

**COMMITTEE OF THE WHOLE
MONDAY, OCTOBER 3, 2016 - 6:30 PM
CITY HALL BUILDING, COUNCIL CHAMBERS**

Council President Kordus called the meeting to order at 6:30 p.m.

Pledge of Allegiance led by Alderman Kordus.

Roll Call. Present: Aldermen Chappell, Skates, Kordus, Flower, Gelting Horne, Hedlund, Howell. Also Present: City Administrator Oborn and Mayor Kupsik.

Horne/Skates motion for approval of minutes from September 6, 2016 Committee of the Whole Meeting as distributed. Motion carried unanimously.

Comments from the public as allowed by Wis. Stats. §19.84(2), except for public hearing items.

Mary Jo Fesenmaier, 955 George Street, questioned what the intent was with the discussion/listening session regarding the employee health benefits. She asked someone to make a motion to move that item up so the employees who were present could speak and return to their families. She commented on the unexpected change for the community with the trick or treat hours. She questioned if parents were asked about this change. She noted some kids aren't even off the bus until 4:30 and added that some have after school activities. She felt it was a surprise to the community. She also requested that FLR be scheduled on the same night rather than 2 nights. She feels that 6:30pm is a good meeting time as well.

Standing Committee Reports given:

Finance, License & Regulation Committee, Alderman Gelting
Personnel Committee, Alderman Hedlund
Public Works Committee, Alderman Kordus
Piers, Harbors, & Lakefront Committee, Alderman Skates

Committee, Commission and Board Reports given:

Board of Review, Alderman Kordus
Utility Commission, Alderman Hedlund
Tree Board, Alderman Skates
Police & Fire Commission, Alderman Howell
Plan Commission, Alderman Skates
Board of Park Commissioners, Alderman Skates
Library Board, Alderman Gelting
Historic Preservation Commission, Alderman Chappell
Cemetery Board, Alderman Kordus
Parking Commission, no report given
Communications Committee, no report given
Avian Committee, Aldermen Horne & Skates

Other Boards and Committee Reports given:

Chamber of Commerce, Alderman Kordus
Geneva Lake Museum, no report given
Lake Geneva Economic Development Corporation, Alderman Gelting
Geneva Lake Environmental Agency, Alderman Horne
Geneva Lakes Family YMCA, Alderman Skates
Geneva Lake Use Committee, Alderman Flower

Discussion/Listening Session regarding Employee Health Benefits

Chappell/Flower motion to suspend the rules to interact with the audience for no more than one hour. Mr. Kordus noted if it is going to be an open discussion, he would like to put a time limit on it so the meeting doesn't go on all night. Motion carried unanimously.

Jeff Nethery, N7548 Cardinal Dr in Elkhorn, stated he is an employee of the Police Department. He provided the committee with information and indicated there is a line that notes when the changes were made, and there is a downward trend. He asked for another year to prove the employees are going in the right direction. He asked if the employees made changes and the Council imposes payment on them, there is no incentive to try to save the City money. He thinks the family penalty is enough. He doesn't feel their constituents want the employees to suffer.

Jo Busch, 6343 1st Avenue, stated Lake Geneva is one of the top 10 places to visit in the fall. We are there because all the effort the staff puts in to keep the City in magnificent shape. It is a struggle to keep the motivation going when we feel unappreciated and unheard. The changes that took place have been huge because employees got together to see what they could do to save money. At the last meeting it was stated we went over budget in 2015 but at the end of the year there was still a surplus. We are not overspending. Ms. Flower asked about the health insurance committee. Ms. Busch stated there was an employee from each department that met with a representative from Cottingham and Butler to discuss what can be done. The group was put together to avoid a premium. Mr. Skates asked what drove this. Ms. Busch stated the representative from Cottingham and Butler helped identify where the biggest costs were. They then focused on trying to bring those areas down. It was approved at Council. Mr. Kordus stated the employees fought those changes tooth and nail. Ms. Busch stated the employees wanted them to understand what it meant to make those changes; they felt like they were giving. Mr. Gelting pointed out the trend is great on the rolling 6 month total claims since the changes have been implemented. He said that the cost of the benefits has been going up regardless of the savings that have been done. The savings haven't outstripped the expense increasing. It shows a great trend but benefits have increased. Getting healthier is the key. Jeff Nethery added the union agreed 100% and did not negotiate at all related to Healthcheck360. That 10% is negotiable. They decided to do it so they didn't have to pay premiums. Ms. Busch added she doesn't feel the benefit is increasing, it is just being utilized. When it is said that it is being covered 100%, the premium is being covered 100% but the cost of the insurance claims is only covered 100% because we are self insured. She finds it hard to believe that we can't be insured elsewhere. Mr. Kordus said if the city goes from self insured to fully insured, premiums could start low and then skyrocket. Ms. Busch said the employees would like to give input on these decisions.

Marilyn Kolb, who works for the Lake Geneva Utility Commission, stated the morale is really going down. She noted she is a taxpayer in this town and is on both ends here. Council is making huge decisions for everyone that is employed by the City and are not thinking about the future that is being created. She finds the spousal charge very unsettling. Ms. Chappell asked if she feels she should get different benefits because she is a taxpayer. Ms. Kolb said no, but feels as a taxpayer she is getting a double whammy.

Courtney Hinzpeter, 441 Brennan Dr, Walworth, asked for more time as numbers have been trending down. There are people who have gotten off of the plan to go to their spouse's plan. Employees are trying to do things to get healthy. She suggested another ad hoc committee to work toward getting healthy and lowering costs.

Jonathan Foster, W6002 Brick Church Rd, Fontana, stated he is going into his 11th year with the Department of Public Works as the City Forester. He explained his wages from 2009 to 2015 have only had a net difference of about \$400. He didn't join the DPW to get rich, but you join for the benefit packages. He feels everyone is participating to try to fix the health care problem. He added the department has been told several times that insurance is funded so that is why they are not paid to the rate that the area is. The Public Works department is 4% below other departments in the area that are also self funded. It is frustrating and he feels like they are less appreciated. He would like to see this put off for some time. He stated the Public Works Department does forgo time with their families to work. He appreciates the overtime, but it does come at a cost. He stated morale is an important thing, and there are a lot of frustrated people.

Jean Froggart, 33125 S Lake Shore Drive, is the Communications Supervisor for the Police Department. In 2011 they started contributing to the WRS pension. That equates to each employee taking a pay cut as take home pay went down. It has taken almost 5 years for her take home pay to come back up to what she was taking home in 2011. If employees start to pay a premium, their take home pay drops dramatically. Ms. Flower noted she has been in the consulting business for 20 years before she went to the State DOT, and has experienced the same thing without anything to say about it. She stated this is happening all across the country. Ms. Froggart said as a group we are trying to bring those costs down. Mr. Kordus added keeping things the way they are would potentially cause an increase to the taxpayers so it would be a net reduction in their income. Mr. Howell would like to give the employees another year to do this if possible. He would love to make the insurance program a big benefit that brings good employees and keeps them. He understands that is a big incentive, but there is only so much money to go around. He worries that next year it will be a much bigger mess.

Peg Pollitt noted the employees have got their attention. The task force did bring about some significant change. There has been a lot of talk among the employees to have the task force revitalized. She would like to suggest the premium be put off for 1 more year and let the employees take another kick at this. The group mostly looked at plan design in the past. She would empower the employees to look at other things such as going from self funded to something else. Last time we were motivated almost totally by the Cadillac tax. This process was done after work and was not done during work hours. She believes our cobra rates have peaked. Ms. Flower questioned what would be reasonable to expect in a year. Mr. Oborn replied the goal was to save around 18%. To avoid the Cadillac tax, we are looking around 22% to 24%. Mr. Kordus stated the employees came close, but did not hit the 18%. Ms. Flower asked what the employees think they could achieve. Mr. Skates stated he felt the 10% spousal surcharge was a good first step. He noted some constituents do not agree. He thinks it would be a mistake to add more on top of that. He wants to empower the employees and get the task force back together. He thinks the employees get it and would like to be more encouraging. He thinks premium share is inevitable but it may not have to be right now.

Mayor Kupsik complimented the employees for the effort they have put into this. The reason this came up was the Cadillac tax. He said the City does pay a lot for insurance and every year it goes up. There is no doubt that the employees have done a great job turning things around. He feels another year may be worth trying out to work toward savings. As a whole, he thinks they are moving in the right direction with regard to compensation. It can't happen overnight. He complimented the employees on everything they have done.

Adjourn

Horne/Skates motion to adjourn the meeting at 8:08 p.m. Unanimously carried.

/s/ Stephanie Gunderson, Assistant City Clerk

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