



City Council Budget Work Session Minutes

Monday, October 22nd, 2018 at 5:30 pm
525 Main Street
Madison Lake, MN 56063

1) Call Meeting to Order

Mayor Reichel called the budget work session to order at 5:52 p.m.

2) Roll Call

Members Present: Mayor Ken Reichel Council Members Carolyn Hiniker, Laurinda Sohre, Pat Burt

Members Excused: Kent Hoehn

Others Present: City Administrator Curt Kephart,

3) Unfinished Business

a) Review and Discussion of 2019 Employee Benefit Plan –

(1) Offering Health Insurance mandatory or optional?

- a) It was determined to rule out offering Health Insurance at this time and focus on the Health Insurance Stipend option.
- b) The city can continue to offer Dependent Care Flexible Spending Accounts without a Health Insurance Plan
- c) The City will continue to offer Nationwide 457 Deferred Compensation Plan as a stand-alone option without it being in the FSA or tied to health insurance.
- d) Consideration of Health Savings Accounts (HSA) Variable Employee Benefit Annuity (VEBA) or a Health Reimbursement Arrangement (QSEHRA)

Options that require a Health Insurance Plan be tied to any benefit are ruled out. The Administrator is directed to create a plan that would allow employees to be offered Dependent Care Flex Account, a stand alone 457 Deferred Compensation Plan, and establish an amount to contribute for health expenses if made in cash and subject to match of PERA and FICA. The estimate of potential additional costs incurred is approximately \$1,588.50.

(2) A Comprehensive Benefit Plan:

- a) Offer an optional Dependent Care Plan funded by the employee
- b) Continue the stand alone 457 Deferred Compensation Plan
- c) Offer a Health Benefit Stipend of \$7,500
- d) Consider other benefits that might be included in our Cafeteria Plan

(3) Examine option of including a Health Reimbursement Arrangement

b) Review and discussion of 2019 Reserve Accounts

(1) The Council reviewed the purpose of each revenue reserve account and suggested changes to several accounts:

- a) The Administration reserve account may be merged with the City Hall Reserve Account and eliminate one reserve account
- b) Four park reserve accounts need better descriptors and could be reduced to three

- c) Street Light reserve can be directed for the Highway 60 project
- d) \$20,000 from the Fire Building Reserve account must be moved to the Public Works Building Reserve
- e) \$5,000 from the Police Building Reserve Account must be moved to the Public Works Building Reserve

4) **Motion by Sohre**, seconded by **Burt** to adjourn the meeting at 8:11 p.m. Motion carried.



Mayor Ken Reichel

Attest:



City Administrator, Curt Kephart