

**FINANCE COMMITTEE
DECEMBER 10, 2012 AT 6:09 P.M.
LINCOLN CENTER – 1519 WATER STREET**

PRESENT: Alderpersons R. Stroik, Slowinski, O'Meara and M. Stroik

EXCUSED: Alderperson Beveridge

ALSO

PRESENT: Mayor Halverson; C/T Schlice; City Attorney Molepske; Clerk Moe;
Ald. Moore, Trzebiatowski, Suomi, Phillips; Directors Lemke, Schrader,
Ostrowski, Schatschneider, McGinty; Asst. Police Chief Skibba; Fire Chief Kujawa;
Assessor Siebers; Deputy C/T Freeberg; Human Resource Manager Jakusz;
Kelley Pazdernik; Brandi Makuski; Steve Lindsley; Brian Kowalski; Kevin Lin;
Matthew Brown; Corey Ladick; Bob Woehr

ITEM #1 – PORTAGE COUNTY AMBULANCE SERVICE PROVIDER AGREEMENT

C/T Schlice noted a few changes from the last agreement. We were on a 90/10 split and now it is a 70/30 split on shortfalls. The problem incurred is that the County refuses to recognize the actual cost of the service, this year the potential cost to the taxpayers is about \$6,500. If we would not have had the health insurance changes we would have a shortfall of potential \$19,000.

Ald. R. Stroik asked if there was any additional staffing requirements being provided. The last 3 year contract provided for one full time employee each of the years of the contact.

Mayor Halverson replied there is no additional staff.

Motion made by Ald. O'Meara, seconded by Ald. Slowinski to approve the agreement on the Portage County Ambulance Service Provider.

Ayes: All

Nays: None

Motion carried.

ITEM #2 – FICA ALTERNATIVE PLAN

C/T Schlice stated this program has been looked at for over a year now and was originally brought back from Director Schrader after attending a Parks Conference. This program would be for the Parks temporary employees and would save about \$20,000 a year at no cost to the City and it is beneficial for those working part-time because the money they would normally pay into Social Security (6.2%) would be put into an account that they could draw out when they quit or at any other point as it would taxable income. We are looking for approval to proceed with the plan. He is still looking at potential vendors.

Ald. O'Meara stated he looked at the comparison they are showing and feels that the only person that benefits from this program is someone who makes in excess of \$80,000. He stated it is based on someone paying 15% in federal taxes. A personal exemption is \$3,700, a standard deduction of \$5,800 and the first \$18,000 of adjusted gross income is without tax, so up to \$27,500, you pay zero tax. A 15% tax rate is not hit until you hit \$62,500. The only person who makes this is someone who has a 9 month job who makes more than \$62,000. It is true that they get a better tax flow, but he believes we are ignoring the fact that Social Security also provides survivor and death benefits and they will not be under that program because they are not paying in. He also stated it will give the employee less years into Social Security when they are ready to retire. He does not agree with the program and will not vote for it because he feels it is taking money away from the employees.

C/T Schlice stated a lot of communities and school districts that are doing this. To the City's advantage, we do not have to pay the 6.2% that is our share. He agreed with Ald. O'Meara that the employee does not get the coverage. If the employee works more than a typical seasonal employee, they would then be entered into the Wisconsin Retirement System and would not qualify for this program.

Ald. R. Stroik questioned if we have polled the employees. If we do not deduct, we save the 6.2% and currently they do not receive anything except as a potential benefit at retirement.

C/T Schlice stated the top 4 or 5 years of income are used when calculating benefits. If something should happen to them such as a disability on the front end, it could affect them.

Ald. R. Stroik commented that it is paying into potentially into a retirement system that probably is not going to dictate what their benefits at retirement would be.

Ald. O'Meara stated even though they are not making much money, it could count for years of service and also has the survivors and disability benefits.

Ald. Slowinski questioned how long the seasonal employees work for the City.

Director Schrader stated the average age of the seasonal employees is about 19-20 years of age and they work for about two years. He also stated the Stevens Point School District uses this program.

Ald. R. Stroik then stated they probably would not know the difference either way.

Motion made by Ald. Slowinski, seconded by Ald. R. Stroik to approve the FICA Alternative Plan.

Ayes: Ald. R. Stroik, Slowinski, M. Stroik Nays: Ald. O'Meara Motion carried.

ITEM #3 – APPROVAL OF PAYMENT OF CLAIMS.

The claims were discussed.

Motion made by Ald. Slowinski, seconded by M. Stroik to approve the claims in the amount of \$1,651,640.82.

Ayes: All Nays: None Motion carried.

Adjournment at 6:19 p.m.