



MINUTES
THE TOWN OF INDIAN RIVER SHORES
6001 North Highway A1A, Indian River Shores, FL 32963

SPECIAL CALLED TOWN COUNCIL MEETING
PERSONNEL MATTERS

Monday, April 16, 2012

9:00 a.m.

PRESENT:

Thomas W. Cadden, Mayor
Gerard A. Weick Vice Mayor
Frances F. Atchison, Councilmember
Michael B. Ochsner, Councilman
Richard M. Haverland, Councilman

STAFF PRESENT:

Richard Jefferson, Interim Town Manager
Laura Aldrich, Town Clerk
Chester Clem, Town Attorney
Bill Schauman, PSD Director **Rob Stabe, PSD Captain**
Nina Osbahr, PSD HR/Records **Charlene Hall, PSD Accreditation**
Darlene Wiltzius, Bookkeeper

OTHERS PRESENT:

Resident Bill Kenyon, John's Island; Jim Moller, JIPOA; Janet Begley, Press Journal

1. Call to Order.

- a. Pledge of Allegiance
- b. Invocation – Councilman Ochsner
- c. Roll Call

Mayor Cadden called the meeting to order at 9:00 a.m. The Pledge and Invocation were given, along with the roll call of elected officials as reflected above.

2. Health Insurance for Employees

Mayor Cadden began by stating the Town Manager has a health insurance plan proposed that will reduce the cost of the current plan.

Councilman Ochsner asked why they were having this meeting, which Mayor Cadden replied it was at the request of Councilman Haverland, who explained that he had learned that the current employee health insurance plan is expiring May 1st. He realizes that traditionally the Town mirrors union benefits for the other employees, and is concerned that if we change the plan, we ought to change it to be consistent to what we want it to be in the union contract. He agrees largely with the current proposed plan, but significantly disagrees with what he considers to be reasonable amounts contributed by the employees. He also was disturbed that the plan is so generous that 100% of the employees participate rather than a “normal” 78-80% participation, with some employees choosing to be covered by their spouse’s plan. This is proof-positive to Councilman Haverland that we are over the top competitive. He suggested an incentive that is significantly greater, say by awarding \$4,000 annually to opt out. That allows the employees to join the insurance plan at their spouse’s employer. Based on national averages of government employees, there is a 20% contribution by employees for their insurance, and 40% for their dependent’s insurance.

Mayor Cadden asked for Mr. Clem’s input, saying this is not part of and has never been a part of negotiations, and the Council can't have a closed meeting to do something that we normally would do.

Please Note: The Town of Indian River Shores does not routinely keep verbatim minutes. Any party interested in such an appeal relating to any decision made by the council with respect to any matter considered at this meeting is responsible to record the meeting and include the testimony and evidence upon which the appeal is to be based.

Councilman Ochsner and Councilmember Atchison disagreed, saying this is trying to put a plan into place that is acceptable for our general employees.

Town Manager Jefferson said he has been dealing with the Blue Cross Blue Shield (BCBS) liaison, Danielle, and if the Town contributes less than 100% for the employee, it puts us in an adverse selection plan. Therefore, the Town contribution would cost more if the employees paid 70%.

Mayor Cadden said the proposed plan is acceptable. You don't have to create a plan to add a \$4,000 bonus. Councilman Haverland suggested it would be a personnel manual change. We do have opting out for dependents currently available, and six employees have taken this option. Councilman Haverland disagreed with Town Manager Jefferson's information from Danielle, but admitted that after talking to her at length, there may be some adverse impact with a potentially higher cost.

Mr. Jefferson said if we go to 100% for employees and 50% for dependents rather than 78% for dependents, the Town saves 19% and the employee pays 127% more. The Town would save \$73,108 with this proposal, and other employee changes that are pending may save \$143,274. Why cut more?

Councilman Haverland said it's about what is competitive and fair. They discussed what the Florida employees have versus what is in the world.

A **motion to approve this proposed plan as presented** was made by Vice Mayor Weick and supported by Councilman Ochsner. Councilmember Atchison, Councilman Ochsner and Councilman Haverland discussed opting out as a negotiating matter or a policy decision that could be decided at any time, which Councilman Haverland suggested the employees should be given the option now. After more discussion, the **motion passed 3-2** with Councilman Haverland and Councilmember Atchison voting against, and Mayor Cadden, Vice Mayor Weick and Councilman Ochsner voting in favor.

3. **Other Personnel Matters**

The Council considered going into a union strategy session now, which Mr. Clem said would have to be at a separate meeting, properly noticed as a closed executive session.

4. **Adjournment**

Mayor Cadden adjourned the meeting at 9:22 a.m.

Respectfully submitted,

/s _____
Laura Aldrich, CMC, Town Clerk

(Approved by the Town Council at the 4-26-12 Meeting)