



City of West Allis

7525 W. Greenfield Ave.
West Allis, WI 53214

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, November 9, 2015

6:00 PM

Room 128

REGULAR MEETING (draft minutes)

A. CALL TO ORDER

Chair Vitale called the meeting to order at 6:00 p.m.

B. ROLL CALL

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

Others Attending

Mayor Devine; Alderspersons Barczak, Reinke, Roadt; Frank Kopecky, Willis; Rebecca Grill, City Administrator; Mark Wyss, Finance Director/Comptroller/City Treasurer; Audrey Key, HR Manager; Sheryl Kuhary, Assistant City Attorney; Kris Moen, Finance Supervisor; Jane Barwick, Principal HR Analyst; Jeanette Wardinski, Administrative Assistant; Other Staff, City Employees, West Allis Retiree's Association Members, and Guests.

C. APPROVAL OF MINUTES

[2015-0780](#)

Minutes (draft) October 26, 2015 and November 3, 2015.

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

D. 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 introduced this item and asked Ms. Grill to comment. Ms. Grill said at the last meeting the Committee had requested budget recommendations to address the retiree portion of the health insurance plan changes, and the information provided to the Committee addresses specific budget cuts if it's decided to keep retirees in the city plan. Ald. May said he would like to know the general feeling of the Committee about how we handle retirees before discussing budget cuts and what input the City Attorney has had. Mr. Wyss said they have met with the City Attorney and asked for his opinion, and his response is that there is no way to know what may happen until or if someone would file a lawsuit. Ms. Kuhary clarified that there are just too many unknowns. Ald. Lajsic wondered, if the City Attorney had more time to look at this

issue and we put the retiree portion on the side for this year's budget, would he feel more comfortable about rendering an opinion. Ms. Kuhary responded that absolutely it would give them more time to investigate it. Ald. Lajsic said he would recommend that when we look at the budget cuts to realize the \$554,000+ needed, we not carve out the post-65 retirees and postpone any retiree health insurance changes for another year until we can get more information and be on solid ground. Other Committee members agreed with this suggestion. Ald. Vitale commented that retirees are paying a high amount now with the city's plan and with the carve-out would actually be paying less. He talked about giving \$200/year to retirees to help with costs. If we keep them in the city plan for another year, we will have to deal with hard decisions in the future. Ald. Lajsic pointed out that coverage has to remain the same even if we make a plan change, otherwise we could be sued. He feels it would be foolish to risk a class action lawsuit; we should wait and get the information we need to make a good decision. We got the information too late to make a decision, and he cannot vote for a change until he knows everything is legal.

Additional discussion ensued on the impact of the recommended budget cuts, and Ald. May wanted to know if any of the suggested cuts put us in a poor position for future budgets. Mr. Wyss said we would be no worse off than we were before. Ald. May also noted that the recommended cuts offer more money than we need, and Mr. Wyss said this gives the Committee options; they do not need to use all the suggested cuts. Ald. May also asked how this affects future budgets with the ERP, etc.--would there be any penalty down the road for any of this? Mr. Wyss said no, the issue is more on the levy side.

Ald. Lajsic then moved to remove from the communication the consideration to move over-65 retirees out of the city's self-insured plan to a privately insured plan and to approve the communication as amended. The motion was seconded by Ald. May and it was approved unanimously.

There was some additional discussion about the plan date for health insurance and consideration to change it to a calendar basis.

A motion was made by Ald. Lajsic, seconded by Ald. May, that this matter was Recommended for Approval as Amended. The motion carried by the following vote:

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

No: 0

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

Chair Vitale asked for comments on the recommended budget.

Ald. Lajsic moved to accept the budget cuts as proposed by staff, seconded by Ald. Probst. Before a vote was taken, discussion ensued.

Ald. Haass asked if we will do all the suggested cuts or eliminate any from the list. Ald. Lajsic said if anyone wants to eliminate any specific item(s), that can be done. Ald. May said he has concerns about cuts to reserve accounts and the impact that may have; he doesn't want to have to borrow in the future to cover these cuts. He wondered how healthy these funds are. Ms. Moen said all the reserve accounts are a part of the IT Capital Reserve budget. Radio replacements for 2015 and the 911 system upgrade

for 2015 were just completed, so there is no immediate need for those items. Mr. Wyss commented that the accounts are in good shape, and he provided information on the budget balances for these specific items. He also noted that the levy will be reduced by about \$46,000 with the suggested cuts and the tax rate will decrease by just a few cents.

A vote was then taken on the previously made motion to accept all the suggested budget cuts, and it passed unanimously.

Ald. Lajsic then addressed the health insurance plan changes and asked if staff has any suggestions to lessen the impact of the high deductible plan (HDP) for employees and what impact that would have on the budget. Ms. Grill referred to her handout on responses to health insurance network questions. She noted that a higher HSA contribution from the city would be an alternative, but it would jeopardize the savings we are anticipating and would raise fairness issues. She said money to fund this type of proposal would be funded through the health insurance fund, so it doesn't affect the budget. In response to Ald. Lajsic's question about how do we make HDP employees closer to whole with the smaller network plan, Ms. Moen said there are options and we would need to discuss that with Willis. Further discussion ensued on this topic, and Mr. Kopecky of Willis cautioned the Committee that changes to the HDP to help employees would have to apply to everyone; you cannot separate out certain people like new hires. Ald. May said he feels that what staff has proposed for current employees is fair.

Ald. Lajsic then moved to approve the 2016 Mayor's Recommended Budget, as amended, seconded by Ald. Haass. Before a vote was taken, further discussion ensued.

Ald. May asked what the impact is on the budget if we change the amount the city contributes to the HSA account. Mr. Wyss said the change would not have a budget impact as it would have to be done through the health insurance fund.

A vote was then taken on the previously made motion to approve the budget as amended. It passed 4 - 1, with Ald. Probst voting no.

Ald. Lajsic asked the reason for Ald. Probst's no vote. Ald. Probst said because the information on the proposed health insurance changes was provided so late, she has not had the time to study it thoroughly. She also has concerns about losing employees because of salaries not keeping up, and we need to remember that our employees are also taxpayers. Further discussion ensued. Ald. Lajsic agrees that we did get the information at a very late date, but staff has done their homework and responded to all questions raised. The savings are significant; there is no change in coverage for employees and it is costing the city less money. This budget is a win for the taxpayers. Ald. May agrees it is a good budget, and although it impacts employees, we have restraints. He, also, doesn't like to see people paying more out of pocket, but 79% of our employees will not be paying more. Further discussion ensued on Ald. Probst's comments about using the referendum process to give citizens a chance to say how they'd like their tax dollars spent, e.g., hiring more police or fire fighters.

Discussion was then concluded on the budget.

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

Aye: 4 - Ald. Vitale, Ald. Haass, Ald. Lajsic, and Ald. May

No: 1 - Ald. Probst

- 3. [O-2015-0051](#) Ordinance appropriating the necessary funds for the operation and administration of the City of West Allis for calendar year 2016.

Sponsors: Administration & Finance Committee

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

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

No: 0

E. CITY ADMINISTRATOR REPORT

- 1. Communication from City Administrator regarding Recommendations for Spending Cuts to the 2016 Mayor's Recommended Budget.

Ms. Grill noted that this item was addressed during discussion on the recommended budget.

F. ALDERPERSONS REPORT

- 1. Recent Events Attended.

None.

- 2. Awards/Commendations.

None.

- 3. Upcoming Events.

None.

G. ADJOURNMENT

A motion was made by Ald. Lajsic, seconded by Ald. Haass, that the meeting be adjourned at 6:55 p.m. The motion carried unanimously.