

**PERSONNEL COMMITTEE MINUTES
THURSDAY, MAY 5, 2016 – 4:00 P.M.
CITY HALL, CONFERENCE ROOM 2A**

Meeting was called to order by Alderman Hedlund at 4:22 p.m.

Roll Call Present: Alderman Hedlund, Chappell, Howell
Absent: Flowers (arrived at 5:03 pm) and one Vacancy
Also Present: Mayor Kupsik and City Administrator Oborn

Comments from the public limited to 5 minutes - None

Howell/Chappell motion to approve Personnel Committee minutes for March 24, 2016, as prepared and distributed. Motion carried 3 to 0.

Discussion/Recommendation of Filling Zoning Enforcement Officer Position

Oborn stated that the former Code Enforcement Officer, Debbie Fischer has resigned and therefore the City has a part time position open. It was agreed that there is a definite need and the part time position should be posted and filled. There was further discussion to get a job description in writing for the position as there was confusion as to what the position actually covered. There was concern that the perhaps the former employee was not trained properly. There were questions as to what ordinances should be followed and to what degree. Ideally the new candidate would be an early retiree from the construction trade.

Howell/Chappell motion to approve filling the part time position of a Zoning Enforcement Officer in the Building & Zoning Department. Motion carried 3 to 0.

Discussion/Recommendation of Compensation Policy (referred back to Personnel from March 28, 2016 Council)

The consensus was that the evaluation form is correct but the performance evaluation raise policy had some issues to be ironed out before going to Council again. Alderman Kordus had stated his preference at last Council meeting was to have a performance only based raise policy across the board. They discussed the pros and cons of that vs. a cost of living and separate performance based raise. For example will the budget annually reflect a cost of living raise and a performance evaluation increase to the position salary range. Chairman Hedlund stated that it is important that the City be at the market mid range to stay competitive and to keep good employees.

Hedlund clarified for Chappell that it was brought back to Personnel because Alderman Hill did not have confidence in Springsted or their report, Alderman Kordus did not want the COL increase and at the last Personnel meeting former Alderman Wall said no to everything.

Howell/Chappell motion to postpone further review of the Compensation Policy to the next Personnel meeting on May 26th, where there will need to be a quorum to discuss and finalize it for Council. In addition Mayor Kupsik stated that between now and the next meeting the policy needs to be reviewed and worked on so that everything is clear. Motion carried 3 to 0.

Update/Recommendation of Employee Evaluations

Administrator Oborn and Mayor Kupsik stated that other pressing matters have caused a slight delay in the finalization of the evaluations. It was confirmed that Administrator Oborn would do the department heads evaluations and report back to the Personnel committee about each one. Mayor Kupsik will be doing the evaluation for Administrator Oborn and then he will report back to the Personnel committee about it.

Discussion/Recommendation Employee Health Benefits

The committee discussed different facets of the health care benefits primarily focused on cost to the City and cost to the employee. It was agreed that it is getting to the point where the employees will have to start paying a percentage for their health benefits. They are waiting to get actual numbers from the healthcare management team to see if the Wellness and Transparency programs have allowed any cost savings to the City overall in the past several months. They forecasted 18% savings. Administrator Oborn stated that the Cadillac Plan deadline was kicked back by 2 years to 2020 by Congress and the employee committee is fully aware of this change. Alderman Hedlund commented that previously employees had stated they were giving up some of their pay already to have paid health insurance, however now that we have had the salary study done, 95% of our employees are at market value, so they are not getting underpaid.

Spousal insurance coverage was discussed and apparently a lot of employees are double dipping. Oborn stated Retiree's are 8% of our population but 16% of our cost. This is not a punishment to the employee, this is self preservation. Mayor Kupsik commented there has to be some give because the numbers are there showing millions of dollars that are being spent in insurance claims every year. Oborn stated there has been some give. The Family plan went from \$1,000 to \$2,000 deductible, the Wellness participation, etc. Hedlund stated yes but that is only if people use it. Mayor Kupsik would like something in place so that the City is prepared if the cost increases. Oborn stated that if you are going to do anything with deductibles they are going to want to do that January 1st. Hedlund stated we already did the deductible review, now it is time to take a serious look at the Premium Share. Chappell stated that the City needs the employees to get to a point where they are contributing 20%. Oborn stated that in private industry it ranges from 25-35%. Flower asked what would get the City out of the Cadillac Plan. Oborn stated the target is \$1700/family plan and our Cobra is currently running \$2,500. Flower confirmed the City is trying then to get a 30% reduction on the plan. Oborn stated instead of \$40,000 deductible on those people it is \$200,000 deductible. Oborn confirmed they have shopped around but no one will quote the city as we are too sick. The consensus was to wait for more information and continue discussion at the next meeting. It was noted there are only two more meetings before the July 1st deadline.

Hedlund/Chappell motion to adjourn at 5:20 pm.

Motion carried 3 to 0.

/s/ Jackie Gregoles, Building & Zoning Administrative Assistant

THESE MINUTES ARE NOT OFFICIAL UNTIL APPROVED BY THE PERSONNEL COMMITTEE