



Finance Committee Meeting Minutes of August 27, 2019

ABSTRACT/SYNOPSIS OF THE ESSENTIAL ELEMENTS OF THE OFFICIAL ACTIONS OF THE FINANCE COMMITTEE OF THE CITY OF WHITEWATER, WALWORTH AND JEFFERSON COUNTIES, WISCONSIN.

1. Call to Order and Roll Call - Lynn Binnie called the meeting to order at 6:00 pm. Present at the meeting were Lynn Binnie and McKinnely Palmer. Also present, Finance Director Steve Hatton, and HR Coordinator Judy Atkinson. City Manager Cameron Clapper arrived at 6:22 pm.

2. Review and Approval of Minutes from May 28, 2019

Binnie ask if there was a motion to approve. Palmer made a motion to approve the minutes with a second from Singer. The motion was passed by unanimous voice vote.

Ayes: Binnie, Palmer, Singer

Noes: None

Abstained: None

Absent: None

3. Discussion/Direction on the Following:

- c. Insurance Review – Review of Insurance Coverage and 2020 budget Assumptions - Binnie stated that since Atkinson was in attendance they would start with the insurance review. Atkinson provided a recap of her attendance of the Government Insurance Board (GIB), the State body and oversees the Employee Trust Funds (ETF) health insurance programs. ETF health insurance rates are determined separately by pool - state employees (100,000) and local employees (30,000). All of the actuary information is gathered using the state group and the local group separately. Hatton stated that the GIB chose to apply a fund balance surplus to reduce coverage premiums. Atkinson stated that they didn't have the rates as determined yet, but hoped they would be available by Friday, August 30th or the following week. Hatton stated that the goal was to firm up the budget estimates for insurance coverages and costs. Hatton asked Atkinson to explain the change made to the city's plan in 2019. Atkinson stated that ETF only permits local employers who participate in the plan to offer one plan design. The city chose to move to a High Deductible Health Plan (HDHP) design in 2019 that has a \$1,500 Single/\$3,000 Family deductible. The 2018 plan included a \$500 deductible, single, \$1,000 deductible. To make the increased deductible more palatable for staff, the city included a health reimbursement arrangement (HRA) that offset the increased deductible cost for employees. The city saved \$30,000 with the change assuming 100% HRA utilization. We are currently seeing 30% HRA utilization, but staff has until March 30th of 2020 to submit claims. The city is looking at keeping the HDHP plan design for 2020, but rates haven't been released yet. Details provided at the GIB meeting suggest a premium increase of approximately 6%. Palmer asked if the new plan makes it more affordable and Atkinson stated that premiums are lower for this plan, but how much lower varies depending on the provider network. Dean's HDHP premium is \$800 lower than the 500/1000 plan design. Hatton stated that the amounts of the HRA that aren't utilized stay with the city. The city will look at using an HSA (Health Savings Account) in the future. Hatton reviewed other insurance policies utilized by the city. The premiums were reviewed with the committee. Property coverage increased primarily due to the fact that a complete inventory of city property was conducted in 2018 and the higher insured value is now more accurate. The Workers compensation experience factor in 2020 increased to 1.43, an increase from 1.19 in 2019. One claim in 2018 resulted in a partial lifetime disability. The city is looking at having the

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fire department's business package insurer to quote the fire department's Workman's Compensation.

- a. City Manager Annual Review Process – Hatton asked to delay until Clapper arrived. After Clapper arrived, he distributed a plan similar to what the library uses for the committee's review and to be discussed at the next meeting.
 - b. 2020 CIP Rankings – Ranking sheets were distributed to Common Council members and six out of seven were returned completed. Total numbers for funding requests and debt service and affordability were discussed. The relative rankings included 1. Uninterrupted Power Supply (UPS), 2. Public Works facility study, 3. front office security, 4. evidence garage, 5. LED lighting. Non-core services included the lakes drawdown. A short discussion ensued about funds for a grocery store. Binnie discussed the fire department's LUCAS device (mechanical CPR compression system) request and how important it would be for the rescue squad. He commented that the fire department fundraising letter doesn't indicate what the funds will go towards. There was a discussion about the ladder truck request and how it has been a plan for years. Hatton mentioned that components of the truck have different inspections and replacement timelines. Hatton stated that the total capital funding request is \$10,400,000 for 2020 and is approaching \$40,000,000 for the planning horizon through 2029. Hatton reviewed the debt service and interest for 2020 and 2019 and suggested limiting debt funding of new projects to retirement of debt principal for each Fund/Payor. Hatton stated that staff will put together an actual recommended request that will bring everything together based on rankings and funding.
4. Future Agenda Items – City Manager's Review and Tourism Ordinance
 5. Discussion of Next Meeting Date – The next regular monthly meeting date of September 24th was cancelled due to the multiple Budget review meetings in October. The next meeting date for the Finance Committee will be October 10, 2019.
 6. Adjournment – Singer moved to adjourn with a second from Palmer and the finance committee members unanimously voted to adjourn.

Ayes: Binnie, Palmer, Singer

Noes: None

Abstained: None

Absent: None

The finance committee adjourned at 7:16 pm.

Respectfully submitted,

Kathy Boyd

Executive Assistant