

Minutes for
Work Session
April 6, 2010
6:00 p.m.

Those present: Mayor Kenneth Romney, George Biada, John Baza, Valerie Shaw, Mark Preece, Craig Howe, Heidi Voordeckers, Randy Lloyd. James Bruhn was excused.

Meeting called to order by Mayor Romney at 6:13 p.m.

1. Personnel

Council was provided a second draft of the 2011 budget for review and discussion in the area of Personnel.

a. Benefits

There was an increase in the health and dental plan premiums of 18%. To counteract this, the city is offering two plans to employees, one with a \$500 deductible and one with a \$1,000 deductible. They are also requiring employees to pay 10% of the premiums for double and family coverage.

George suggested that the city may be able to get a better rate by taking bids from several companies. They would either find a better rate with another company or they could leverage a better rate from the current company. It was also suggested they look at what other public entities are paying for insurance. Mayor Romney said he would find out what the other cities are paying for premiums, and he would consider taking bids.

b. Merit Increases

The anniversary, or merit increases are remaining at 1 step increases for regular employees and 2 step increases for public service employees. Valerie suggested that increases slow down the more years an employee works for the city. That would keep the younger officers from leaving the city for more money elsewhere. Craig said he would look at that for the 2011 budget year. They want to make sure employees understand what effect the economic climate has on the budget so they will be prepared for smaller increases.

c. Fund Allocations

The administration wants to begin tracking the actual costs of projects in their respective funds, so they have allocated payrolls of public works and engineering to the appropriate projects.

There was some discussion as to whether compensation for the work the city engineer does for the water system should come from the bond or the general fund. To keep track, George suggested putting in a service that logs time.

d. Promotions

Due to the Salary Survey done March 2010, as well as recent changes in the city's organization, Administration is recommending grade promotions for some of the departments.

Valerie suggested they should be careful when giving one department higher increases than another.

In addition, Craig Howe prepared a memo that outlines the areas where the city staff has taken steps to lower costs. Craig had asked the staff to do everything they can to reduce spending before they go to the public with any fee increases. They discontinued the 401K in

lieu which costs the employees \$104,000 annually. They have not filled four vacant positions, but have moved the workload to remaining staff. Staff is contributing to their health care premiums for the first time. Several vendor contracts were reviewed and some changes were made resulting in lower costs. They have reduced overtime and comp time by closing the office every day from 11:30 am to 12:30 pm, and by eliminating early morning meetings. The police department has established an Officer Reserve program, allowing volunteer officers to back up full time officers, and preparing them to fill vacancies as they arise. This eliminates the cost of training new officers after they are hired. They are extending the life of service vehicles by increasing the maintenance budget rather than getting new vehicles.

Meeting adjourned at 7:25 pm.