

**City of Merrill
Committee of the Whole
Tuesday, November 12, 2013 at 5:30 P.M.
City Hall Common Council Chambers
1004 East First Street**

Committee of the Whole members present (9 of 9): Mayor Bill Bialecki, Alderman Chris Malm (First District), Alderman Steve Hass (Second District), Alderman Ryan Schwartzman (Third District), Alderwoman Kandy Peterson (Fourth District), Alderman John Burgener (Fifth District), Alderman Dave Sukow (Sixth District), Alderman Rob Norton (Seventh District) and Alderwoman Anne Caylor (Eighth District).

Other attendees included: City Administrator Dave Johnson, Community Enrichment Center Director Jane Deau, Transit Director Rich Grenfell, City Attorney Tom Hayden, City Clerk Bill Heideman, Street Commissioner Richard Lupton, Airport Manager/FBO John Miller, Building Inspector/Zoning Administrator Darin Pagel, Police Chief Ken Neff, Fire Chief Dave Savone, Library Director Stacy Stevens, Finance Director Kathy Unertl, City Hall Maintenance Supervisor Ramona Vanderkam and Parks and Recreation Director Dan Wendorf.

Call to order

Mayor Bialecki called the meeting to order at 5:30 P.M.

Consider schedule to disburse 2014 HSA funds to employees

Alderman Hass had requested that this item be placed on the agenda.

Finance Director Unertl has notified all employees that the 2014 Health Savings Account “seed” money will be paid to employees in two installments, one in January and one in July. Alderman Hass stated that he was of the impression that all the funds would be “seeded” and available to the employees in January, since the two-payment plan was never discussed at any meeting. He asked for an explanation.

Finance Director Unertl explained that, if the entire amount is paid to the employee in January and the employee’s tenure with the City ends during the year for any reason, the City could not recover the HSA money from the employee. A two-payment policy would also help the City cash flow.

Alderman Hass suggested that the compensation increase being proposed for the Parks and Recreation Director (approximately \$3,700) could instead be used as Health Saving Account “seed” money for all employees.

Alderman Sukow stated that he sees no problem with the two-payment plan, as long as the employees are getting the amount that was approved.

Alderman Hass stated that he was pleased that this was being discussed by the Committee of the Whole, rather than having the employees told by City staff that “this is just the way it is”.

Consensus was reached to disburse the Health Savings Account funds to the employees in two payments in 2014, one in January and one in July. New hires would be eligible for a payment if they begin employment during the first three months of each six month period.

Consider 2014 budget adjustments

Financing mechanism for budget shortfall

Motion (Burgener/Peterson) to not finance any of the Debt Service shortfall in the 2014 budget (\$408,018) from the General Fund. Motion was defeated 3-5 on roll call vote. Voting Yes – Alderwoman Peterson, Alderman Burgener and Alderman Norton.

Committee of the Whole meeting in January, 2014

Mayor Bialecki announced that a Committee of the Whole meeting will be held in January, 2014. The date of that meeting has not yet been determined.

Reduce compensation for Common Council President

On October 7th, 2013, the Committee of the Whole passed a motion increasing the annual compensation for the Common Council President by \$520 and increasing the annual compensation for Common Council members who are not the President by \$260. This was part of the 2014 budget process and the changes would take effect in May of 2014.

On October 15th, 2013 the Committee of the Whole passed a motion removing the \$260 increase for the Common Council members who are not the President. However, the proposed \$520 increase for the Common Council President was not changed at that meeting, so that increase remains in the 2014 budget.

Motion (Hass/Norton) to remove, from the 2014 City budget, the \$520 compensation increase for the Common Council President. Roll call vote resulted in a 4-4 tie. Voting No – Alderman Malm, Alderwoman Peterson, Alderman Sukow and Alderwoman Caylor. Mayor Bialecki broke the tie by voting No. Therefore, the motion failed and the \$520 compensation increase for the Common Council President will remain in the 2014 City budget.

An ordinance related to the above motion will be prepared for consideration by the Common Council.

Restore compensation increases for City Attorney

On October 29th, 2013, the Committee of the Whole passed a motion removing from the 2014 budget the two 1% compensation increases for the City Attorney.

Motion (Caylor/Malm) to reinstate in the 2014 budget the two 1% compensation increases for the City Attorney. Carried.

Grade/Step increase for Parks & Recreation Director

The 2014 budget includes funds to pay for a reclassification of the Parks and Recreation Director. City Administrator Johnson has proposed and is recommending that the position be reclassified from Grade 7 (\$58,287 annually) to Grade 9 (\$62,032 annually).

Motion (Hass/Caylor) to remove, from the 2014 budget, the funds (\$3,745) to pay for the reclassification of the Parks and Recreation Director from Grade 7 to Grade 9, and instead use these funds to reduce health insurance costs for all employees.

Alderman Hass mentioned an e-mail from Finance Director Unertl (dated October 21st, 2013) in which she stated that she “was able to cover the entire fiscal impact of Dan Wendorf’s proposed reclass through savings in health insurance!”. Alderman Hass stated his opinion that savings in health insurance should be used to reduce health insurance costs for all employees, rather than to pay for a compensation increase for one employee.

Roll call vote resulted in a 4-4 tie. Voting No – Alderwoman Peterson, Alderman Burgener, Alderman Sukow and Alderman Norton. Mayor Bialecki broke the tie by voting No. As a result, the grade/step increase for the Parks and Recreation Director will remain in the budget and take effect in 2014.

Consider eliminating the funding for the City Administrator position

Motion (Hass/Caylor) to eliminate funding for the City Administrator position from the 2014 budget.

Alderman Hass questioned whether any financial gains have been realized as the result of hiring a City Administrator.

Alderwoman Caylor suggested the possibility of combining the City Administrator position with another position.

Alderman Sukow suggested that evaluation of the City Administrator should be a part of the City's long-term planning process.

After discussion, Alderman Hass requested that his motion be withdrawn. Without objection, it was so ordered.

Other budget-related comments/observations

Alderman Malm asked several questions related to the Tax Increment District budgets.

Alderwoman Caylor stated that it appears the budget includes several accounting errors.

Alderman Schwartzman asked a question related to the \$500 allocation for the Vehicle Repair in the Treasurer/Finance Director budget (page 14).

Budget recommendation(s) to the Common Council

The Committee of the Whole made no 2014 budget recommendation(s) to the Common Council.

Public Comment

None.

Adjournment

Motion (Hass/Caylor) to adjourn. Carried. Adjourned at 6:57 P.M.

Minutes prepared and submitted by:

William N. Heideman, CMC, WCMC
City Clerk