

PERSONNEL COMMITTEE MINUTES

THURSDAY, AUGUST 27, 2015 – 4:00 P.M.

CITY HALL, MEETING ROOM 2A

Meeting was called to order by Alderman Hedlund at 4:05 p.m.

Roll Call. Present: Alderman Hedlund, Chappell, Kupsik, Wall, and Hill. Also Present: City Administrator Oborn, Comptroller Pollitt, City Clerk Waswo, Director of Public Works Dan Winkler, City Attorney Dan Draper and Mayor Connors. Others in Attendance: Utility Commission President Birdell Brellenthin

Comments from the public limited to 5 minutes.

Birdell Brellenthin, President of the Utility Commission, stated he has been on the Commission for 45 years. He finds it hard to believe that an operation that has been so successful and so City orientated would be changed. When it was first started it was a political mess. He does not believe the Mayor or Aldermen on the Commission ever disagreed with anything the Commission took action on. He stated he cannot understand why anyone would add more duties than they already have.

Jeff Nethery, President of the Police Union, stated he knew the committee would be discussing the grievance regarding the 27 pay periods. He stated he had spoke with Chris Schulz from the Lake Geneva Regional News. He noted that he was quoted in the paper as saying the last time there were 27 pay periods, they were paid for it and it was budgeted. He noted there is an argument over whether they are hourly or not. He explained they are technically hourly. He stated if he wants to take a day off, he has to use comp or vacation time or does not get paid. If he works over 8.5 hours, he gets overtime. He said a former employee kept records and show they were paid for 27 pay periods in 2003. He said they work 27 pay periods and should be paid for 27 pay periods.

Dan Winkler, Director of Public Works, stated he believes the Utility Commission has been in place since around World War II. They have made independent decisions, taking politics out of the process. Each commissioner serves a 5 year term which provides for continuity, and two members are Aldermen. The rates have not been increased since 1991. The first increase in 25 years is being discussed now. The rates are among the lowest in the state. They were the 2010 Wisconsin Rural Water Association Utility of the Year recipient. The Water and Wastewater Departments both have no debt. There has been a vast reinvestment in infrastructure. He feels the fixed based meter reading system most likely would not have been granted under the Council which saves considerable time, effort and cost. The wastewater plant now has an increased capacity. In January of 2002, the wastewater operation was taken over by the Utility Commission. The Utility Commission absorbed all the additional effort and cost when this took place. All Operators are cross-certified and cross-trained. He stated the current Administrator does not understand the background, politics, or what was driving them to take it over in the early 2000s. The process in the early 2000s was a rigorous 7 to 8 month evaluation; it was not a quick decision. The importance of cross-training the employees is that if there is a shortage or need, there is an Operator ready to help. He stated an important thing to keep in mind is that the Public Works administration runs out of the Utility. Mr. Winkler stated their services and the projects he designs and bids out save the City between \$100,000 and \$150,000 a year easily. If you dissolve the Commission, a lot of work is going to come back to City Hall and will fall on that staff. One of the biggest benefits of having the system that is in place now is that customers all come to the same place for a permit. Most are looked at by the Director personally whether it is Water, Sewer or Public Works. He stated there is a huge emphasis in customer service. Anyone that comes in is given an answer. If it is a complicated answer, Mr. Winkler takes care of it personally. He noted their auditor has been doing the job for them for years. He knows the system and gives a very good price. Mr. Winkler explained their audit is independent of the City's which means

that they can be cross-checked. Their auditor caught a sizable mistake made by the City's auditor last year. There is succession planning in place. Lastly, if Mr. Winkler or the Commission is not making decisions, then it falls on the Public Works Committee to make all of the decisions and then to Council.

Approval of Personnel Committee minutes for July 23, 2015, as prepared and distributed.

Hill/Wall motion to approve. Unanimously carried.

Discussion and update on compensation study

City Administrator Oborn stated he had nothing new to report. He noted he would continue to list this as an agenda item until new information comes in. Alderman Hill asked what the next step would be. Mr. Oborn explained that it would be distributing the job descriptions and the pay as well as getting information from the department heads. After that, they can appeal the descriptions, classification or level. Ms. Hill asked where Springsted was with the Utility Commission. Director of Public Works Winkler stated a contract has been approved. Forms have been sent over to Mr. Winkler, and staff has been filling them out. The job descriptions and rates have been sent over to Springsted as well. Ms. Hill asked if there was an estimated time that they are expecting this to be finished. Mr. Winkler stated it would be done soon.

Discussion/Recommendation on Worker's Compensation Report

City Administrator Oborn noted that R&R Insurance did a breakdown report for them. Mr. Oborn stated that 100% is the average rate. Everything is set by the state right now because our usage exceeds the norm. We are paying \$24,000 more a year on claims that exceed the norm. The lowest you can get if you didn't have any claims at all is 63%, so you can get it back to where it reduces below the norm. The goal is around 80% because 63% is not really attainable. If we had the average amount of claims that they would expect which is about \$56,000 a year, then the City would be paying \$131,000. Right now the City pays \$162,000. The lowest the City could pay would be \$82,000 to \$83,000. The goal is around \$60,000. Realistically the City is not going to get the full \$80,000 savings but getting \$60,000 is achievable with good management and control. Alderman Hill asked if the City should at least be striving for the norm. Mr. Oborn said we will try to shoot for below the norm. Mr. Oborn stated \$40,000 really would be achievable but \$60,000 would be the goal. Alderman Kupsik asked if all departments are included in the City's worker's compensation or if they are broken down by group. Mr. Oborn said they were all included. Mr. Kupsik followed up by asking if the City knows which departments have which claims and who has the most claims. Mr. Oborn said yes, it would be discussed in closed session. Ms. Hill asked if there is a safety program in place. Mr. Oborn stated there was not. Mr. Oborn then discussed yearly statistics. Ms. Hill asked who is responsible for training. Mr. Oborn said it was him. Alderman Hedlund stated he wanted to see this information to determine if we are trending higher or were stable. Mr. Oborn said what we do now will not hit the rate for about 2 years. Mr. Kupsik asked if any feedback and recommendations are given from the worker's comp provider regarding the status of where we are at or when we start trending in the higher marks. Mr. Oborn said yes.

Discussion/Recommendation on reorganization including Utility Commission

City Administrator Oborn explained the current organizational chart. The only area that the City is not partially a fiscal agent for is the Utility Commission. The Utility Commission is the only area that is discretionary. Alderman Hill asked for clarification. Mr. Oborn stated it is only independent because the Council decided to make it independent, it does not have to be by State Statute. Utility is the Water Department and Wastewater Department. He noted that in his career, the Utility has always been a part of the City. The City Administrator has always been over the Utility departments. The City does do the employee benefits and insurance for the Utility Commission and does not charge them any allocation for that. Worker's comp was one that was just discussed. The City does the WRS for them as well. They do their own 457. With regard to health benefits, they pay the cobra rate into it and we self insure with them. If their employees are the ones getting sick, the City bears the cost in the rate, but cannot allocate them

differently. That would not change with reorganization. Mr. Oborn stated the Library has to have a board and cannot do their own insurance per State Statute. They have to use a municipality as a fiscal agent. The Police and Fire Commission have limited powers as the City still controls all of the budget powers. Ms. Hill said the organizational chart shows the Utility Commission reporting to the Mayor and Council, but that has never happened. Mr. Oborn said that is why it is called 'indirect'. Mr. Winkler reports to Mr. Oborn on Public Works items but reports to the Utility Commission on Utility items. Alderman Chappell asked where the idea for this came from. Mr. Oborn stated that he has an obligation to tell the Committee that they have this option since it is not mandated by statute. Ms. Chappell wanted to know the pros and cons of making this change. Mr. Oborn stated that Wisconsin Statutes give the municipality the option of providing for an independent Utility Commission to run the day to day operations of the City. Ms. Chappell asked if there is something broken with the City or if this is informational only. Mr. Oborn stated if it was not broken, he would not be here. Alderman Hedlund stated this is an exploratory thing as he has heard a lot of comments about the autonomy of the Utility Commission and they do what they want to do. People don't think it should be that way; it should be under City Hall guidance. He wanted to know what people's thoughts were on that. Mr. Hedlund stated he would not want to start all over with a bunch of people who do not know what they are doing but if this pay structure is going to be put in place, we all need to be under the same umbrella. He is not suggesting starting over from scratch, but he does not see why the Utility Commission cannot operate the same way except for the autonomy from the City itself. It seems they are using all the stuff that they like from the City but keeping their own items on the side to make their lives easier, which is not part of the common goal. Ms. Hill stated since she has been here it has been the absolute understanding that it is their world; we are just living in it. She thinks this is a worthy conversation to be having. Ms. Chappell noted she needs to know what is going on that would warrant a change. Mr. Hedlund asked if she remembers how much push back they got when pay raises were being discussed this year. The Utility Commission employees received 2% and everyone else got 1.5%. If they were under the same umbrella, it would all be the same. They would not be able to make their rules. Ms. Hill gave the examples of the bocce ball court and the Christmas parties. She stated that she does not want public money being spent on a bocce ball court or a lavish Christmas party when the Police Chief cannot get a \$25 gift certificate for a turkey at the end of the year for his employees. They are the City when they want to be and they are alone when they want to be. It is not fair. Ms. Chappell again stated she would like a more detailed list of pros and cons.

Alderman Kupsik said they are not here to disband everything, just have a discussion. Mr. Kupsik said they can look at the information from Mr. Winkler and Mr. Oborn and use that as pros and cons. It was brought up that the Utility Commission was created years ago because of political issues. If you take the political issues out, it could work. It could run just as efficiently with a committee as it can with a commission. There may be different procedures, but either way it could work. The Cemetery Commission was changed to a committee, and it seems to be working well. Ms. Chappell questioned how the budget is done for the Utility Commission. Mr. Kupsik stated their funds come from user fees. Alderman Wall asked how many utilities are ran separately like the City versus under one umbrella in the state. Mr. Oborn answered it is a minority. Mr. Hedlund asked Mr. Winkler if he knew. Mr. Winkler responded in the early 2000s it was about a third of the utilities. He contacted the municipalities and they preferred that way of operation. Mr. Oborn stated a lot of those operate as a commission because they have multiple jurisdictions. Mayor Connors asked if there are any synergies from changing the structure. Mr. Oborn stated there are. Right now there is not a lot of charging because we have to bill one another. There is more billing from the Utility to the General Fund than the other way around. Mr. Oborn stated one of the advantages is that we will all be in the same books; it would just be a matter of coding. Mr. Kupsik asked what kind of bills the City gets from the Utility Commission. Mr. Winkler stated he orders things for Public Works. He allocates it to the proper accounts and the balance goes to the City. It has to be divided up either way. The Utility Commission pays their own way. Mayor Connors asked if there is a simpler way to do this. Mr. Oborn said he thinks there is. Ms. Chappell asked if the simpler step would be making it a committee. Mr. Oborn explained one accounting system is simpler than having two. Mr.

Hedlund stated he has no issues with the way the Utility Commission runs, and he thinks they are very efficient. He does not know if anyone on the City side could make any improvements to what they do. If they were a committee, they would be under the City's umbrella. To do that, there need to be more pros and cons presented. Mr. Kupsik noted that at some point Mr. Winkler is going to retire and we will not be able to find someone who will fill the shoes of the DPW Director and the Director of the Utility Commission. He is currently doing two jobs. At some point there is going to have to be a separation. Ms. Hill stated right now the General Fund pays him nothing to do the DPW Director job. He is paid entirely by the Utility Commission. He essentially volunteers the DPW Director job. Mayor Connors stated it was his understanding that in many communities there is a Director of Public Works and the Utility and Street Department are under that person. He thinks our structure is convoluted. Mayor Connors would like to see how other communities operate. Ms. Chappell asked if there is a financial benefit. Ms. Hill said we are going to have pay a Director of Public Works at some point and not assume someone is going to volunteer a six figure job. Ms. Chappell asked if there is any give in the money that comes in to the Utility Commission that can feed into paying for that job. Mr. Oborn stated the planning and the future are not the issue right now.

Mr. Winkler stated when he was hired, they wanted to unify the Street, Wastewater and Water Departments. The City Council would not renew his contract under the group that was in authority in 2000. In 2001, the Utility Commission wanted to keep him so he entered into a contract with them. When a new Mayor came into office, the first thing he did was bring Dan back to oversee the reconstruction of the dam and asked him to be the Public Works Director. The Utility Commission picks up the entire salary for Mr. Winkler and he does it because he is invested in the community. He will continue to serve as the Public Works Director until the Council no longer wants him to. In 2001, there were also problems with the wastewater plant so they asked the Water Commission to take over the Wastewater and that is where it became the Utility Commission. Mr. Winkler stated he thought the City was going to give 2% raises and it changed somewhere after the first of the year. The Utility Commission issues their raises right before the end of the year. Mr. Hedlund asked if they are in agreement that they would like to see how other communities operate as well as seeing their organizational chart and how their chain of command works. Ms. Hill agreed. Mr. Wall said he would like to see pros and cons of one way versus the other. Mr. Oborn noted the auditor has been a big advocate of merging together. He sees other cities and can offer that information.

Update on front counter position and discussion/recommendation on temporary help

City Administrator Oborn stated there is an opening so there have been some salary savings. In the past the City had put aside money for temporary help. It is not in the budget anymore. There is need for the help. City Clerk Waswo explained that she would like to get back on a scanning schedule. Right now it is only getting done in the winter. With being short staffed, it is not getting done as quickly as she would have liked. She would like to hire for a temporary position. Alderman Hill asked about the status of the front counter position. Ms. Waswo stated the interviews would take place tomorrow. Ms. Hill asked if the temporary help would be in addition to the front counter position that is being filled. Ms. Waswo confirmed that it would. Ms. Hill asked if this would be seasonal help. Ms. Waswo stated this position would not be helping at the counter, only for special projects such as the scanning. Alderman Chappell asked what the temporary timeframe would be. Ms. Waswo said it would be as needed. Alderman Hedlund asked if the funds are there. Ms. Waswo said yes. Mr. Oborn said they are looking for the ok to do that within the funds they have.

Hill/Wall motion to instruct staff to move forward with hiring temporary help. Unanimously carried.

Discussion/Recommendation on City Administrator phone and laptop agreement/usage

City Administrator Oborn stated these items are already budgeted for but he wanted to make sure everyone knows what he is doing and why he is doing it. Mr. Oborn noted his predecessor had a City

phone that was about \$41.50 a month, which did not include the price of the phone. If the phone was purchased, it would be a \$60.00 plan. Mr. Oborn stated he does not want to carry two phones. He is requesting to use his own phone and turn in receipts for reimbursement. The phone email will be housed on the server as to not have any open records issues. He suggested a reimbursement of \$40.00 per month or allow him to have a city phone with incidental personal usage. Alderman Kupsik and Ms. Hill were in agreeance with the City providing Mr. Oborn a phone and allowing incidental personal use. Alderman Hedlund stated he would prefer it that way. City Attorney Draper clarified that Mr. Oborn would still be subject to the open records law either way.

Mr. Oborn noted that the laptop is already in the budget and wanted to clarify that no one had a problem with the equipment he is utilizing. Mr. Kupsik asked if Mr. Oborn would prefer a laptop or tablet. Mr. Oborn stated it is a three in one. It functions as a tablet, a laptop and a docking station for a desktop. Mr. Kupsik asked if they needed to vote on the item. Mr. Draper said it was informational purposes only.

Mayor Connors asked if they could discuss items for the next Personnel agenda before the committee goes into Closed Session. Mayor Connors noted he would like to explore adding a person to do Human Resource functions. Alderman Hill stated she would like to explore an employee recognition program. Alderman Kupsik stated he would like to discuss temporary help for event permits. Comptroller Pollitt added that the Street Department would like to attend the next meeting and talk about adding another person to their Department.

Motion to go into Closed Session pursuant to Wis. Stat. 19.85 (1)(g) conferring with legal counsel for the governmental body who is rendering oral or written advice concerning strategy to be adopted by the body with respect to litigation in which it is or is likely to become involved for Police Department pay and grievances (City Attorney Draper); And pursuant to Wis. Stat. 19.85(1)(e) for purposes of conducting other specified public business, whenever competitive bargaining reasons require a closed session concerning Police Department pay and grievances and Fire Union Negotiations; And pursuant to Wisconsin Statutes 19.85 (1) (c) considering employment, promotion, compensation or performance evaluation data of any public employee which the governmental body has jurisdiction or exercises responsibility for individual employee worker's compensation usage.

Hill/Kupsik motion to go into Closed Session and allow City Clerk Waswo, Mayor Connors, Alderman Kordus, City Administrator Oborn and City Attorney Draper to stay.

Roll Call: Chappell, Kupsik, Hedlund, Hill, Wall voted "yes". Unanimously carried.

Motion to return to open session pursuant to Wisconsin Statutes 19.85 (2) and take action on any items discussed in closed session

Hill/Chappell motion to return to open session pursuant to Wisconsin Statutes 19.85 (2) and take action on any items discussed in closed session

Roll Call: Hedlund, Wall, Hill, Chappell and Kupsik voted "yes." Unanimously carried.

Hill/Chappell motion to proceed as discussed in closed session, and no action taken on the last item. Unanimously carried.

Adjournment

Hill/Chappell motion to adjourn at 6:18 p.m. Unanimously carried.

/s/ Stephanie Gunderson, Assistant City Clerk

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