

MINUTES

COMMITTEE OF THE WHOLE

THURSDAY SEPTEMBER 15TH, 2011

The meeting was called to order by Chairman Bohren at 7:31 p.m.

Aldermen present: Boeldt, Bohren, Carlson, Dekker, Heidemann, Kittelson, Rindfleisch, Roeseler, Sampson, VanderWeele and Versey.

Aldermen excused: Hammen, Kath, and VanAkkeren. Aldermen not excused: Matichek.

Pledge of Allegiance was recited.

Chairman Bohren stated that his meeting was being carried live on Channel 95. Keary Kautzer could be called at the station for information on times the meeting would be replayed – 459-6663.

PUBLIC FORUM

No one spoke at the public forum at this time.

At this time H.R. Director Tom Rice was called upon and extensive discussion began on the proposed benefit changes for 2012. Tom Rice asked council members to follow along on the handout that was given to each alderman with all the proposed changes listed on it. Employees will be paying more into the insurance plan and will be paying more into the Wisconsin Retirement plan. Another change is that employees will pay the first portion of their deductible and then the city will pay. Reimbursement program goes away at the end of the year.

Ald. Boeldt asked if we had looked into HSA accounts. Tom Rice said that would be a possibility if we wanted to look into that. Tom Rice stated that we are looking ahead to 2013 – long term planning – talk of a full flex cafeteria plan that would have choices – 2 or 3 options of things to choose from – this proposal is just the precursor to getting there.

Further discussion took place as we went through all the categories in the proposal. The PTO program proposed for 2012 was then talked about. This program would be eliminating sick days, bereavement days, floating holidays and personal days. All explained in the outline that was handed out. As was the LTD and the STD programs being proposed. There would be no changes to the dental or vision programs already in place.

Ald. Bohren asked about chiropractic care – Rice stated that if we would decide to utilize the county healthcare clinic already in place, they are working on having chiropractic care at that facility through Interra. The clinic is working well for the county employees. It was stated that the county saw a savings of approximately 21-25% thru utilization of their clinic. It was stated that routine things are being handled there through a nurse practitioner. Referrals to a physician are made when it is necessary. It was also stated that employees do not have to give up their own doctors in order to go to the county clinic.

The unused sick leave and the good attendance was then discussed by Director Rice. The reason the Oct. 1st date was chosen to approve this by was so that those people who are deciding whether or not to retire can make a choice. Rice talked about the claim costs in the 53-64 age category. This group accounts for over 1 million dollars for the city.

Ald. Bohren asked if when an exit interview is given is there any coaching on the city insurance plan advising the employee on whether to stay or go off of the city insurance plan? Discussion continued stating that the city insurance plan is an outstanding program. Rice stated that this year a supplement plan was offered to those 65 years and over still on the city plan.

Ald. Roeseler went on to explain about the unused sick leave and how it works. (changes explained on the handout). Ald. Versey asked about how many people are we looking at. Rice stated it was about 41-45 people who requested information. Discussion continued on what would happen if we changed the payout to 50%. Rice stated that we have long-term goal costs and that retirees are expensive. Ald. Roeseler stated that if we have 20-40 people retire, that is lots of money to look at. Ald. Kittelson asked if everyone had a chance to see the plan. Rice stated that if they didn't attend the meeting, they didn't see the plan.

More discussion took place regarding the retirement plan and how it affects people when they retire - those work for the city versus those who do not.

Ald. Sampson stated the he didn't agree with the contracts, however they were still agreed upon. If you enter into an agreement it should be honored. If one does not use the sick time because you expect a pay out, then take it away, it is not right. Ald. Roeseler continued on talking about the promise of retirement and losing so many employees. We owe it to the employees to spread it out. Why rush these people out because of the training we invest in these employees - we need to follow thru - wean some of these people off little by little - not all at one time.

Tom Rice went on to discuss the post employment health plan. Plan is explained on the handout.

Ald. Boeldt stated that people less than 5 years are on the tier plan as class II - those people moved from union to management. They signed on with the understanding this benefit would be there when they retired. Rice went on to state that 85% of the General Fund is salaries and benefits - the long terms costs of these things are not sustainable. Don't know when it would be a good time to do this. This is not good news. But our employees still have above average wages and benefits.

Ald. Rindfleisch went on to say this plan is unsustainable. He worked 3rd shift at Lear and promises were made and not able to be kept and the plant closed down. City can't just disappear - find ways to sustain this - if we don't change it now - when? It is unfair and it's not right, but it is still unsustainable. It is still better that the average person in the private sector. Ald. Bohren went on to talk about small business owners in the city and their out of pocket expenses when it comes to insurance. We should call on some of them and find out what they pay.

Ald. Roeseler went on to make a motion to accept the WRS/Health Insurance portion of the document, but send the rest of the document back to Salaries and Grievance Committee to work on a long term structured plan regarding future changes to make it workable for the next 5 to 10 years. Roeseler/Dekker.

Under discussion - Ald. Rindfleisch continued commenting on the fact that even though we are changing it, it is still a good plan. Ald. Sampson asked for clarification on the good attendance bonus and the unused sick leave programs. Director Rice stated that it was a mathematical formula - pure and simple - nothing but a cash bonus.

Further discussion took place with Ald. Kittelson rereading the motion to be voted on. Under further discussion Chief Hermann asked Director Rice about the Paid Time Off portion of the proposal asking if this has ever been done in a municipality before as he foresees problems administering it. How will this plan work in the protective services area? Director Rice stated he did not research any other municipality, but did say that the city of Appleton passed something similar to this last week and other cities are look at it. Chief Hermann then asked again how do we deal with this issue as a department head. Director Rice stated that all things are covered under discretionary time - is it a likelihood that employees will save all their time off until the end of the year - he did not think that would be the case. Chief Hermann stated that we run a 24/7 365 day a year operation. We allow only 4 people off at a time. We need to know how to address this. Ald. Roeseler then asked the Chief if he knew of a way to address it and the Chief replied call in overtime.

Discussion ended and a roll call vote was taken on the motion made – Roeseler/Dekker to pass the insurance and Wisconsin Retirement portion and send the rest of the document back to Salaries and Grievance for more structured long term planning. 4 ayes and 7 no – motion fails.

A motion was then made by Ald. Rindfleisch/Versey to refer the document to the full Common Council with a positive recommendation.

Under discussion here Ald. Sampson stated he had trouble with the fact that we were not honoring the agreement and wanted to make an amendment to send the unused sick leave and good attendance portions of the document back to Salary and Grievance to review further.

Point of order called here by Ald. Rindfleisch stating he would not accept the amendment calling it unfriendly. He further stated that there would be time to amend the document at the Common Council meeting on Monday evening. Ald. Sampson tried restating his amendment and again Ald. Rindfleisch called Point of Order and would not accept the amendment to the document.

Chairman Bohren would not accept the motion.

Ald. Roeseler restated his position just to clarify – we are keeping our retirees on our insurance plan – this is a very expensive vote we are about to take here. Ald. Carlson then asked the average age of our retirees –Ald. Roeseler stated about 55/56. Ald. Carlson again asked if we have numbers on this and what incentive do our retirees have to leave the plan? Director Rice said currently we have 6 in the fire department and 1 in the police department. Ald. Carlson stated that a small payout is not an incentive for people to get off the insurance plan. Finance Director Jim Amodeo then commented that 16 non-rep people cost the city 1 million in health claims (62,000 per person). Our liability continues to grow – we are looking at 7 million a year from the General Fund to pay health claims – trying to limit people on the health plan. Ald. Roeseler asked again about the unused sick leave and is it a good idea to pay people to get them off our health plan? Amodeo answered – yes, but again the city pays as it goes for medical costs. Ald. Roeseler asked how we would be affected if 30 people leave and we pay out now instead of spreading it out over time. Amodeo answered that yes it would affect the budget – we would be significantly over budget.

Discussion ended and a roll call vote was taken on the motion. Rindfleisch/Versey. 6 aye – 5 no. Motion carried. Motion made and seconded to go into closed session under the exemption provided in Sec. 19.85 (1)(e), Wis. Stats. for the purpose of discussion, deliberation or formulation of negotiation strategies relative to possible collective bargaining agreements, where competitive and bargaining reasons require a closed session. Rindfleisch/Versey. All Ayes. Motion carried. Reconvened in open session for adjournment at 10:27 p.m. Versey/Boeldt. All Ayes. Motion carried.

Respectfully submitted - Ald. Jean Kittelson – 3rd District – City of Sheboygan