

GENERAL GOVERNMENT & FINANCE COMMITTEE
MEETING MINUTES
APRIL 23, 2013
VILLAGE HALL BOARD ROOM

CALL TO ORDER

Chairperson Zabel called the meeting to order at 5:05 p.m.

ROLL CALL

Members present: Chairperson Zabel, Trustees Kaminski and Vanderheiden. Member absent: Trustee Baum. Also present were Administrator Schornack, Finance Director Rath, Clerk Goeckner and Deputy Clerk Lofy.

APPROVAL OF MINUTES

Motion by Kaminski, second by Vanderheiden to approve the minutes from the March 19, 2013 meeting.

All present voted aye. Motion carried.

PUBLIC COMMENT:

None

UNFINISHED BUSINESS:

VILLAGE COPY MACHINE QUOTES

Clerk Goeckner stated she had no new proposals at this time. She needed to meet with more vendors for information and quotes. She also included a memo with the backup for this meeting to cover this.

Motion by Vanderheiden, second by Kaminski to move this item, Village Copy Machine Quotes, to the next meeting of the General Government and Finance Committee.

All present voted aye. Motion carried.

IT SUPPORT MAINTENANCE AGREEMENT WITH SCHULTZ-BERNSTEIN

Finance Director Rath presented background information on costs and the amount of hours Schultz-Bernstein's services have been used village wide. At this time, some bills were still outstanding. She then went on to point out highlights of Schultz-Bernstein's proposed IT Support Maintenance Agreement. It was stated that the minimum hours per month could be set lower than the proposed 16 hours.

Discussion:

- This service would include maintenance hours to try to prevent failures
- The hourly rate for service would be \$65 per hour down from the current rate of \$90 per hour and include a retainer fee of \$250 per month
- This new hourly rate would also be charged for any service hours outside the contracted hours
- The maintenance agreement for Trend Micro Antivirus is separate from this agreement, it is maintenance for the software
- This should keep costs to Schultz-Bernstein the same or lower due to the discounted per hour cost
- Police and Fire Departments see a need for this service

Discussion continued:

- It is recommended to approve this agreement for 8 hours minimum per month for the remainder of this calendar year to see how it works out

Motion by Vanderheiden, second by Kaminski to approve the IT Support Maintenance Agreement with Schultz-Bernstein & Associates for eight (8) hours minimum per month, an hourly rate of \$65 per hour and a monthly retainer fee of \$250 for the remainder of the 2013 calendar year.

All present voted aye. Motion carried.

NEW BUSINESS:

HEALTH INSURANCE UPDATE ON FEDERAL REGULATIONS BY SNYDER INSURANCE

Finance Director Rath introduced Carmen Winkelman with Snyder Insurance and Jayne Feagles with Auxiant. They were present to start discussing the major health insurance changes coming for the Village. Carmen Winkelman presented information on dates when new health care regulations take effect. Some changes were taken care of already with this year's insurance plan and some are first coming in 2014. It was also stated that some changes will not apply to the Village of Germantown due to the number of insured being over 50 full-time equivalent employees and the fact that the Village is self-insured. This also prevents the Village from renewing in December of 2013, to postpone other changes that will come with national health care.

Discussion:

- Community rating will not apply to the Village because the number of insured is well over the 50 full-time equivalent employees threshold
- The Village will still be medically underwritten in 2014
- Snyder Insurance purchased a tool to help the Village figure out tax liabilities with the "Play or Pay" rules
- "Play" is offering employer-based medical insurance and "Pay" is dropping employer-based medical insurance
- Full-time equivalents are employees working 30 hours or more per week all year long, this is not seasonal employees
- The Village will need to offer insurance to at least 95% of its full-time employees or pay an annual tax of \$2,000 per each full-time employee less 30 employees
- If the Village dropped health insurance it would cost the Village about \$160,000 plus other penalties for not offering coverage
- Employees receiving insurance through the state insurance exchange will cost more for the Village if they qualify for the premium credit
- Employees should be on our insurance not go through the insurance exchange
- Could offer insurance to employees working 35 hours per week and up, keep the rest of the employees under 30 hours per week
- Employees would need to be tracked to stay under the 30 hours per week
- If insurance coverage is dropped, employees would need to be compensated for the lack of coverage

Discussion continued:

- Being self-insured means dollars not used go back into the plan but it is still a cost for the employees and tax payers
- Costs for insurance through the exchange have not been released yet
- This is just for health insurance, not dental insurance
- The increase in insurance costs does not affect the limit on the amount the tax levy can increase

Deputy Fire Chief Maury shared information from his full-time job in Human Resources to make the Committee aware of laws preventing employers from dropping 30 hour per week employees to less than 30 hours per week for insurance purposes. He also stated the penalty for not insuring employees will rise each year.

Jayne Feagles presented additional fees that will be collected including fees totaling about \$64 per covered life for the first year. This means that not just employees but every individual on the plan will need to contribute this amount. At this point, it looked like these fees will be paid monthly by the Village.

Carmen Winkelman and Jayne Feagles will provide regular updates to the Committee as they become available.

RESOLUTION – TO DISOLVE TAX INCREMENT DISTRICT #3 AND AUTHORIZING THE VILLAGE OF GERMANTOWN TO DISTRIBUTE EXCESS INCREMENT TO OVERLYING TAXING DISTRICTS

Finance Director Rath stated that guidelines from the government make closing of a Tax Increment District (TID) possible only between April 15 and May 15. After the closing, there will be twelve months for the final audit to happen. The Village is looking at performing the audit in August or September after the second half tax collection is complete. After the audit the funds will be distributed. The school district is looking to make about \$272,000 after the closing of TID #3 and TID #5 which they will need to spend by the end of their fiscal year. The Village is looking to make about \$132,600 after this closing which does not need to be expensed by a certain date. About \$90,000,000 will be added to the tax roll and 2% to the levy after the closing of TID #3 and TID #5. These values will be available for the 2014 taxes.

Motion by Kaminski, second by Vanderheiden to accept the resolution to dissolve Tax Increment District #3 and authorize the Village to distribute excess increment to other taxing districts.

All present voted aye. Motion carried.

RESOLUTION – TO DISOLVE TAX INCREMENT DISTRICT #5 AND AUTHORIZING THE VILLAGE OF GERMANTOWN TO DISTRIBUTE EXCESS INCREMENT TO OVERLYING TAXING DISTRICTS

Discussion of this item took place with the preceding discussion about dissolving Tax Increment District (TID) #3.

Motion by Kaminski, second by Vanderheiden to accept the resolution to dissolve Tax Increment District #5 and authorize the Village to distribute excess increment to other taxing districts.

All present voted aye. Motion carried.

MICROPHONES, AUDIO MIXER, VIDEO MIXER FOR BOARD ROOM

Administrator Schornack presented background on the issues with the current microphones in the Village board room. All of the microphones seem to have feed issues with the podium microphone being the worst. The equipment is about ten years old. Due to their age, the video mixing and audio mixing equipment are outdated and on the verge of breaking down. Administrator Schornack also presented quotes on different equipment to the Committee with the goal of narrowing down options at this meeting.

Discussion:

- Technology should be brought up to date
- Lapel microphones would need to be shut off during breaks, when leaving the board room
- Miles Pro Audio – Visual's pricing seems high, have seen lower prices on the Internet
- Miles Pro Audio – Visual has helped with issues with the AT&T U-verse equipment and has charged very little to do this
- Need to see what the going rate is for equipment, installation and service
- Would like to see a long warranty with any new equipment purchases
- Should check into what other communities use for equipment and service
- Time Warner has capped their franchise fee at 5% while AT&T's payments are growing
- Franchise fees have been used to offset taxes not to fund audio and video equipment purchases
- Another possible addition to equipment would be voting result lights
- Look into streaming meetings on the Village's website

The Committee decided to go with desktop, not lapel, microphones and to have Administrator Schornack do more research on new equipment. The Committee also decided to have companies that sell this equipment make presentations at future meetings.

Motion by Vanderheiden, second by Kaminski to move to items H. and I. on the agenda.

All present voted aye. Motion carried.

AMEND CHAPTER 26.03 OF THE MUNICIPAL CODE RELATING TO HISTORIC PRESERVATION COMMISSION MEMBERSHIP

Chairperson Zabel informed the Committee that Trustee Werderman added this and the following item to the agenda. Since he is the Trustee Representative on Historic Preservation Commission, Trustee Werderman noticed these two items as concerns.

The amendment proposed to Chapter 26.03 of the Municipal Code would change the number of members from the current seven to five.

At this time, Gerald and Denise Hoinacki spoke. As members of the Historic Preservation Commission they have found it hard to find members. It was stated that there is basically only five members to this Commission right now. It has been hard to meet because four members are required for a quorum of the seven member Commission.

Discussion:

- It is hard to find members, this is a very specialized commission
- Members are not paid
- A quorum is needed to hold a meeting but non-members are invited to come before the Commission knows if they will have a quorum
- Changing from seven to five members would also need to include a code change to go from six citizens to four citizens on the Commission

Motion by Kaminski, Second by Vanderheiden to move from seven to five members on Historic Preservation Commission with four of the five members being citizen members.

All present voted aye. Motion carried.

HISTORIC PRESERVATION COMMISSION MEMBER COMPENSATION

This item was the second item added to the agenda by Trustee Werderman. It was added to decide if the Village should pay Historic Preservation Commission members.

Discussion:

- Most other Boards/Committees/Commissions pay their members
- Ethics Board members are not paid
- Decision to pay or not to pay members was probably made when the Board/Committee/Commission was created by Ordinance
- Need to have more information on reason why others are paid
- Certain members need to be paid per State Statutes
- If the Village decides to pay Historic Preservation Commission members can a member decide not to take pay
- If a member decides to give up pay, it would go back to the general fund
- Gerald and Denise Hoinacki funded this Commission until it was added to the Village budget
- This might help attract the people this Commission needs
- Historic Preservation Commission is a State mandated commission

Motion by Kaminski, second by Vanderheiden to forward this item to Village Board without a recommendation for the Village Board to discuss and make the decision whether to pay or not to pay members.

All present voted aye. Motion carried.

At this time, the Committee moved back to item E. on the agenda

PERFORMANCE EVALUATION AND PAY PLAN

Administrator Schornack presented information he received from other communities on performance evaluations and pay plans. He looked for something easy to understand that would still use some of our current structure for pay. He also felt all employees should have a performance evaluation, not just non-union employees.

Discussion:

- Some supervisors will mark their employees higher, employees will be treated differently
- Money will be needed to fund this every year, which will then be divided among departments for employees in that department
- Raises are still needed for non-union across the board to catch them up
- Performance evaluation sheet is the same used for the Village Administrator
- Employees should set goals for the coming year, if they achieve them they could get a raise
- Goals would encourage employees to save the Village money
- The Village has already seen cost savings by employees who were not rewarded because of pay freezes
- There should be an extra bonus for above and beyond effort by employees
- Current performance evaluation form seems to be more to measure supervisor performance
- About \$700,000 was saved by employees last year and \$300,000 to \$400,000 the year before
- The Village has not replaced any of the 17 people laid off in 2009
- Employees should do their own evaluation first
- Look at having four quartiles to gauge pay, employees should run towards the center and cannot make more money than the top
- Administrator and Department Directors should distribute funds for raises, should not need to come to Committee or Board
- Need to start considering increases and bonuses to keep good employees
- Change evaluation form to add goals section and possibly have two forms, one for supervisory and one for non-supervisory employees

Administrator Schornack was directed to make changes to the performance evaluation form to make it more relatable to non-supervisory employees and to add a section on goals for the evaluated employee. He stated he would bring back the changed form to the Committee.

***RESOLUTION – APPROVING AMENDMENTS TO THE 2013 BUDGET –
GERMANTOWN COMMUNITY LIBRARY COUNTY REVENUE UNEXPENDED FUNDS***

Finance Director Rath explained that the library approved carry over funds in the budget as one lump sum. The Library Board decided which items to allocate these funds to and would like the budget amended to reflect this.

Discussion:

- The library is audited with the Village
- The library receives money quarterly from the county
- The Library Board decides how to spend the money from the county and can roll it over to the next year if not used

Motion by Vanderheiden, second by Kaminski to send forward to the Village Board approval of the resolution to amend the 2013 budget for the Germantown Community Library.

All present voted aye. Motion carried.

FROEDERT WORKFORCE HEALTH SERVICES AGREEMENT – OCCUPATIONAL & HRA SERVICES

Finance Director Rath presented information on the Village's agreement with Froedtert Workforce Health services. The Village has used Froedtert Workforce Health for pre-employment physicals, drug tests and the annual health risk assessment. It was stated that about forty to fifty employees take place in the annual health risk assessment.

Discussion:

- The agreements have stayed at the same cost as last year
- Everyone should have to take the annual health risk assessment and the information should be used for health insurance purposes
- Staff would need to monitor the annual health risk assessment if it was used for health insurance purposes
- Staff time and cost would go up if the annual health risk assessment was used for health insurance purposes
- In order for the Village to reimburse certain wellness programs the annual health risk assessment must be completed by the participant
- Employees do not need to show results to be reimbursed for wellness programs
- The employee still pays about half for reimbursed wellness programs, the Village does not pay it all
- Employees have been pleased with Froedtert Workforce Health for the annual health risk assessment

Motion by Kaminski, second by Vanderheiden to approve the zero increase agreements with Froedtert Workforce Health and allow the Finance Director to sign them.

All present voted aye. Motion carried.

REPORTS:

Monthly, Year to Date Financials

Revenue and Expense Report – All Funds – Finance Director Rath stated the 1st quarter was the easiest due to less going on during winter. Everything was tracking well. Road salt purchases were up. The water billing department had started tracking usage for multi-family units to prepare for possible changes to billing in the

REPORTS: (cont.)

Revenue and Expense Report – All Funds – (cont.)

future. Industrial sewer is billed in April. It was also stated that MMSD amounts will be affected by the closing of Tax Increment Districts #3 and #5.

Health and Dental Plans – Finance Director Rath stated that things were tracking well.

Impact Fees Financial Reports – Finance Director Rath stated that residential construction is up, before it was industrial construction. She also stated that sewer connection fees are not keeping up with this due to the reimbursements at Black Stone Creek for this.

Accounts Payable – Finance Director Rath answered questions about fees for water studies done by Ruekert-Mielke.

Monthly Code Violation Reports

Building Inspection Department – Nothing Discussed

Planning Department – Administrator Schornack stated that the Village Board needed to give recommendation on Gander Mountain's modifications without approval. The painted mountains on the exterior of Gander Mountain's building were not approved. It was felt that this should go to Plan Commission with the Village Attorney's recommendation. It was also stated that a business that does not agree with Plan Commission's decision can appear in front of the Board of Zoning Appeals.

C.I.P. Projects – Finance Director Rath stated there was not much action. After May 8th things will pick up. This is when funds are transferred to upcoming projects. There was also an extra \$20,000 to allocate from projects due to the low interest rates.

Letter of Credit Summaries –

Building Inspection Department – Nothing Discussed

Public Works Department – Nothing Discussed

Planning Department – Nothing Discussed

Summary of all Village Contracts – Administrator Schornack stated the Police Department plans on getting a new motorcycle after their lease is up. Finance Director Rath stated she will need to know to insure the new motorcycle. Finance Director Rath also stated that the Village's banking contract will be up November 1, 2013. Bids are scheduled to be sent out around July and this will come to Committee for discussion.

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NEXT MEETING DATE: The next meeting was scheduled for Tuesday, May 21, 2013 at 5:00 p.m.

ADJOURNMENT: The meeting was adjourned at 7:17 p.m.

Respectfully Submitted,

Christa Lofy
Deputy Clerk