

Committee of the Whole
May 3, 2016

Present: Mayor Vulich, Council Members Gassman, Seeley, McGraw, O'Neill, Connell, Allesee, City Administrator, City Attorney, City Clerk, Press and interested citizens. Councilmember Determann – absent.

1. Fiscal Year 2017 Insurance Renewal – Tim Kearns

Mr. Tim Kearns, RJ Lee and Associates, reviewed the information associated with the FY 2017 Insurance renewal. He stated that there were some changes that have been made regarding bringing all employees together in the plan, the cost for administration of the plan, and a decrease in some fees. He continued in stating that administrative fees have decreased, the reinsurance cost has increased 5% and the aggregate did not increase. He further stated that the City is below the trend regarding increases.

Councilmember O'Neill inquired regarding when the City would begin to pay the Cadillac Tax. Mr. Kearns stated that the Cadillac Tax has been moved back to 2020 and is likely to be repealed.

Councilmember O'Neill inquired regarding whether the City is in the trend relating to employee participation. Mr. Kearns stated that the City is in the median regarding plan design and cost. He continued in stating that 139 employees are enrolled in the Family Plan.

Councilmember Connell inquired regarding whether RJ Lee and Associates shops the market. Mr. Kearns stated that RJ Lee and Associates shops any insurance out in the market and always shops for reinsurance every year. City Administrator Kinser stated that the City issued an RFP for health care in 2013. She continued in stating that the City is entering the third year with Wellmark.

M/S, O'Neill-Gassman moved to forward the Fiscal Year 2017 insurance renewal to the next City Council agenda. On roll call, carried unanimously.

2. Management Restructuring Proposal- Fire Department- Chief Brown

Fire Chief Mike Brown advised the Council that when Creighton Regenwether retired the Fire Department had 5 Battalion Chiefs. One worked as City Safety Director, one at BNS, one to oversee Training/EMS, and two working as shift commanders. The third shift was being led by an "out of rank" Battalion Chief as we were experimenting with management of BNS. When he left, it was decided that we would try to eliminate the Training/ EMS position, and have that Battalion Chief move into the A shift slot as a shift commander, where he would run the shift and still oversee his previous duties. Instead of promoting another Battalion Chief, we hired back our 45th position as an entry level Firefighter. He stated that for a while, it worked fairly well. The EMS duties were being adequately coordinated, training was getting done at the Company Officer level, and we were going along ok. When the A Shift Battalion Chief came down with a medical issue that was determined to be job related, he missed about 5 months of work until he was finally released to return to work in a "light duty" position. It was at that time that I petitioned the Iowa Pension Board to have his "fitness for duty" evaluated, and ultimately they ruled that he was not fit for duty. He continued in stating that he is bringing forward three options that could help the

Fire department overcome the shortfall; Option #1 – Reinstating the Training/EMS position as a Management job, Option #2 – Creating a Captain rank (Bargaining Unit Job) to serve as shift command and Option #3 – Reinstating the Training/EMS position at the rank of Captain. He further stated that the employees want a different level of training. He proceeded to state that most training and recertification is done in-house. There is a big need for accurate paperwork, policy and procedure.

Councilmember McGraw inquired regarding whether the person would need training. Chief Brown stated that there will be some training necessary; however, they will not receive overtime and he would encourage the use of the National Fire Academy.

Mayor Vulich stated that the Fire Department was running with five battalion chiefs and is now down to three. There will be two promotions to fill.

Councilmember O'Neill stated that when Battalion Chief Regenwether went to BNS he became a department head. He inquired regarding whether the captains were union employees. Chief Brown stated that there are currently no captains in the Fire Department. If a captain's position is created there would be a savings of \$2,453. Councilmember O'Neill inquired regarding why this was not discussed during budget time. Chief Brown stated that the vacancy did not exist at budget time and he had not petitioned the Pension Board. He continued in stating that the Pension Board is slow to act; however, when a person is deemed not fit for duty their employment ends immediately. He further stated that this could not have been brought forward at budget time. Councilmember O'Neill inquired regarding whether this could wait until the next budget. Chief Brown stated that he would not suggest that since they must stay on top of EMS issues.

Councilmember Seeley stated that if a promotion is made the Department would lose their "floater" position. He inquired regarding how long the Fire Department has operated with 15 firefighters per shift. Chief Brown stated 30 years. Councilmember Seeley stated that the Department is down to "bare bones" and if someone gets sick what would happen. He inquired regarding whether the Department needs 16 firefighters to be optimal. Chief Brown stated that the Department needs 15 fire fighters. He continued in stating that not having an EMS Training Officer leaves a void. Mayor Vulich stated that there is the potential of reducing injuries.

Councilmember Connell stated that the EMS Training Officer handles EMS calls. He inquired regarding whether the City could receive more revenue out of the EMS side. Chief Brown stated that the person is a direct conduit to EMS. Revenues should far exceed what was projected. Councilmember Seeley inquired regarding whether additional income would be allocated to this position. Chief Brown stated that the position comes out of the EMS budget. City Administrator Kinser stated that the City ended the budget process with a \$162,000 surplus. She continued in stating that there is \$7,642 to be allocated to the Fire Department.

M/S, Gassman-Connell moved to forward Option #1 to the next City Council agenda. On roll call, Gassman, Seeley, McGraw, Connell, Allesee – Yes; O'Neill – No. Motion carried.

3. COPS Grant Application- Chief Gyrion

Police Chief Kevin Gyrion advised the Council that the C.O.P.S. Grant had been discussed during the budget process for two additional police officer positions. City Administrator Kinser stated that one of the City's Police Officers has been called to active duty and those wages have been

re-allocated so the City can move forward with the addition of two officers without cost to the City until Fiscal Year 2018.

M/S, O'Neill-Allesee moved that the COPS Grant application be forwarded to the next City Council agenda as presented. On roll call, carried unanimously.

4. Referrals from the Finance Committee- Anita Dalton

a. Fund Balance Policy

Finance Director Anita Dalton advised the Council that the reason to adopt a Fund Balance Policy is for the policy to be used during the budget process. It is the goal of the City of Clinton to achieve and maintain an unassigned fund balance in the General Fund of **20%** of annual expenditures. She stated that the Special Revenue Funds would have a goal of **15%** of annual expenditures as fund balance. She continued in stating that Proprietary Funds would have a goal of **20%** of fund balance.

M/S, Gassman-Seeley moved to forward the Fund Balance Policy to the next City Council agenda. On roll call, carried unanimously.

b. Contingency Reserve Policy

Finance Director Dalton stated that the Contingency Reserve would be sub-fund of the General Fund that would not be spent and would roll forward to the next year. This would be used as a place holder for money we do not plan on spending.

Councilmember O'Neill stated that he would not want to use the Contingency Reserve if someone would receive a break on taxes. Director Dalton stated that application for use of the Contingency Reserve must go through the City Administrator, Finance Committee and ultimately be approved by the City Council.

M/S, Connell-Allesee moved to forward the Contingency Reserve Policy to the next City Council agenda. On roll call, carried unanimously.

c. Fiscal Year 2016 Budget Amendment

Finance Director Dalton stated that the budget for FY16 was done in January, 2015. Expenses arise during the year and if the City over spends and does not do an amendment to the budget it will receive a remark from the auditors.

M/S, Seeley-Connell moved to forward the Fiscal Year 2016 Budget Amendment to the next City Council agenda. On roll call, carried unanimously.

5. Fiscal Year 2017 Solid Waste Increase – Anita Dalton

Finance Director Dalton stated that during the FY17 budget process a rate increase was approved based on analysis provided last year at this time of the year. That analysis also included the foundation that was laid by the Springstead Study from 2012. She continued in stating that to keep moving forward she was proposing the Council approve the 68¢ per month, per resident increase.

She further stated that part of the analysis that was included last year at this time was to just borrow the funds to eliminate the cash deficit, and leave the solid waste rates alone. As of 6/30/2015 the deficit in cash stands at \$1,451,188 for the solid waste fund. Borrowing to eliminate this deficit in one year would increase the average homeowners property taxes by \$45 per year (5 year term); or \$29 per year (10 year term) for a home that has a \$100,000 assessed property value. The monthly solid waste rate increase proposed for FY17 is a \$.68 per month increase over the current rate. Yearly that equates to \$8.16 per household.

Councilmember Seeley stated the City should pay off the deficit first and then factor in the reserve. He continued in stating the City could pay it off in three years and then set aside a reserve. Councilmember O'Neill stated that the Council was told at one time that the City had a Contingency Fund when in fact there was none. We must make sure there is a reserve fund there. He continued in stating that Springstead recommended getting rid of the deficit and building up a reserve for new equipment. He suggested starting a policy on the solid waste cans and inquired regarding how many are sold in a year. City Administrator Kinser stated that the City sells approximately 50 solid waste cans a year.

Councilmember McGraw stated that citizens just learned that their water rates would be increased and she was having a hard time considering raising their solid waste rates also. She continued in stating that it is not necessary to raise the rates this year. Councilmember Connell stated that he agreed with Councilmember McGraw and increasing revenues should be looked at.

Mayor Vulich stated that he was very sensitive regarding raising rates if the City is owed money by Elliott Equipment. He continued in stating that the City should look into single stream recycling. He further stated that he would not sign a resolution raising solid waste rates.

M/S, O'Neill-Allesee moved to not adopt the Fiscal Year 2017 Solid Waste Increase. On roll call, carried unanimously.

6. Mayor & Council Member Updates

Mayor Vulich provided the results of the vote of the Clinton County Jail Referendum stating that it passed with 73% of the vote.

Councilmember O'Neill stated that there would be a public hearing on the proposed water increase at the Clinton Community College GATCI Center on May 24th.

Mayor Vulich stated that there would be a resolution in opposition of the water increase on the next Council agenda.

Respectfully Submitted,

Pat Van Loo
City Clerk