

**Enrolled Memorandum of the Meeting
Study Session/Meeting
Twenty-Ninth Town Council of Highland
Monday, September 20, 2021**

The Twenty-Ninth Town Council of the Town of Highland, Lake County, Indiana met in a study session on **Monday, September 20, 2021**, at 6:35 O'clock P.M., in the regular place, the Highland Municipal Building, 3333 Ridge Road, Highland, Indiana. It was convened as an in person meeting.

Silent Roll Call: Councilors Bernie Zemen, Mark Herak, Tom Black, Mark Schocke and Roger Sheeman, were present in person as indicated. The Clerk-Treasurer, Michael W. Griffin was present to memorialize the proceedings. *A quorum was attained.*

Officials Present: John P. Reed, Town Attorney; Peter T. Hojnicky, Police Chief, and William R. Timmer, Jr., CFOD, Fire Chief; were also present (electronically).

Additional Officials Present: Ed Dabrowski, IT Consultant/Director (Contract) was present in person.

Guests: Thomas Brown, CIC,CRM, CWCA of the Brown Agency was present.

General Substance of Matters Discussed.

- 1. Briefing:** *Thomas Brown, CIC, CRM,CWCA, of the Brown Insurance Group to brief the officials on the status of workers compensation, dental and related plans. (Mr. Brown's designations are highly regarded in his industry, holding the Certified Insurance Counselor, Certified Risk Manager and the Certified Workers Compensation Advisor.)* Mr. Brown briefed the Town Council and Clerk-Treasurer on his impression of the pricing of the pending renewals for the workers compensation policy through Indiana Public Employers Plan (IPEP) and the MetLife Group Dental plan.

Mr. Brown spoke about the likely favorable experience modification that ratings that have been enjoyed by the town. He spoke optimistically about the prospects for the pricing of the workers compensation premium in the new year.

Mr. Brown offered an overview of the trending in the MetLife Group Dental Plan.

Mr. Brown suggested the use of biometric testing and its positive impact on group health insurance. It was further noted that biometric testing is a part of the wellness program incorporated into the group health plan. It was noted that the Aim Medical Trust group health plan offered a premium holiday for 2020 of one month and that the Town will have a reduction in the premiums of 6.2% in 2020.

He also spoke of the virtue of telemedicine. It was noted that the Aim group health plan possessed coverages for telemedicine for some time and is working to encourage its further use.

Property and Casualty Lines. There was a discussion regarding the property and casualty insurance lines. The Town Council seemed to be open to seeking quotes for the multi-peril insurance. After a brief discussion, Mr. Brown was encouraged to gather information from the Office of the Clerk-Treasurer, reviewing the existing policies to better inform a possible future quote.

- 2. Discussion:** *Position of the Information Technology Director and the desirable compensation.* The Town Attorney offered an overview regarding the permissible topics for discussion in an Executive Session. He noted that an executive session to discuss the salary for a position was not a permissible item to convene an executive session. He did not that interviews with prospective employees could be conducted in executive session. He noted that during the interview a discussion with the prospective employee regarding the employee's desired pay could be discussed. He further offered that the issue of what salary to pay a particular worker is an issue that may only be discussed in an open meeting perhaps a study session.

Councilor Herak offered several salaries aligned with positions he believed to be IT positions in nearby local governments from his survey of the Indiana Gateway portal. Councilor Herak expressed concerns that the originally proposed salary of \$95,000 was higher than the sample of nearby positions and was higher than any Highland department head currently earned.

There was an extended colloquy between and among the Town Council and Mr. Dabrowski regarding continuing to employ the recently retired for Systems (IT) person, who could perform the IDACs services in the police department, the savings rendered by taking the former two positions and creating one full-time and a part-time post, private sector versus public sector distinctions in IT positions and related pay, and the manner in which the position was advertised, and the manner by which candidates were sought.

Mr. Dabrowski was permitted to address the Town Council, offering many of the outcomes he has rendered as the contact IT Director. Mr. Dabrowski challenged the salary data offered by Councilor Herak saying that it was actually not recent but from 2018.

The Town Council discussed the readiness to act on hiring an IT Director as part of Monday's plenary meeting. Edward Dabrowski. Councilor Schocke suggested he was ready to support the hire of Mr. Dabrowski, but the issue was the proper level of compensation.

Councilor Schocke asked if there was any objection to a salary of \$92,000. There was no apparent reaction. The matter of hiring an applicant as Director of Information Technology would be placed on the agenda for the plenary meeting. The matter of the wage and salary for the position would be placed on the agenda for the plenary meeting.

- 3. Discussion:** *Amending the compensation and benefits ordinance to have a standing provision that any worker who is the PPO plan that converts to the high deductible plan, will not pay worker premium in the first year of the conversion.* The Town Clerk-Treasurer presented his suggestion about the desirability of creating a standing rule that created an added incentive for employees who were currently covered by the PPO plan to move to the high deductible health plan (HDHP).

The clerk-treasurer further reminded the Town Council of the one-time experiment in which the waiver of the employee group premium for a worker who moved to the HDHP in the first year was granted by the Town Council. It was noted that this approach was successful when it was tried before as an incentive.

The Town Clerk-Treasurer presented a summary of the cost-benefits of policies that have as their object the encouragement of moving more workers to the high deductible plan from the PPO Plan. It was noted that presently, there are 61 workers who use the

PPO plan and 46 workers that use the HDHP. The clerk-treasurer presented the following summary:

- Annual PPO Health Insurance Premiums for all 61 workers: \$1,603,994.16
- The worker premiums paid by the 61 workers - \$ 76,604.58
- The Net Annual Cost for the town as employer:* **\$1,527,389.58**

- Annual HDHP premiums for all PPO workers if all converted: \$1,308,618.24
- Annual Employer H.S.A. contributions: \$ 127,535.00
- Total Costs:* **\$ 1,436,153.24**

The clerk-treasurer noted that the difference between the two scenarios shows a savings in the first year of \$91,236.34. The clerk-treasurer further stated that this includes the loss from the no premium incentive. In subsequent years, the savings would increase as worker premiums are restored. The clerk-treasurer also reminded the Town Council that the worker premiums are based on worker pay and not the premiums themselves.

There was no objection to placing the amendment to the compensation and benefits ordinance (employee handbook) to create a standing rule for allowing no worker premium in the first year for all workers in the PPO plan who move to the HDHP.

4. **Discussion:** *Review the current levels of employer contributions to the Health Savings Accounts of workers in the high deductible plan.* The clerk-treasurer reminded the Town Council that the employer contribution to the health savings accounts for workers at inception was based on sharing around 70% of the savings between premiums. Since the employer contribution is a fixed-amount, the shared percentage has been eroded with subsequent premium increases. The clerk-treasurer suggested that perhaps an adjustment to approximately 60% of the savings might be desirable. However, the clerk-treasurer noted that this matter should be saved for review at a future time. It was noted that the announced health care 6.2% premium reduction for 2022, allowed the matter to be revisited later.

GROUP MEDICAL/HEALTH INSURANCE	Employer Semi Annual Contribution	Annualized amount	PPO Plan regular deductible Monthly Premium	FY 2021		Annualized amount	Savings Between the Plans	Percentage returned to the workers	Annual Employer Contribution Likely could be	
				Annualized amount	HIGH DEDUCTABLE PLAN Monthly premium					
Employee only	\$ 490.50	\$ 981.00	\$ 1,043.48	\$ 12,521.76	\$ 879.18	\$ 10,550.16	\$ 1,971.60	49.8%	\$ 1,163.24	59%
Employee with Child(ren)	\$ 948.00	\$ 1,896.00	\$ 1,982.57	\$ 23,790.84	\$ 1,670.44	\$ 20,045.28	\$ 3,745.56	50.6%	\$ 2,247.34	60%
Employee with Spouse	\$ 998.00	\$ 1,996.00	\$ 2,086.89	\$ 25,042.68	\$ 1,758.33	\$ 21,099.96	\$ 3,942.72	50.6%	\$ 2,365.63	60%
Family Coverage	\$ 1,446.00	\$ 2,892.00	\$ 3,026.00	\$ 36,312.00	\$ 2,549.64	\$ 30,595.68	\$ 5,716.32	50.6%	\$ 3,429.79	60%

PPO Plan regular deductible Monthly Premium	FY 2022		Annualized amount	Savings Between the Plans	Percentage returned to the workers	Annual Employer Contribution Likely could be	
	Annualized amount	HIGH DEDUCTABLE PLAN Monthly premium					
\$ 978.78	\$ 11,745.41	\$ 824.67	\$ 9,896.05	\$ 1,849.36	52.9%	\$ 1,091.12	59%
\$ 1,859.65	\$ 22,315.81	\$ 1,566.87	\$ 18,802.47	\$ 3,513.34	52.9%	\$ 2,108.00	60%
\$ 1,957.50	\$ 23,490.03	\$ 1,649.31	\$ 19,791.76	\$ 3,698.27	52.9%	\$ 2,218.96	60%
\$ 2,838.39	\$ 34,060.66	\$ 2,391.56	\$ 28,698.75	\$ 5,361.91	52.9%	\$ 3,217.14	60%

5. **Discussion:** *Enactment to approve the sue of the water surplus to support the City of Hammond wholesale rate differential from January to August.* The clerk-treasurer reported that the new wholesale agreement was approved by the Board of Waterworks Directors. It was further noted that the agreement was effective retroactive from January 1, 2021. It was further noted that the appropriate notice of the wholesale tracker

was initiated, and the bills mailed in September included the increase owing to the newly effective wholesale contract with the City of Hammond Waterworks.

The clerk-treasurer noted that there was sufficient surplus in the water cash surplus fund of the waterworks to meet the likely "arrearage due to Hammond. It was finally noted that the Town Council needed to authorize the use of the proceeds. There was no objection voiced to placing this for action on the agenda for the forthcoming plenary meeting.

The clerk-treasurer reviewed the following report on the effects of the new wholesale rates and the estimate of the arrearage due.

IMPACT OF WHOLESALE CHANGE

5/8 " meter

CONSUMPTION		1	x 1,000
WATER BASIC		\$ 11.50	
WATER COMSUMPTION		\$ 1.61	

This rate illustration is subject to change if rates and charges study currently conducted renders a difference

If there was to be no other retail rate changes, the whole sale rates schedule for the next 10 years would be imposed through the tracker in the following fashion:

	Consumption rate per 1,000 gallons in January of a given year	CITY of HAMMOND Wholesale Rate	NET INCREASE	NEW EFRECTIVE RATE per 1,000 gallons
01.01.2021 to 12.31.2021	\$ 1.61	\$ 0.95	\$ 0.45	\$ 2.06
01.01.2022 to 12.31.2022	\$ 2.06	\$ 1.05	\$ 0.55	\$ 2.16
01.01.2023 to 12.31.2023	\$ 2.16	\$ 1.10	\$ 0.60	\$ 2.21
01.01.2024 to 12.31.2024	\$ 2.21	\$ 1.15	\$ 0.65	\$ 2.26
01.01.2025 to 12.31.2025	\$ 2.26	\$ 1.25	\$ 0.75	\$ 2.36
01.01.2026 to 12.31.2026	\$ 2.36	\$ 1.35	\$ 0.85	\$ 2.46
01.01.2027 to 12.31.2027	\$ 2.46	\$ 1.45	\$ 0.95	\$ 2.56
01.01.2028 to 12.31.2028	\$ 2.56	\$ 1.55	\$ 1.05	\$ 2.66
01.01.2029 to 12.31.2029	\$ 2.66	\$ 1.60	\$ 1.10	\$ 2.71
01.01.2030 to 12.31.2030	\$ 2.71	\$ 1.60	\$ 1.10	\$ 2.71

MONTHS in 2021	Added Amount Due to Hammond Water upon agreement approval
JANUARY	\$ 37,769.40
FEBRUARY	\$ 36,991.35
MARCH	\$ 41,892.75
APRIL	\$ 39,199.50
MAY	\$ 42,459.75
JUNE	\$ 66,006.45
JULY	\$ 57,413.25
AUGUST	\$ 62,347.95
SEPTEMBER	
OCTOBER	
NOVEMBER	
DECEMBER	
TOTAL	\$ 384,080.40

I am hoping that the Town Council will authorize use of the Water Cash Reserve Fund to support this adjusted for the need for the Town to balance.

CASH RESERVE FUND 31-Aug-21 \$ 503,948.03

- Discussion:** Amending the Animal Code to include a restriction on the sale, or disposal of rabbits, cats and dogs (to eliminate so-called puppy mills) by pet stores but allowing for the stores to offer space to animal care or animal rescue facilities to showcase rescue animals. The

town Council discussed a sample or model ordinance featuring language from the Humane Indiana. This was brought to the Town Council by Councilor Zemen. Councilor Zemen stated that the objective was to make so-called “puppy mills” unlawful. The language employed in the model or sample ordinance was reviewed.

The Town Council discussed the absence of current regulation in the animal code for the number of pets in a household. It was noted that further study of the matter was desirable.

7. **Discussion:** *Amending the Public Depository and Investment Code of the Highland Municipal Code to better align its language with the change in state law allowing investments in municipal securities.* The clerk-treasurer reported that Section 3.40.050 of the Highland Municipal Code contains the authorized investments under law for the Town. The clerk-treasurer stated that while there is a provision in this section that speaks to adopting the investment law of IC 5-13-9, it would be desirable to expressly add the recent change in the state law permitting investments in municipal securities. It was further noted that this was desirable to support the planned investment in a smaller series as part of the proposed Park District Bonds of 2021. The matter would be placed on the agenda of the plenary meeting.
8. **Discussion:** *The Fire Department seeks to replace a fire asset, relying on the purchase method set forth in IC 36-1-7-12(c) allowing for the purchase under another governmental entity’s referenced written contract if there is compliance in the contract purchase with the state purchasing law.* The Fire Chief reported to the Town Council on the need to replace the Truck 1, Saulsbury Simons Duplex tele squirt pumper fire truck, which was 25 years old. The Fire Chief noted that several repairs were anticipated that made the cost of operations prohibitive.

The Fire Chief further reported his desire to purchase through the Houston-Galveston Area Council, which has a written contract for purchasing Fire Truck. The Fire Chief further reported that Danville, City of Muncie and the Town of Sheridan Indiana have used this source. It was lawful to purchase without resort to bidding if there is a written contract and the original source has been bid in compliance with Indiana purchasing law.

The financing it was noted would be a lease purchase, with payments supported by the Cumulative Capital Development Fund. The Fire Chief estimated the purchase to be in excess of one million dollars.

9. **Discussion:** *Altering the compensation of boards and commissions of the town from the current salaried method of an amount per month to some for method of fee for meetings attended.* The Town Council discussed the merits and desirability of modifying the salaries of boards and commissions that are paid to appointees as monthly salaries, unrelated to attendance and moving toward some attendance based compensation.

The Town Council reviewed the report prepared by the clerk-treasurer summarizing the pay for all of the appointed boards and commissions also referencing the state law governing such pay, where applicable.

The Town council discussed paying some boards that are unpaid currently, particularly the Community Events Commission. It was noted that any such pay would erode its budget by the amount to be paid and that it must be sustainable. It was noted that the single largest resource of revenue is from the gross percentage earned on attraction and ride ticket sales from the Independence Day Festival.

The discussion included consideration of increasing the current salary for most board members from the \$40 per month to \$50. The conversation retained the idea that the compensation should be based upon attendance.

The clerk-treasurer volunteered that he would prepare a sample report of what such a compensation plan would entail, including the suggested increases to pay for members and a comparable one for the presiding officer. This would be discussed at a future study session.

- 10. Discussion:** *Amendment or modification to Ordinance No. 1743, which authorized an approved COVID appreciation stipend.* The clerk-treasurer reported that some issues had arisen since the passage and adoption of the covid appreciation ordinance that would require action by the town council to address the issues.

The clerk-treasurer noted that there was a reduction desired to some eligible workers on an exhibit and an increase for another exhibit that required an amending act. The clerk-treasurer further stated that a clarification for a full-time employee who was fully employed at the passage of the ordinance, continually working for the town since December 2020 but some of that time was as a leased worker was desirable. Finally, the clerk-treasurer reported that one worker requested a delay in the payment of the stipends in order to assuage an adverse impact on social security disability benefits. There was no evinced objection to these amendments being taken up at the plenary meeting.

- 11. Ad Hoc Discussion:** *Status of sidewalk repair and the enforcement for payment of improvements.* The Town Council discussed the condition of sidewalks in town and how the town wide review and needs assessment was progressing. The Town Council inquired whether a sidewalk inventory was ready for review.

The Town Council discussed the process for compelling payment for sidewalk improvements if they are made by the town pursuant to the assessment provision. It was noted that the formal assessing required the Town Council to act.

- 12. Ad Hoc Discussion:** *Street names illuminated Signs for certain intersection.* The Town Council discussed the existing lighted street signs that show the street name and are illuminated at night. Councilor Herak advised that there has been a budgeted line in the Economic Development Local Income Tax Fund that was appropriated for the continuation of the lighted sign program. It was noted that it was desirable to resume the program and cause the signs to be installed in other intersections.

There being no further matters to discuss, the Town Council President adjourned the standing study session of Monday, September 20, 2021, at 9:23 o'clock p.m.

Michael W. Griffin, IAMC/MMC/CPFA/ACPFIM/CMO
Clerk-Treasurer