

**CITY OF NISSWA
MINUTES – SPECIAL COUNCIL MEETING
WEDNESDAY, JULY 18, 2018
6:00 P.M. – CITY HALL**

A special meeting of the Nisswa City Council was held on Wednesday, July 18, 2018 at 6:00 p.m. at City Hall.

Members Present: Heidmann, Jacobson, Johnson, Krautkremer and Ryan.

Members Absent: None.

Also Present: City Staff Jenny Max. Nancy Vogt from the Echo. There was one person in the audience.

- A. Call to Order – Mayor Heidmann called the meeting to order at 6:04 P.M.

- B. Memo from Jenny Max re: Recommendation for 2019 Budget for Salaries and Benefits – Max reviewed the 2019 salaries and benefits information in the packet. Max noted both union contracts wages are set for 2019 and she is looking for a recommendation from the Council for the non-union staff. Three scenarios were provided for cost of living adjustments (COLA) for Council review: 1.0%, 1.5% and 2.0%. Max also reviewed the 2019 city health insurance premium benefit and discussed the three scenarios provided in the packet: \$25 increase, \$40 increase and \$50 increase.

Jacobson noted the Brainerd airport commission is looking at 2.0% COLA for 2019 and felt that 1.5% is appropriate for city staff.

Heidmann said he doesn't have an issue with the city not increasing the health insurance contribution at all for 2019 to help manage costs.

Jacobson asked if the city portion of health insurance is taxable to the employee? Johnson noted that no, it is not and the employee portion comes out pre-tax.

Ryan said he would like to see the City step program say in sync with market rates.

Max reviewed the recommendation from the Personnel Committee to switch from Health Partners to Medica as the City's health insurance provider. City Staff are also in favor of switching due to the rate increases proposed by Health Partners for 2019.

Following discussion, Motion by Jacobson, seconded by Ryan to approve switching the City's health insurance provider from Health Partners to Medica effective September 1st. Motion carried unanimously.

Max asked the Council if they would provide a general direction for her to continue to work on the City's 2019 budget. She will bring forward a full budget for their review in August.

Johnson said he is leaning towards a 1.5% COLA and for health insurance leaving at a \$0 increase for 2019. Jacobson and Heidmann echoed the same comments.

Krautkremer said if the city had kept up in the past with wage steps it would have been less of a budget impact in recent years. But the City had to play catch up and it is what it is.

Jacobson said at one point do we say the City is at its limit of what the City can contribute? How much can we absorb? The City should review next year in more depth, possibly around March.

Max discussed her recommendation to move all part-time employees to a new process where they will move steps once they complete 2,080 hours, which is the equivalent of one year. This will provide more consistency among part-time staff and help manage budget costs for the City. Motion by Krautkremer, seconded by Johnson to approve all part-time staff movement to the next step upon completion of 2,080 hours. Motion carried unanimously.

- C. Adjourn – There being no further business, Motion by Ryan, seconded by Jacobson to adjourn the Special Council meeting at 6:37 P.M. Motion carried unanimously.

Fred Heidmann, Mayor

Jennifer Max, City Administrator/Clerk