Finance & Judiciary Committee Meeting
MINUTES
December 14th, 2010
6:30 p.m.

Members: Ben Kessler, Chair, Richard Sharp, Rick Weber

Roll Call: All present.

Others Present: Mayor Brennan, Lou Chodosh, Beecher Hale, Bill Harvey, President McClelland, Jed Morison and Gary Qualmann.

Review of Minutes: November 15, 2010 and December 7, 2010 – Mr. Kessler stated he needed more time to review the Minutes and would prefer to discuss these at the next meeting.

Presentation and/or Special Guests: None.

Ordinances and Resolutions:

Third Readings.
None

Second Readings.

Ordinance 50-10 to appropriate $5,500 from the Mayor's Court Computer fund to pay for Mayor's Court software support for 2011, introduced by Mr. Kessler (Introduced on December 7, 2010). **No Action**

Mr. Harvey stated this Ordinance is to transfer funds to the Mayor's Court fund to make the $5,500 payment in January. He explained the money was budgeted in 2010 when this software was initially purchased. They had made a payment in November toward the purchase. There will be another payment due in 2012 as well. Mr. Harvey explained this is not new money being requested. Mr. Harvey said this software was required to coordinate with Franklin County. He said they should recall he had discussed it previously and Council requested the additional payment be discussed separately. Mr. Chodosh said the Mayor's Court fund is a self-funded account. Mr. Hale said this is a highly restricted account that can only be used for the Mayor's Court.

Mr. Harvey explained this software also coordinates with the police department's software. He said he had sent an earlier email to Council explaining this software purchase was previously discussed by Mr. Halsey with the Technology Commission. Mr. Weber said he still has some concerns about Mr. Halsey and the Technology Commission not necessarily being "in sync". He thinks it would be good to have another set of eyes to make sure we are making the best purchases.

Mr. Sharp asked what effect this transfer of funds would have on the line item of the budget. He did not see the line item listed on the 2010 budget he had been distributed. Mr. Hale said the fund is not listed on the current handout. It had been listed previously under the 2010 budget but he did not list all of the funds.

Mr. Kessler said this issue to be discussed at their next meeting. Mr. Hale explained the police had several separate funds that are not listed in the budget line items. Mr. Hale said it is very rare for these funds to have any expenditure. He said he could start including these but typically doesn't include them in the budget. Mr. Sharp said he is concerned about them being listed because it is a "transparency" issue.

First Readings.
None

New Business: Mr. Kessler said they needed to discuss the "Buy Down" issue involved with the health care insurance. Mr. Qualmann explained the "Opt Out" function where an employee and/or their dependents can waive insurance coverage was discussed at our last meeting. It had not been taxed and now will be taxed as income. This amount had not been increased since approximately 2000 or 2001 and we did increase the amount by $500 increments.

The "Buy Down" is similar with the exception the employee keeps the health insurance and waives one or more of his dependents. He said Mr. Dave Kessler, the previous Human Resource consultant had advised this amount was not taxable and we have since discovered that it is taxable and needs to be included as income. Mr. Qualmann said the question is, "should we also increase the "Buy Down" amounts even though the savings is substantially less?"

Mr. Weber said he does not recall this issue and was not aware that a partial "Buy Down" was even offered. President McClelland agreed and said he does not recall this benefit. He always assumed it was a total "Opt Out" or coverage. Mr. Kessler said he is not convinced that if this benefit was not offered, the dependents wouldn't have been opted out anyway.

Mr. Qualmann said the debate on whether or not to increase the amount of the "Buy Down" due to the limited savings is something to consider. It is certainly a less clear issue than the "Opt Out" option. Mr. Kessler asked about the option of totally eliminating the "Buy Down" option? Mr. Qualmann said the City has a savings of approximately $12,000 a year due to the "Buy Down" option. Mr. Chodosh said we could not change the option currently because there are individuals in the bargaining unit that would be affected. He did note that this issue does fall under "Management decisions" and certainly will be brought up at the next contract negotiations.

Mr. Sharp stated by totally eliminating the "Buy Down", employees might be more apt to participate in the "Opt Out".

Mr. Hale suggested that perhaps we take a look at having the employee pay for dependent coverage, including adding the spouse to the plan. Mr. Qualmann suggested conducting a "dependant" audit to verify whether or not the spouses or children are actually eligible dependents. Mr. Morison said the State recently performed an audit and discovered 250 people on their health insurance plan that whatever reason, should not have been covered.

Mr. Weber asked if the proposal was to increase the "Buy Down" option. Mr. Qualmann stated that is the question.

Ms. Robyn Jones, 825 Vernon Road – Ms. Jones said she is the only single person at her place of employment. She does not think it is fair for someone who is married to receive more benefits than single employees.

Mr. Sharp said his preference would be to eliminate it but would agree to keep the option. He definitely would be opposed to increasing the benefit. Mr. Qualmann said we could always keep it the same for 2011 and address it during the negotiations. Mr. Chodosh said the 92% payment amount; Buy Out/Buy Down Options will all be on the table.

Mr. Kessler said there will be no action.

Old Business: None

Adjourned 7:00 p.m.