

## **PERSONNEL COMMITTEE MEETING MINUTES**

**Monday, October 5, 2015 @ 6:00pm**

**Mayor's Office**

**Present:** Alders: Sid Boersma (Chair), Pat O'Connor, Paul Lawrence, Thomas Majewski, Mayor Donna Olson (ex-officio) Director Gillingham

**Others in attendance:** Bob Kardasz, Chief Scott Wegner, Ron Christianson

**Call to Order:** Chair Boersma called the meeting to order at 6:02pm.

**Approval of the Minutes** of the 9/21/2015 Personnel Committee Meeting. Motion by Lawrence, second by Majewski. Motion carried unanimously. (5-0)

### **Communications:**

Director Gillingham introduced Brad Schroeder of Tricor. Schroeder stated that it was an honor and a privilege to represent the City of Stoughton as its insurance broker. He also stated that it's important to recognize and remember the service that the Schroeder family has provided to the City. When the Affordable Care Act was established Schroeder Insurance partnered with TRICOR for legal reasons and in order to stay local rather than going with someone from out of state. If they hadn't stayed in the area they would have lost their building and would have had to lay off all of their employees, approximately 30. Schroeder stated that with TRICOR, if he doesn't have the answers, they have a team to find them. He also stated that at the end of the day they have the tools to protect the City of Stoughton. Brad took it upon himself to house them for free. He stated that he feels he is an ambassador to the city. He values the City as does his family. He stated it would be a sad day if he lost this connection to the City. He asked that the City check his references and encouraged the City to call the references he has listed. Chair Boersma stated that the City, while it would rather stay local, must look at good health care at a competitive cost. Boersma asked Schroeder how TRICOR stacks up against the other brokers. Schroeder stated that commissions from Dean were equal to almost any other except Group Health which is higher. Dean and Physicians Net are open to negotiations to make it more equitable. We have the same capabilities as anyone else. As I'm looking around the table, I think we all agree that it's good to stay local. We have the same product for the same price. Majewski asked how Schroeder got the numbers. Schroeder replied status group, a self funded plan is plan driven. I've been looking at HMO models down the road then said ask Luann Alme. We had six good years you can bank that. Fully insured would be 10% increase. Keep eating increases. Anthem and WPS can't compete with HMO's. Boersma stated that Stoughton is unique in that it is a small town with its own hospital; Stoughton Hospital is in its system. Boersma asked if TRICOR has the ability to work with Stoughton Hospital and Alliance PPO to funnel through Stoughton Hospital. Schroeder replied that Dean Clinic, UW clinic and Meriter Clinic funnel to Stoughton Hospital. Schroeder stated there's a ten Million dollar capital campaign for Stoughton Hospital. Schroeder stated that he helped connect those local agencies to promote Dean, Unity, etc With Alliance ½ of the City's employees are going to Dean and the other half are going to Stoughton Hospital. Schroeder then asked if the City's employees were going to be happy with the switch from one to the other. Mayor Donna stated that Schroeder had mentioned 6 good years but we have not had those in the

last few years and asked what the next year would look like. Schroeder responded it's looking like an increase. I do not have that information with me. I do analysis reports every month. I'm looking at partially self funded- ACA vs. being fully funded. My plan was to lay this out to see what you think. Boersma asked Schroeder what the renewal cost is. Director Gillingham stated that the renewal would be the same numbers as the insurance market. Director Gillingham asked Schroeder if he had gone out to the insurance market. Schroeder replied that they "do it automatically" and there was a savings at that time. He asked if the committee understood stop-loss. Director Gillingham stated that the Committee has been educated. Boersma stated that the members of this committee being representatives of the City of Stoughton are looking to get a good deal in an open, good way, looking at numbers while also recognizing local affiliations. Schroeder stated that that was why he did that last year. Director Gillingham stated that the 2015 review was an exercise in futility as the numbers were not brought to the City until November too late to compare self versus fully funded and implement a change; it was way too late in the year last year. Schroeder stated that this is why he wanted this meeting, to get all his ducks in a row. Director Gillingham stated we have to make the best decision for the City and Staff, the least disruptive yet cost effective with similar coverage. Director Gillingham stated she was tasked with the mission by Council to look for who ever would give us the best insurance for the best price and offer the best service. Schroeder stated because of disclosure he was not able to do anything until November. Schroeder also stated He understands. It is time to turn off one faucet and turn on another. Boersma asked if anyone had any other questions for Schroeder.

All thanked Schroeder for his time.

Boersma suggested the committee move on to Domestic Partnership. Director Gillingham asked Robert Kardasz if he would like to speak. Kardasz stated that he has two employees who have requested domestic partnership benefits. Director Gillingham stated that all of the cities we polled have domestic Partnership except Sun Prairie who has said they are making the move next year. Lawrence asked what needs to be done. Director Gillingham stated that it is taxable income and we would have to follow ETF guidelines. Boersma asked how change would affect the budget and employees. Director Gillingham stated that four of the cities follow ETF guidelines. Majewski asked what ETF is. Director Gillingham explained it is the Department of Employee Trust Funds. ETF administers retirement, insurance and other benefit programs for state and local government employees and retirees of the Wisconsin Retirement System. Lawrence asked how domestic partners would prove that they are indeed domestic partners. Gillingham stated that they have to provide an Affidavit of Domestic Partnership. Mayor Olson asked if same sex was similar to opposite sex. Boersma asked how we regulate a partnership and then they break up. Majewski stated that the employee would let them know because they would not want them on their insurance anyway. Mayor Olson stated if they get married and then get divorced they would let people know. Boersma replied that if they didn't it would be fraud. O'Conner stated his primary thought was: is there a need? I have not seen the need for this. Have we lost recruits because of this? Director Gillingham stated they did lose a candidate with an external offer. This generation is more inclined to go with a partnership rather than marriage. O'Conner asked if we hired people that were not good because we do not have Domestic Partnership Benefits. Kardasz replied that we have lost people who were good and they will be leaving for positions that provide it. O'Conner asked if we are only focused on Utilities employees. Director Gillingham replied that at this time, yes. But seeing how many communities do have it, it just shows that we are not keeping up with the times. Kardasz stated this is important. It's a no brainer. Majewski stated it is the cost of doing business. O'Conner stated well, if it's necessary, but I

don't see the necessity. Majewski stated that we are at the bottom of it and as time progresses it will be a standard. We will not get the best person for the position. Boersma asked if there was any cost attached to this benefit. Director Gillingham stated there is no difference than if they were legally married. Mayor Olson stated that she didn't really like the idea when she first heard it because of personal beliefs but had to get past that. Someday they may marry and would have the same benefits anyway. Director Gillingham stated that there are a small number of people who are interested. Boersma asked about pre-existing conditions and domestic partnership. Director Gillingham stated that per-existing conditions doesn't exist any longer and is not taken into consideration. O'Conner stated that we do not want to be the relationship police. Lawrence stated that lack of certification at any time should be grounds for dismissal. Director Gillingham explained that it would be fraud. Mayor Olson asked if the certificate would come to Human Resources. Director Gillingham explained it would go through to the carrier. The carrier will then record it and be sure that it is kept up to date. Boersma asked what would happen in the case of a legal separation, how we monitor this. Director Gillingham replied that we do not have to the carrier will. Director Gillingham also stated there is not a great demand at this time. O'Conner stated that the possibility of us offering it because the significant others company didn't rubs him the wrong way. Lawrence asked if it would cover medical or all. Director Gillingham answered that it would cover medical. Mayor Olson stated that all of those communities asked were doing it, which she finds troubling, but if we are behind the eight ball that is not a good place to be. Lawrence stated that we cannot predict the future. Director Gillingham informed them that if need be the benefit could be removed from the plan. Mayor Olson stated that the employees already taking the benefit at that time would most likely have to be grandfathered in. O'Conner stated that he has not seen that it is hurting us not to have it and he will not vote for it. Lawrence asked how long the other cities have had this benefit. Director Gillingham stated that most cities have had it in place since 2007, all but Sun Prairie. Boersma asked if any of our guests had questions. Chief Wegner stated that society is changing. The younger generation is not like us. They don't always get married. Lawrence asked if there were any time elements in regards to the employees we now have who are interested. Kardasz replied that there are two he might possibly lose if the benefit is not offered, possibly in January. Lawrence asked if the lack of the Domestic Partnership Benefit would really precipitate the loss of those employees and also how long these employees had been with the City. Kardasz replied that yes it could result in loss of those employees and that they had been with the City for approximately one year. Director Gillingham stated that almost any job they left here for would offer the benefit. Kardasz stated that Illinois has hired 400 apprentices out of Wisconsin. He also stated that he is still one person short in his line crew. We are just not attracting them. The pay rate seems correct. I think this benefit would attract more recruits. Motion by Majewski to approve the Domestic Partnership Benefit, second by Lawrence. Motion carried on a vote of 4-1, with O'Conner voting no.

Boersma asked Kardasz to speak about the proposed Utilities Billing and Metering Specialist Position. He stated that the position is held by Erin Goldade. He also stated that the wage would be set by Human Resources. This position has been changing a lot.

Boersma asked if Kardasz could give a summary of the position. Kardasz went through the position as shown with the document presented to the Personnel Committee. They perform cross connection investigations mostly with Erin to set up appointments, billing, and most contact with customers. First we read the meters and then we send that to Palatine for billing. Erin is capable she acclimated herself as staff came and went. She works unsupervised mostly. Tom asked if there would be any change to her compensation. Kardasz stated that she is doing more than

she had been and that he would like to give her more compensation. Director Gillingham stated that we could use the recent Compensation Study to process the position. Motion by O'Conner to approve the description of Utilities Billing and Metering Specialist Position, second by Lawrence. All approve. Motion carried on a vote of 5-0.

Regarding the addition of a Utilities Operator I, Kardasz stated that he has 2.5 people in the field and he really needs 3. The position includes changing meters, exercising valves, flushing hydrants, etc. He states that Utilities is falling behind on everything and he is worried about not meeting DNR requirements. He stated he needs one more person to fulfill the requirements of the DNR. Motion by Lawrence to approve the addition of a Utilities Operator I, second by O'Conner. All approve. Motion carried on a vote of 5-0.

Kardasz is proposing a response time modification to match the industry. He stated that one half the response time is sufficient because infrastructure is so much better now. There are not as many outages. Most communities have moved to a 30 minute response time and he believes it is the right time for Stoughton to do so as well. Motion by Lawrence to approve the response time to 30 minutes, second by O'Conner. All approve. Motion carried on a vote of 5-0.

Lawrence made a motion for the Committee to go in to closed session, second by Majewski. All approve. Motion carried on a vote 5-0.

Boersma suggested the Committee move to re-open the session. O'Conner made a motion to re-open the session, second by Majewski. All approve. Motion carried on a vote 5-0.

Majewski made a motion to go with Cottingham & Butler with a \$500.00 deductible with the 3 year lock in rate and the choice of sticking with HMO/UW option at a higher rate, second by Boersma. All approve. Motion carried on a vote 5-0.

Director Gillingham stated that regarding the Compensation Study that the Mayor is putting it into her budget. Director Gillingham stated that there really isn't any other option. O'Conner asked how much the stop loss quote is going to cost us, is that included. Director Gillingham stated yes, it will be quarterly, anniversary date, and a multiyear phase in. For those not at minimum, we need to get them up to minimum. Financially the options are there. We have 14-16 employees to get up to minimum. Mayor Olson stated that the employees are not happy because if ones anniversary date is in December and one is in June, the person whose anniversary date is in December is waiting six months longer to get their move to minimum. Director Gillingham stated that shelving the survey is not really an option. Majewski stated that his concern and most likely the Councils is that personalities should not be tied into the evaluations. That could be a problem. A review team led by Human Resources would be a good idea so that personalities do not factor in. Boersma asked why Utilities is not tied into this. Director Gillingham stated that she is working on that. Mayor Olson stated that Utilities are rate paid rather than tax paid. Majewski stated that we need to have that conversation outside of personnel. There is a culture there. They either are or are not City employees. I find that bothersome. They have the attitude that they do not have to follow the same rules. Why is the Utilities logo on our water tower and not the City's? That to me is a big indicator of the culture that they are an individual agency and not part of the City. It's like they are their own company. Mayor Olson stated that this has been before Council. Majewski asked what benefit the City gets from Utilities. Mayor Olson stated payment in lieu of taxes. Majewski asked what if you were to take administrative fees and 2%

in a general fund for the City. Utilities had 7.7 million dollars sitting there. Mayor Olson responded that they are using some of that to replace old lead pipes. O'Conner stated regarding the com study: Let's get people to minimum by the first of the year. Director Gillingham stated that it is a moral issue, that being paid minimum is important. Mayor Olson stated they would have to sit down and look at the fiscal impact for 1/1/16 and do what is fiscally responsible. There will be that savings of \$400,000. Some will be in the gap. Director Gillingham stated the savings should be put aside for renewal.

## **ADJOURNMENT**

Motion to adjourn by Lawrence, second by O'Connor. Motion carried unanimously. Meeting adjourned at 7:55pm.