



Meeting Minutes

Administration & Finance Committee

Aldersperson Vincent Vitale, Chair

Aldersperson Kevin Haass, Vice-Chair

Alderspersons: Thomas G. Lajsic, Michael P. May, Cathleen M. Probst

Monday, October 26, 2015

5:38 PM

Common Council Chambers

SPECIAL MEETING (draft minutes)

A. CALL TO ORDER

Chair Vitale called the meeting to order at 5:38 p.m. and announced that the Committee meeting agenda would be taken out of order. The communication on health insurance plan changes would be discussed first and then the Committee would hold its closed session.

B. ROLL CALL

Present 5 - Ald. Vitale, Ald. Haass, Ald. Lajsic, Ald. May, and Ald. Probst

Others Attending

Mayor Devine; Rebecca N. Grill, City Administrator; Mark Wyss, Finance Director/Comptroller/City Treasurer; Kris Moen, Finance Supervisor; Frank Kopecky and Erin Jeffrey, Willis; Jeanette Wardinski, Administrative Assistant; Other Staff, City Employees, and West Allis Retiree's Association Members, and Guests.

E. NEW AND PREVIOUS MATTERS

- 1. [2015-0740](#) Communication from City Administrator regarding proposed health insurance plan changes as included in the 2016 City of West Allis Mayor's Recommended Budget.

Chair Vitale asked Ms. Grill to comment, and Ms. Grill said Kris Moen, Finance Department, would give a power point presentation on the health insurance proposals for 2016. Ms. Moen proceeded to make the presentation and noted first that dental insurance will be the same plan in 2016 and the only change is a new plan administrator. Dental insurance costs the City \$500,000/year. Health insurance costs the City \$16 million/year. The priorities considered for health insurance are: (1) reduce our Cadillac Tax exposure (with our current plan design, by 2022 the City will be paying an annual tax of over \$500,000); (2) premium costs--lower premiums reduce the Cadillac Tax liability and saves money in the budget; (3) claims management/cost containment (we do this because we are self insured). In conferring with Willis, our health insurance consultant, two "Decision Points" were offered for consideration: (1) carve out "post-65 retirees" to a private insurer (meaning this group would be covered by a separate company and under this plan the city pays half the premium and the retiree pays half), and (2) three plan design options suggested for city self-insured plan. She outlined the advantages and disadvantages of the retiree plan. Next, Ms. Moen described the three plan design options, which include: (A) Keep same Humana network with same benefit levels; (B) Keep Humana network and adjust benefit levels; and (C) a dual choice option of Anthem plans--one a new,

narrow network but with the same benefit levels as 2015 or an Anthem HDHP plan with HSA account. Time was spent explaining the costs and budget implications of these health insurance options and the effect on employees of the dual choice options. A video was also shown on how an HSA works. Ms. Moen then talked about why staff arrived at the narrow network option and asked Willis to offer comments in this regard. Mr. Kopecky provided input on the provider network, the continuity of care, and benchmarking for deductibles. In closing, Ms. Moen said there is a form available which can be turned in tonight for those audience members who have additional questions or an email address is provided for those who prefer to communicate that way. Staff will then prepare an information document in response to any questions submitted to assist in a more complete understanding and possible impacts of the proposed change.

Questions and comments were then offered by Committee members. Ald. Lajsic said that Ms. Moen mentioned several times that the plans were basically the same, but complete information has not been provided on the post-65 aspect. We have a budget to vote on and don't have the complete information to make a decision. Ms. Moen said staff is working with Willis on the retiree portion and hopes to have this information in the next week or so. Ald. Lajsic also asked about coverage outside the network area; for example, retirees that "winter" out of the state, and what about pre-65 with similar circumstances. Staff commented that there is a wider wrap-around network to handle this, and Ms. Jeffrey confirmed that there is a national network that is part of this Anthem offering which provides coverage to pre- and post-65. Ald. Probst asked about the areas in Wisconsin that are not covered by the network; for example, she's thinking of those employees who have students in those parts of the state that are not in the network; and she also asked about the case-by-case situations mentioned when maintaining a provider not in the network for those employees going through cancer treatments, high risk pregnancies, etc. Mr. Kopecky spoke to the appeal process as part of the network, and further discussion ensued on this topic. Ald. Probst also asked why Option B isn't HSA eligible, and Mr. Kopecky said that is due to the IRS Code and it not being a high deductible plan.

Ald. May then offered his comments, stating that this is the first time this information has been brought to the Committee and he feels the discussion is coming too late for this budget; we should have started this discussion in August or September. He feels the information for employees was handled poorly and too many rumors have been circulating and Alderpersons having to respond without proper information to do so. He appreciates the work done on this but would like to see it done sooner next year. Ald. Vitale said the Finance Dept. has been working on this for a period of time, it is not something that was done in the last two weeks. The options presented are critical for this year's budget. Ald. May also asked about a buyout option, which was a question posed to him by a caller. Ms. Moen replied it is not an option they looked at this time around, but we certainly can in the future. Some additional discussion ensued.

Chair Vitale concluded discussion on this matter, noting the item would be held for further consideration during budget discussions and when additional information is provided by staff.

This matter was Held.

ROOM CHANGE

At 6:55 p.m., Chair Vitale announced that the Committee would suspend the open portion of the meeting and the Committee will convene in the Engineering/Development Conference Room for the closed session portion of its meeting.

C. CLOSED SESSION

At 7:06 p.m., Chairperson Vitale stated it was the intention of the Committee to vote on a motion to convene in closed session to discuss collective bargaining matters with the Fire Fighters Union and the Police Union, and to take such further action as may be necessary and appropriate with respect to such matters.

A closed session for the above purposes is authorized pursuant to the provisions of Wis. Stats. Section 19.85(1)(e) and (g), which authorizes a governmental body, upon motion duly made and carried, to meet in closed session to deliberate or negotiate the purchase of public properties and the investment of public funds, or conduct other specified public business whenever competitive or bargaining reasons require a closed session; and to confer with legal counsel for the governing 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.

A motion was made by Ald. Lajsic, seconded by Ald. May, that this matter was Approved. The motion carried by the following vote:

Aye: 5 - Ald. Vitale, Ald. Haass, Ald. Lajsic, Ald. May, and Ald. Probst

No: 0

Chief Negotiator Audrey Key first reported that the initial exchange of proposals with the Police Union will be in November. The city's proposal will be presented based on direction provided by the Committee at its previous meeting, and there is nothing else to report at this time.

Ms. Key, Assistant City Attorney Sheryl Kuhary, Fire Chief Steve Bane and other negotiating team members were present to discuss the Fire Union negotiations. Ms. Key provided an update on the Fire Fighter Union bargaining process, with additional input from Ms. Kuhary and Chief Bane based on questions/comments from the Committee. Discussion ensued and staff responded to several questions posed by Committee members. Additional direction was provided, based on staff input, on how to proceed with these continuing negotiations.

Upon conclusion of the closed session at 7:40 p.m., the Administration & Finance Committee reconvened in open session in the Common Council Chambers to consider its public agenda, including motions to recommend approval or rejection of above-listed deliberations or any of the public agenda items that have not been acted upon.

D. APPROVAL OF MINUTES

1. [2015-0750](#) Minutes (draft) September 21, 2015, October 6, 2015, October 20, 2015.

A motion was made by Ald. Lajsic, seconded by Ald. Haass, that this matter was Approved. The motion carried by the following vote:

Aye: 5 - Ald. Vitale, Ald. Haass, Ald. Lajsic, Ald. May, and Ald. Probst

No: 0

E. NEW AND PREVIOUS MATTERS

2. [2015-0735](#) 2016 City of West Allis Mayor's Recommended Budget.

Chair Vitale asked Mayor Devine to comment on his recommended budget. With assistance from staff with a power point presentation, Mayor Devine talked about the 2016 budget challenges, including the expenditure restraint program limiting general fund expenditure growth to .76%, loss of certain state aids, levy limit of .71%, anticipated contracted wage increases for police and fire, benefit costs, cadillac tax, and an initial budget gap of \$1.6 million. He then outlined the recommended budget objectives and budget initiatives. Next, Mr. Wyss reviewed the proposed budget fact sheet which shows our spending increase was held to the expenditure restraint limit of .76% or \$420,000. The total levy is going up slightly at .32%, but the tax rate remains the same as last year at \$10.81. He commented that even with our fiscally conservative 2016 budget, we face initial budget gaps in 2017 of \$800,000 and 2018 of \$900,000. Ms. Grill then continued the presentation with demographic information which shows that West Allis is lowest out of comparable cities for household income and median home value, but our taxes as a percent of median income are second highest. Personnel costs are the largest costs in our budget and she noted the proposed wage and benefit changes, including the health insurance plan proposal presented this evening. She offered key points on budget expenditures, revenues, and the capital improvement program. The health insurance fund shows a small surplus in 2015 and budget savings in 2016 with the proposed network changes; health claims have been moving upwards since 2012 and the proposed changes to the health network would help offset our growth in spending. She concluded the budget presentation with brief comments on utility funds and rates; noted that the total out-of-pocket to taxpayers for taxes and utility payments on a \$150K home is up \$13; the bulk of tax dollars fund protective services and DPW operations, the essential services the city provides; and residential property continues to pay the largest percentage of taxes.

The Committee then decided that each member would offer his/her comments/questions on the budget. Ald. Lajsic said he has a number of things to address including: (1) Abandoned/Vacant Properties and the recommendation to hire a limited term employee (LTE) to coordinate code enforcement efforts--he agrees with Mr. Stibal's suggestion to fund the position out of FIRE funds and he's okay with the commercial zoning compliance done by BINS. (2)He feels the proposed Communications Dept. should report to the City Administrator not the Mayor. Our current Mayor has the interest and experience to do this, but we cannot count on future mayors having the skills to do it; it makes sense to have it structurally report to the CA. (3) New position of LTE IT Employee for Police - he would like the ITSC to address the issue; he feels the IT efforts should be directed to DPW until a new Police Chief is hired because that person may have different IT priorities. He referred to the carryover of IT money. Ald. Haass said it is an outstanding budget. He supports the Development Dept. proposal (not naming Planning as a separate Dept.) and would like to see Mr. Stibal's proposal on zoning enforcement, zoning administration, etc.

pursued and not the budget recommended approach. The remainder of Committee members concurred with his comments, and additional comments were made in this regard by Ald. May and discussion on various aspects of the alternate proposal submitted by Mr. Stibal. Ald. Lajsic agrees with doing whatever we need to do to work on the zombie properties, zoning administration and enforcement without adding a position.

Ald. May also agrees we need to work on health plan changes. Ald. Probst said her biggest concern is the health care proposals. She wishes the proposals had been done differently and feel it is too rushed, especially with also addressing the budget proposals. Ald. Lajsic said he does not agree with a LTE position to help on the health care transition. Mr. Wyss said it would be funded through the health fund and it would be a temp agency type position. Ald. Lajsic said he doesn't want it in the budget and would rather address a temp position only if it becomes necessary.

Discussion returned to the Mayor's recommended Development Dept. split, and Ald. May said he understands the focus on the two areas (abandoned/vacant properties and commercial property zoning compliance) and wondered about the Mayor's thoughts in this regard. Mayor Devine said the budget proposal was to address the problem of getting the work done in all the areas. He thought separating them out would focus attention on getting everything done. He feels strongly about enforcement on getting properties cleaned up. He's open to suggestions about handling the problems. Ald. May talked about the aesthetics of the community and getting things done. He suggested a one year time frame with zoning administration and then moving it on to BINS for compliance. Others agreed that compliance belongs with BINS and planning with Development/Planning. He wants to see the Development Department continue the way it is now structured with the proposed alternate ways to address the concerns. Ald. Probst talked about the low median income in our community and citizens' ability to pay for projects on their homes. Ald. Lajsic said the city has programs to get people help to comply with code enforcement.

Discussion also returned to the proposed health insurance changes, and Ald. May said if we don't do the health changes, we have a drastic situation. Mr. Wyss provided a handout with options to reduce costs for a different health scenario. These were some of the things staff was looking at before proposing the health care network change, e.g., not filling positions. Further comments were offered on some of these ideas. Ald. Probst mentioned she has heard from residents about doing a city referendum to increase funding to hire more police or fire officers, and is that something we would consider? Mr. Wyss said yes it is a possibility, and he believes it is typically done with the spring election. Mayor Devine mentioned a public safety fee on the tax bill, which had been discussed in past years.

In closing, the Committee talked about meeting again on the budget and wanting to have the health care information on post-65 carve out finalized by staff/Willis and having it available for these discussions. The Committee agreed to meet at its regular meeting on November 9, at 6:00 p.m.

This matter was Held.

- 3. [2015-0648](#) Communication from City Administrator regarding request to fill the vacant position of Electrical Mechanic I in the Department of Public Works, Building/Inventory and Electrical Services Division-Electrical Section.

Chair Vitale introduced this item, and Ald. Haass asked Ms. Grill whether the position should be filled or held pending budget decisions. Ms. Grill thought it could be held pending budget discussions. The Committee asked for Director of Public Works Mike Lewis' input. Mr. Lewis said this is a skilled trade position and it needs to be filled. He has other positions that can be sacrificed, but not this one. It will take several months to recruit/fill the position and time is critical. The following motion was made.

A motion was made by Ald. Haass, seconded by Ald. Lajsic, that this matter was Recommended For Approval. The motion carried by the following vote:

Aye: 5 - Ald. Vitale, Ald. Haass, Ald. Lajsic, Ald. May, and Ald. Probst

No: 0

F. ALDERPERSONS' REPORT

1. Recent Events Attended.

None.

2. Awards/Commendations.

None.

3. Upcoming Events.

None.

G. ADJOURNMENT

A motion was made by Ald. May, seconded by Ald. Haass, that the meeting be adjourned at 8:58 p.m. The motion carried unanimously.