3:30p
First Aid/CPR \$15/pp (both classes)
South Ogden | EOC Room
3950 S. Adams Avenue | South Ogden, Utah

August 9, 2011 | 9-10a
Harassment/Discrimination Prevention
Highland City | Council Chambers
5400 W. Civic Center Drive | Highland, Utah

August 17, 2011 | 9a-1p
Sewer Liability Summit
Trust Office | Conference Room
55 South Highway 89 | North Salt Lake, Utah

August 18, 2011 | 9a-1p
Sewer Liability Summit
Washington Community Ctr | Multi-Purpose Rm
350 N. Community Center Dr | Washington, Utah

August 24, 2011 | 8a-12p
Defensive Driving
Heber City | Council Chambers
75 N. Main Street | Heber, Utah

August 30, 2011 | 9a-4:30p
Fire Service Safety and Liability Summit
Trust Office | Conference Room
55 South Highway 89 | North Salt Lake, Utah

August 31, 2011 | 9a-4:30p (NEW LOCATION)
Fire Service Safety and Liability Summit
St. George City | Council Chambers
175 East 200 North | St. George, Utah

September 6, 2011 | 9-10a
Harassment/Discrimination Prevention
Washington Community Ctr | Multi-Purpose Rm
350 N. Community Center Dr | Washington, Utah

September 7, 2011 | 8a-12p
Defensive Driving
South Ogden | EOC Room
3950 S. Adams Avenue | South Ogden, Utah

September 7, 2011 | 8a-3:30p
First Aid/CPR \$15/pp (both classes)
Moab City | Council Chambers
217 E. Center Street | Moab, Utah

September 14, 2011 | 9a-1p
Police Service Safety and Liability
Trust Office | Conference Room
55 South Highway 89 | North Salt Lake, Utah

September 15, 2011 | 9a-1p
Police Service Safety and Liability
Washington Community Ctr | Multi-Purpose Rm
350 N. Community Center Dr | Washington, Utah

October 4, 2011 | 9-10a
Harassment/Discrimination Prevention
Washington Terrace City | Council Chambers
5249 S South Pointe Dr | Washington Terrace,
Utah

October 12, 2011 | 8a-12p
Defensive Driving
St. George City | Council Chambers
175 East 200 North | St. George, Utah

October 13, 2011 | 8a-3:30p
First Aid/CPR \$15/pp (both classes)
Washington Community Ctr | Multi-Purpose Rm
350 N. Community Center Dr | Washington,
Utah

October 19, 2011 | 9a-12p
Fleet/CDL Management Summit
Trust Office | Conference Room
55 South Highway 89 | North Salt Lake, Utah

October 20, 2011 | 9a-12p
Fleet/CDL Management Summit
Washington Community Ctr | Multi-Purpose Rm
350 N. Community Center Dr | Washington,
Utah

LAND USE PLANNING 101
Topics: Powers and duties of the land use authority and appeal authority; Land use planning tools, general plan, and ordinances; General overview of meeting procedures and required public hearings and notice; Meetings procedures and ethics review.
August 11, 2011 | 6-8p
Delta City Hall
76 North 200 West | Delta, Utah
Cost: \$10 to cover cost of handbook (ULCT will bill after event)

Registration is required for all training.
Please contact Marilyn Beesley:
801.936.6400; 800.748.4440
mbeesley@ulgt.org

Property & Auto Program - AssetWorks Appraisals

Greg Baumgartner, *Account Executive*



In 2010, the Trust launched its new property and auto program. This program insures a remarkable \$2.5 billion in property. Due to the immense size of the program, the Trust is now able to offer coverage that few carriers can compete with. As an additional benefit to our members, over 30 new coverage items are automatically included with the package. Examples of these items include earthquake, flood, and crime policies for every member of the property pool.

To complement this incredible program, the Trust has partnered with AssetWorks Appraisal to provide property appraisals for each item in the pool. This is a very valuable service and will be offered at absolutely no cost to the membership.

In the past, Trust insured property was appraised once every four years to insure that property values were as accurate as possible. Commencing in May 2011, every member of the property pool will be contacted by a representative of AssetWorks to schedule an appraisal. This means that regardless of your previous positioning in the four-year cycle, your property will be appraised or reappraised in the coming months.

AssetWorks will be providing an incredible value to our members. Their web-based property schedule maintenance application will

allow our members access to technology services that were not previously offered. The following list includes some of the features of the application:

- Maintain property and auto schedules on a web-based format
- View current appraisals and photos of each of your properties
- Update building information
- GPS coordinates
- Construction data
- Upload photos of new and existing vehicles

In mid-May, the Trust sent each member of the property pool a current copy of your property and auto schedules. Prior to being contacted by AssetWorks, we are asking each member to review these schedules to ensure that every piece of property is accounted for and seen by the appraisers. When appraisal appointments are scheduled, please ensure that they have adequate access to each of your facilities.

Upon the conclusion of the appraisals, any adjustments that need to be made to current replacement costs of your properties can be made by your Account Manager at the Trust. We are very excited to be able to provide this service and we will continue to provide value-added benefits to our members in the future.