

APPROVAL <i>slw</i> 	REQUEST FOR COUNCIL ACTION	MEETING DATE 09/18/2018
REPORTS & RECOMMENDATIONS	REQUEST FROM VERIDIAN HOMES TO ALLOW TWO MODEL HOME PERMITS AND PARTIAL PHASING OF DEVELOPMENT FOR ELEVEN LOTS IN ASPEN WOODS PHASE 1 (S. 51ST STREET AND W. PUETZ ROAD)	ITEM NUMBER <i>G.8.</i>

BACKGROUND

The Engineering Department has received two requests from Veridian Homes. The first was to allow two model homes to be constructed for Aspen Woods, Phase 1, a single-family home development located on the southeast corner of S. 51st Street and W. Puetz Road. The second request Veridian Homes submitted was to allow a partial phase of the previously approved 36 lots in Phase 1 of the development to allow construction of eleven homes (inclusive of the two model homes).

ANALYSIS

It has been the City's practice to not allow the issuance of building permits in new developments until all of the improvements are installed and approved. However, historically the City, with Council approval, has allowed the construction of model homes prior to completion of the development's improvements. Most recently, a request from Neumann Development (for Park Circle, LLC) was granted on May 1, 2018, for two model home permits for The Glen at Park Circle Duplex Single-Family Condominiums Development (9733 South 76th Street). Additionally, the development agreement does permit model homes upon approval by the Common Council. The conditions below incorporate the concerns that staff has enumerated relative to recent requests for model home consideration. These conditions also address the concerns of Building Inspection and the Director of Administration.

What is unusual regarding the request for model homes is a simultaneous request for partial phasing of an identified phase of a plat. The preliminary plat approval noted that the development would be phased. A Phase 1 of 36 homes and Phase 2 of the remaining homes was then identified in the final plat approval. The developer has requested to initially proceed with a partial phase of Phase 1, 11 homes of the 36 homes inclusive of the two model homes. Since aspects of phasing of this project were previously discussed at both the Plan Commission and the Common Council, it is unclear to staff if the Common Council would prefer to allow it to proceed and treat this request for partial phasing as an allowable aspect of Phase 1. Alternatively, the Common Council could conclude that the request for partial phasing is, in fact, a request to change the phasing as provided for in the Final Plat approval, which then would allow for broader considerations by the Common Council and re-consideration of an amended phasing plan of the Final Plat. If the Common Council prefers this second approach, the motions below should not be approved.

Appendix E of the subdivision development agreement for this development is enclosed for reference. The City Engineer and Planning Manager have reviewed the request in consideration of the requirements of the subdivision development agreement and, assuming the Common Council does not object to partial phasing of Phase 1, find them to be reasonable accommodations with the following stipulations:

1. No building permits for the 9 non-model homes may be issued until:
 - a. The sanitary, storm sewer, and water mains encompassing the initial 11 lots have been installed, tested and approved.
 - b. Water system must include a blow-off valve or a hydrant at end of the phased water system-wherever that is achieved.

- c. The mass grading for all 36 lots of Phase 1 is achieved with adequate erosion and sediment control completed.
- d. The streets and lots for the initial 11 lots are rough graded and approved.
- e. The curb and gutter for area encompassing the initial 11 lots are installed and approved.
- f. The base course of asphalt pavement for area encompassing the initial 11 lots are installed and approved.
- g. The streetlights are installed for entrance (W. Puetz and W. Blazing Star Road) and the first intersection (S. Buckhorn Way and W. Blazing Star Road).
- h. The stormwater certification for the entire 36 lots of Phase 1 is achieved.

Staff also suggest the following stipulations:

2. Warranties on utilities, roads, and storm does not start until end of work for all 36 lots of Phase 1 is completed and accepted.
3. Any stipulations for occupancy permits will follow the areas described above concerning the building permits.
4. The two buildings are for use as model homes and ownership must be held by the building developer.
5. The developer will maintain a 12-foot wide access road to the 2 model home buildings at all times until the street is installed. Failure to maintain the access drive will result in the issuance of a "Stop Work Order" until access is re-established and approved by the City.
6. For each structure, all building permits and impact fees shall be paid before commencing construction.
7. Prior to issuance of a building permit, the City needs the recording information from the County for the Final Plat.

OPTIONS

- A. Approve request for building and occupancy permits for 11 of the 36 lots with one, some, all, or other stipulations as outlined above. Or
- B. Refer back to staff with further direction.

FISCAL NOTE

Not applicable.

COUNCIL ACTION REQUESTED

(OPTION A) Motion to approve requests from Veridian Homes to allow 2 model home permits and phasing development for 11 lots in Aspen Woods Phase 1 (S. 51st Street and W. Puetz Road) with the following stipulations:

1. No building permits for the 9 non-model homes may be issued until:
 - a. The sanitary, storm sewer, and water mains encompassing the initial 11 lots have been installed, tested and approved.
 - b. Water system must include a blow-off valve or a hydrant at end of the phased water system- wherever that is achieved.
 - c. The mass grading for all 36 lots of Phase 1 is achieved with adequate erosion and sediment control completed.
 - d. The streets and lots for the initial 11 lots are rough graded and approved.
 - e. The curb and gutter for area encompassing the initial 11 lots are installed and approved.
 - f. The base course of asphalt pavement for area encompassing the initial 11 lots are installed and approved.
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6. For each structure, all building permits and impact fees shall be paid before commencing construction.
7. Prior to issuance of a building permit, The City receives the recording information from the County for the Final Plat.

ENG-GM / DOA-MWL

From: Matt Cudney [<mailto:mcudney@veridianhomes.com>]
Sent: Tuesday, August 28, 2018 3:22 PM
To: Glen Morrow
Subject: Aspen Woods Split Phasing

Glen—

As we discussed a few weeks ago, our late start and the continuing wet weather conditions have given us serious concerns about completing all of the proposed Phase I lots this fall. We have come up with an interim plan where we can fully improve 11 lots this fall and complete the remaining lots in the spring. The attached exhibit shows the location of the lots we'd complete this fall in black and the red indicates the lots we'd finish up in the spring.

We intend to complete all the mass grading of Phase I this fall. We'd also install underground wet utilities, curb, gutter, sidewalk and base course of asphalt to the extent shown in black on the exhibit (11 lots). We would continue to install the underground wet utilities over the course of the fall/winter so we would be ready to complete the curb, gutter, sidewalk and base course as soon as weather permits in the spring of 2019. We would still like to pull building permits and sell the homes shown in the initial 11 lots completed this year.

WE Energies has reviewed the plans and have agreed to work with us to provide utilities for the neighborhood. The main electrical runs are all in the rear of the lots so they can complete the entire electric run this fall, including runs that can be attached to the light poles when they are installed after the streets are in. Gas will only be run to the far end of the 11 lots shown in black.

I understand this creates some complications. Please let me know if you have any questions/suggestions/comments and what you need from me in order for us implement this plan. I'd be happy to come to your office to discuss in person. Thanks.

Matt

Matt Cudney
Director of Operations



VERIDIAN HOMES

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Fall 2018
Spring 2019

 EXCEL CORPORATE ARCHITECTURAL SERVICES 1000 SHILOH AVENUE FRANKLIN, WI 53140 WWW.EXCELARCHITECT.COM	 VERIDIAN EDGE	PROJECT INFORMATION 3140100	PROPOSED RESIDENTIAL SUBDIVISION ASPEN WOODS - PHASE 1 5 51ST STREET & W. PUETZ RD • FRANKLIN, WI	SHEET DATE REVISION DATE AUGUST 1, 2018	SYSTEM PLAN PHASE 1	5
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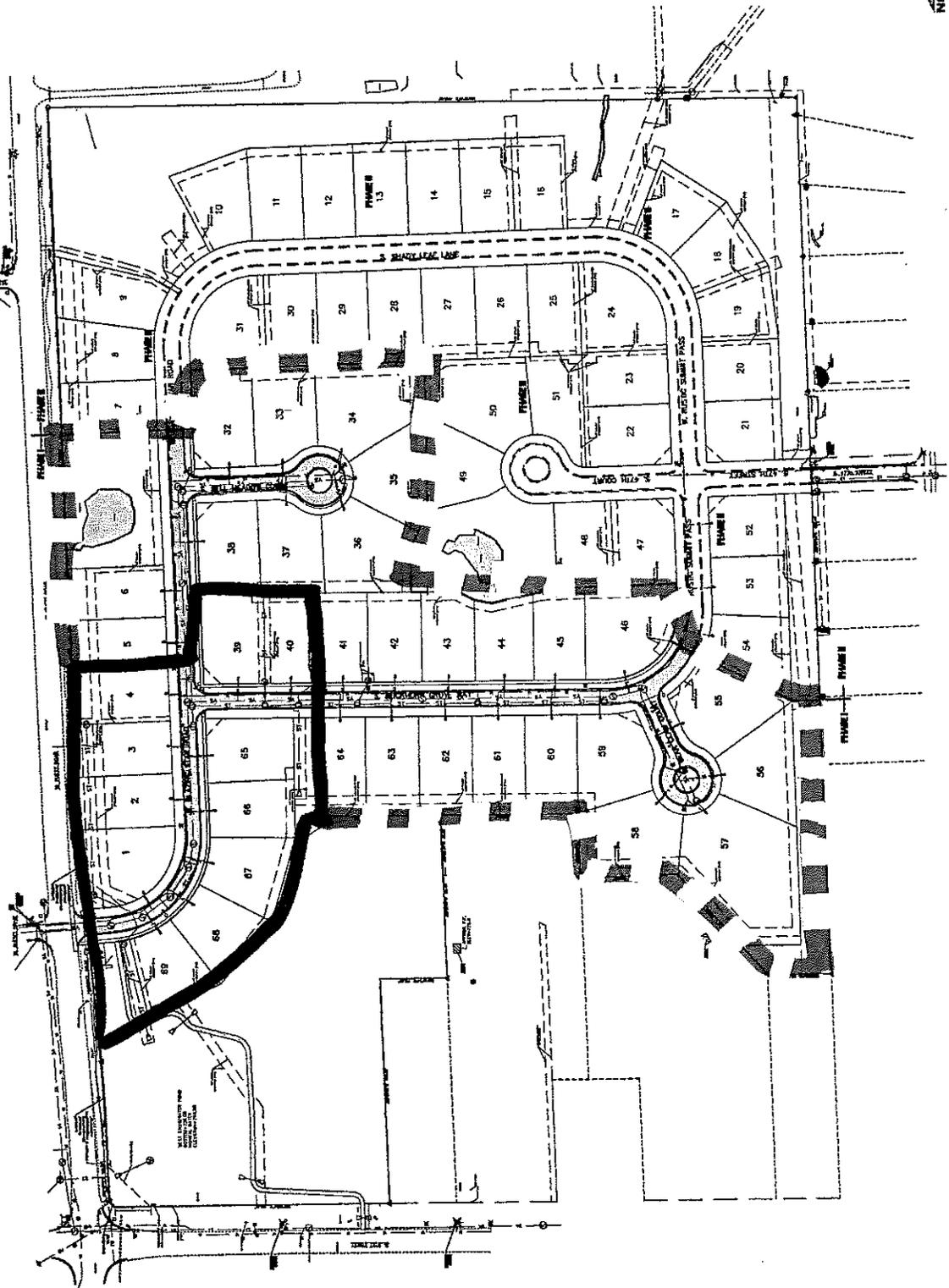


EXHIBIT "E"
TO
SUBDIVISION DEVELOPMENT AGREEMENT
FOR
ASPEN WOODS SUBDIVISION PHASE I

ADDITIONAL SUBDIVISION REQUIREMENTS
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1. The Subdivider agrees that it shall pay to the City of Franklin the street light installation and underground wiring costs as determined by the WE Energies Company for four (4) 92-watt LED Oval light(s).
2. The Subdivider shall make every effort to protect and retain all existing trees, shrubbery, vines and grasses pursuant to the approved Natural Resource Protection Plan (the "NRPP"). Trees shall be protected and preserved during construction in accordance with sound conservation practices as outlined in section 15-8.0204 a-f of the UDO.
3. The Subdivider shall cause all grading, excavations, open cuts, side slopes and other land surface disturbances to be so mulched, seeded, sodded or otherwise protected that erosion, siltation, sedimentation and washing are prevented in accordance with the plans and specifications approved by the City Engineer as outlined in section 15-8.0203H 1-5 of the UDO.
4. The Subdivider agrees to pay the City for street trees planted by the City on W. Blazing Star Road, S. Buckhorn Grove Way, W. Bear Claw Ct. and S. Bell Meadow Ct. the rate of \$400 per tree with a planting distance between trees of 75 feet on the average. The City shall determine the planting schedule and shall be responsible for tree maintenance and replacement except for damage caused by the Subdivider, the Subdivider's sub-contractors, or the lot owners.
5. The requirements for the installation of concrete driveway approaches shall be omitted from this agreement because the Subdivider will require that the owners of said lots install concrete driveway approaches, as required by the Franklin Building Inspector.
6. The Subdivider shall be responsible for cleaning up the debris that has blown from buildings under construction within the Subdivision. The Subdivider shall clean up all debris within forty-eight (48) hours after receiving a notice from the City Engineer.
7. The Subdivider shall be responsible for cleaning up the mud and dirt on the roadways until such time as the final lift of asphalt has been installed. The Subdivider shall clean the roadways within forty-eight (48) hours after receiving a notice from the City Engineer.
8. Prior to commencing site grading, the Subdivider shall submit for approval by the City Engineer erosion and silt control plan. Said plan shall provide sufficient control of the site to prevent siltation downstream from the site. The Subdivider shall maintain the erosion and siltation control until such time that vegetation sufficient to equal pre-existing conditions has been established.
9. The Subdivider shall preserve the environment features as shown on the natural resource plan and shall install an orange snow fence and silt fence around the environment prior to land disturbing.
10. The Subdivider shall inform the persons purchasing lots of their obligation to cut weeds to conform to the City's noxious weed ordinance.
11. The Subdivider shall construct storm water management facilities as required in the Storm Water Management Plan in accordance with the plans and specifications approved by the City Engineer. Maintenance of said storm water management facilities shall be the responsibility of the Subdivider and/or owners association.

12. The Subdivider shall create a Homeowners Association for the care and maintenance of all common lands, including all storm water management facilities, and other green areas. Said Homeowners Association documents shall be reviewed and approved by the Franklin Plan Commission or as may otherwise be provided by the UDO, prior to recording of the Final Plat. The Subdivider is responsible to recertify the storm water management facilities after the site is stabilized and prior to the conveyance of the receiving association (i.e. HOA).
13. Homeowners Association documents shall include a Declaration of Restrictions and Covenants specifying the preservation of the existing detention basin and landscaping and entryways. Said document shall be recording after approval by the City Attorney.
14. Construction Requirements:
 - a) Prior to any construction activity on the site, Subdivider shall prepare a gravel surfaced parking area within the boundaries of the site.
 - b) During construction, all vehicles and equipment shall park on the site. Parking shall not be permitted on any external public right-of-way.
 - c) Prior to issuance of any building permits other than in the case of the issuance of any model structure permits, all necessary grading and improvements shall be completed as directed by the City Engineer.
 - d) All traffic shall enter the site from W. Puetz Road
15. The Subdivider shall provide for the connection of the water main to the existing water main at S. 47th Street but the future road development connecting to S. 47th Street will be constructed in Phase II.

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<p>APPROVAL</p> <p><i>Slaw</i> <i>MWW</i></p>	<p>REQUEST FOR COUNCIL ACTION</p>	<p>MEETING DATE</p> <p>9/18/2018</p>
<p>REPORTS & RECOMMENDATIONS</p>	<p>Presentation of the Mayor's 2019 Recommended Budget and Review of the Budget Preparation Timetable</p>	<p>ITEM NUMBER</p> <p><i>B.9.</i></p>

The Mayor's 2019 Recommended Budget will be presented to the Common Council for it to forward to the Committee of the Whole in accordance with Section 13-2, "Preparation of Budget" of the City of Franklin Municipal Code.

The Director of Administration will present an "overview of [the] budget and major budget initiatives" as set forth in the 2019 Budget Preparation Timetable as adopted by the Common Council. The presentation will primarily consist of a PowerPoint presentation on the budget and review of the budget timetable.

Note that the budget timetable indicates that following the presentation, Aldermen will "determine or identify additional materials or information needed for 10/1 budget discussions." This will enable staff to prepare advance information as may be requested and also inform department heads as to who is expected to be in attendance. A copy of the budget timetable is attached for your convenience.

A copy of the Mayor's 2019 Recommended Budget document will be provided at the meeting.

COUNCIL ACTION REQUESTED

Motion to forward consideration of the Mayor's 2019 Recommended Budget to the Committee of the Whole.

Provide other direction to staff, as appropriate, relative to additional materials or information needed for the October 1st budget discussions.

City of Franklin
2019 Annual Budget
BUDGET PREPARATION TIMETABLE
February 19, 2018

Schedule

Tuesday, September 18	Common Council Meeting Agenda Item: Presentation on overview of budget and major budget initiatives. Aldermen determine or identify additional materials or information needed for 10/1 budget discussions.
Wednesday September 19 To Monday, October 1	Aldermen may contact department heads with budget questions.
Monday, October 1	Committee of the Whole Agenda Item: Review of Mayor's Recommended Budget.
Tuesday, October 2	Alternate day for additional Committee of the Whole meeting and budget discussion in conjunction with regular Common Council meeting.
Friday, October 12	Last regular work day for budget changes to be included in the Public Hearing notice.
Monday, October 15 To Wednesday, October 17	Preparation and Submission of Public Hearing Notice.
Tuesday, October 16	Regular Common Council Meeting, available for discussion of any budget topic as may be needed.
Wednesday, October 24	Publication of Preliminary Budget and Hearing Notice.
Monday, November 5 & Tuesday, November 6	Regular Committee of the Whole & Common Council meetings available for discussion of any budget topics as may be needed.
Tuesday, November 13	<u>Special Common Council Meeting:</u> Public Hearing on the Proposed Annual Budget AND Adoption of Annual Budget [Note: The late date does not provide opportunity for delay].

Note: Subsequent actions that may affect the Common Council's regular meeting schedule may impact this calendar.

APPROVAL <i>slw</i>	REQUEST FOR COUNCIL ACTION	MEETING DATE 09/18/18
REPORTS & RECOMMENDATIONS	Authorization For The Department Of Public Works To Sell Surplus Equipment	ITEM NUMBER <i>3, 10,</i>

At the August 14th, 2018, Board of Public Works meeting board members authorized staff to post for sale the following surplus Public Works Equipment:

1. #736 – 1992 Ford L8000 Single Axle Dump Truck Diesel w/Plow & Wing
2. #738 – 1993 Ford L8000 Single Axle Patrol/Dump Truck Diesel w/Wing Mount
3. #739 – 1993 Ford L8000 Single Axle Patrol/Dump Truck Diesel w/Plow & Wing
4. #741 – 1996 Ford 8000 Tandem Axle Patrol/Dump Truck w/Plow & Wing
5. #719 – 1997 Chevrolet C/K 2500 Silverado Ext Cab 4x4 Diesel Pickup Truck
6. #53 – 1970 General 12-ton 17' Pipe Trailer
7. #48 – 1979 SMI 2200 Series Single Stage 8' Snowblower Attachment
(for Front End Loader)

Staff has posted each unit for sale on Wisconsin Surplus, an online auction surplus website (www.wisconsinsurplus.com). There is no cost to the seller. The auction will close on September 18, 2018 at 10:00a.m.. Staff will then review the highest bid for each item and make a recommendation to Council. The recommendation, along with a request for authorization to sell the surplus equipment, will be distributed at the September 18th, 2018 Common Council meeting.

COUNCIL ACTION REQUESTED

Authorization for staff to accept the highest bids received on the Wisconsin Surplus auction website and sell the above surplus equipment (per the recommendation to be distributed at the meeting).

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APPROVAL <i>slw</i>	REQUEST FOR COUNCIL ACTION	MTG. DATE 09/18/2018
Reports & Recommendations	REJECT CONSTRUCTION BID FOR PLEASANT VIEW PAVILION IN PLEASANT VIEW PARK 4901 W. EVERGREEN STREET (PROJECT 2018-7) AND PROVIDE PROJECT DIRECTION	ITEM NO. <i>G, 11.</i>

BACKGROUND

On August 27, 2018, bids were received for the construction of a 2,391 s.f. masonry and wood framed building in Pleasant View Park - 4901 W. Evergreen Street. The Pleasant View Pavilion (Project 2018-7) was modified by Staff and the Architect per the direction and input of the Common Council and the Parks Commission.

ANALYSIS

Only one bid was received and it was by Beeler Construction, Inc. (Menomonee Falls, WI). Staff has reviewed the bid and found it to be complete. The bid included a base bid and six alternates.

- \$650,170.00—Base Bid
- (\$20,100.00) Alternate 1. Overhead Doors
- (\$ 4,200.00) Alternate 2. Remove Installation
- (\$12,000.00) Alternate 3. Remove Doors and Windows
- (\$ 5,500.00) Alternate 4. Remove Wall Heaters
- +\$ 5,100.00 Alternate 5. Change EWH1 for EWH2
- (\$ 2,800.00) Alternate 6. Remove Furnace
- \$610,670.00 Total Base Bids with all alternates

The total project budget is \$410,000. This includes not only the contractor's bid, but the architectural fees (\$28,350), cost to extend electric service to the pavilion (\$30,000 budget), and any unexpected change orders. Finance indicates that a net of \$351,535 in appropriations are currently available for this project.

The Architect has indicated that he believes the single bid price to be substantially over the market-warranted construction price. For example he notes, which Planning staff has verified, that a park shelter similar in scope is currently under construction in Pewaukee for a construction price of approximately \$402,000. This and other discussions leads the Architect to believe the final price is high because of the late season bidding and because only one bidder responded. Only one bidder responding is reflective of how busy the construction market is. Additionally, the Architect believes he might be able to modify certain components of the bid to remove cost. For example, recent tariff increases have increased the cost of steel rebar which is part of the foundation of this project. He believes the weight of the structure would allow the project to substitute a fabric mesh. Staff agrees with the Architect's conclusion that reconsideration of certain design elements could reduce the cost and that winter bidding with a flexible 2019 construction schedule could enhance bidder participation.

Staff recommends that all bids (the bid) be rejected and staff pursue an evaluation of the design for potential cost considerations, which would be reviewed by the Park Commission. The Park Commission's recommendation would then be forwarded to the Common Council for authorization to bid the project. Upon authorization, City staff would rebid the revised project with a more flexible 2019 construction schedule. (Note: The City Engineer concurs that providing a flexible start date is beneficial, but, once construction is commenced, the project contract will require it be completed in a timely fashion.)

OPTIONS

- A. Award bid to Beeler Construction, or
- B. Reject all bids, or
- C. Direct Staff to continue to work with the Architect to review design component costs in preparation for rebidding in the winter, or
- D. Refer back to Staff with further direction.

FISCAL NOTE

If the Common Council wanted to award the contract, the available appropriations of \$351,535 could be supplemented with unused park appropriations for land acquisition (\$388,445) or unused contingency appropriations (\$250,000).

Similarly, there are sufficient appropriations to follow staff's recommendations and perform additional design review with the Architect. A revised construction budget can then be incorporated into the 2019 budget process. At this point, it is estimated that the appropriation would be established at \$500,000 anticipating final costs of \$475,000 (leaving a \$25,000 cushion). With parks work that has occurred this year, Park Impact Fee expenditures can allow for the delay of this project into 2019, but it absolutely must not be delayed into 2020 or Impact Fee refunds could occur.

RECOMMENDATION:

Approval of the following two motions is recommended:

(Option B) Motion to reject all bidders for the Pleasant View Pavilion in Pleasant View Park—4901 W. Evergreen Street (Project 2018-7).

(Option C) Motion to direct Staff to continue to work with the Architect to review design component costs in preparation for rebidding in the winter.

COUNCIL ACTION REQUESTED

Motion to reject all bidders for the Pleasant View Pavilion in Pleasant View Park—4901 W. Evergreen Street (Project 2018-7)

-AND-

Motion to direct Staff to continue to work with the Architect to review design component costs in preparation for rebidding in the winter.

Engineering: GEM and MWL

<p>APPROVAL</p> <p><i>slw</i> </p>	<p>REQUEST FOR COUNCIL ACTION</p>	<p>MEETING DATE</p> <p>9/18/2018</p>
<p>REPORTS & RECOMMENDATIONS</p>	<p>Employee Health Insurance Plans: Establish the Primary Health Care Benefit Levels for the City of Franklin Employees, and Covered Retirees and Dependents, in a new High-Deductible Health Plan and to Amend the Benefit Levels in the City of Franklin Medical Choice Plus with Co-pay Health Plan and to Offer it as a second Optional Employee Health Insurance Plan</p>	<p>ITEM NUMBER</p> <p>G.12.</p>

At their August 20, 2018 meeting, the Personnel Committee preliminarily reviewed alternative plan designs for 2019 employee and retiree health insurance, including their covered dependents. The Personnel Committee unanimously approved a motion recommending the City “to move forward with a High-Deductible Health Plan with benefits as listed as shown (on p. 2 of handout) and with a secondary option of Traditional-Plan Option 2.” The intent of this request for Common-Council Action is to approve these benefit levels so that staff can move forward with all of the administrative details of establishing or updating the employee health plans and can begin to work with and educate employees and retirees as to their options and impacts so that an open enrollment period can be scheduled by the Director of Administration as soon as practical.

Significant changes are incorporated into the recommendations for the 2019 plan design based upon the information that was provided to the Common Council last year and based upon the need to restrain costs for budgetary purposes. The Council Action Sheet from last year regarding health insurance plans included the following paragraph.

“It is also important to note that part of the strategy reviewed by the Personnel Committee was the intent to move to providing a high-deductible HSA (Health Savings Account Plan) beginning as early as 2019. This was also previously reported to the Common Council. This strategy is another way to limit the City’s costs while providing an alternative for employees who may feel they are better off in such a self-directed plan. It also addresses an option the market place has identified as favored by younger employees -- that of mobility -- since HSA balances are “owned” by the employee and can move with them if they leave employment by the City. The Director of Administration will be working with our insurance consultant, Diversified, during 2018 to develop the 2019 plan designs.”

The recommended benefit levels for the two plans are set forth in the last two columns of the attachment titled “2019 Alternative Plan Designs”. The intent is that the City’s primary plan will be the high-deductible health plan (HDHP) with a Health Savings Account (HSA) option. A more traditional-style PPO will be offered as an alternative for those employees who elect to participate in that; however, it will have reduced benefit levels and noticeably increased premium levels. Note that it will be necessary for the City to enter into a Memorandum of Understanding with the Police and Fire Unions in order to be able to offer the new PPO to represented employees.

The City is moving in this multi-plan direction in part because the anticipated level of savings has not occurred within the current health plan. The current health plan was set up with multiple incentives or options to encourage employees and their covered family members to become good consumers of health care. By saying “good consumers of health care” it means that the individual takes proactive steps to make health care choices that keep down their individual costs, as well as the costs to the plan. Unfortunately, that did not happen to the desired degree, while at the same time overall increases in health care costs have also continued to apply pressure. Therefore, people who want to stay in a traditional PPO structure will have to pay a higher premium and will receive benefits reduced from the 2018 level.

	2018 Employee Premium Share (Month/Year)	2019 HDHP Employee Premium Share (Month/Year)	2019 PPO Employee Premium Share (Month/Year)
Single	\$96.06 / \$1,152.72	\$96.06 / \$1,152.72	\$160.00 / \$1,920.00
Family	\$232.34 / \$2,788.08	\$232.34 / \$2,788.08	\$386.00 / \$4,632.00

NOTE: These premiums are discounted and reflect the current discount for participation in the Health Risk Assessment. Individuals and spouses not participating in the Health Risk Assessment would be subject to a base employee premium share higher than indicated above and equal to an additional 4.5 percent of the premium.

On the other hand and as shown above, the HDHP will have the same dollar employee premium share for 2019 as the 2018 PPO. The nature of a HDHP with an HSA is that consumers have a much greater incentive to be cost sensitive in their health care selection because they have a greater stake in the initial costs. This greater stake is due to the fact that they are paying first, before the plan, on claims up to the level of the high deductible, except for certain preventative claims as determined by statutes and the plan. A direct incentive for participation in the plan is incorporated since the employee can save the money from the premium savings as a contribution to their HSA. All of the contributions to and payments from the employee's HSA are in pre-tax dollars, assuming it is an eligible cost under IRS rules. Another benefit of an HSA is that it is owned by the employee and moves with the employee should the employee discontinue employment with the City. A drawback, particularly at initiation, is that at the initial stages an employee may not have built-up a balance in their HSA to fund their costs. As such, the recommended plan design includes a \$750/\$1,500 (single/family) City contribution for individuals that sign up for 2019. No commitment is made to continue this payment beyond 2019. This City contribution cost is being funded by applying part of a self-insurance rebate that came back to the City based on good claims results against the Stop-Loss plan. At least 8 of the comparable communities are providing some sort of employer contribution to the plan's deductible. Most of them, however, are insured plans providing a Health Reimbursement Account (HRA) which refunds employee expenditure. As a self-funded plan, the appropriate mechanism would be an HSA as opposed to the HRA.

Attached is also a summary sheet that provides some information about the policies provided to general employees at Franklin's comparable communities. Comparing these 2018 benefits to the 2019 proposed benefits one can see that Franklin's PPO would be at the forefront of the market when compared to our public sector comparables (meaning it provides a generally lower benefit and imposes greater costs on employees) and more in line with perceptions of private sector benefit levels. In so doing, it also provides a greater incentive for participation in the HDHP, which anticipates a 25% participation by employees, and may cause a few to switch to spousal plans. Going any further would arguably move us significantly away from our comparable communities and is not recommended at this time. The proposed benefit levels also provide the cost reductions that were sufficient for the proposed 2019 budget, although the charging rate is intentionally being adjusted to structure in a deficit to the Self Insurance Fund. This positively benefits employees, but primarily it reduces pressure on the property tax levy. Planning for a deficit smaller than in recent years, it also decelerates the reduction in the fund balance to allow for a multi-year period for a transition to higher participation in the HDHP. Recall that health expenses are paid directly out of the Self Insurance Fund, whereas premium charges, net of employee premium share contributions, are what impacts the operating budgets.

The easiest way to see the fiscal impact potential of the plan designs is to look at the estimated cost of each plan considering 100% participation. The plan costs discussed below include both active and retired employees and are not limited to General Fund activities; nonetheless, it is a good basis to use for overall comparison of the plans. The broker estimated the current plan design as having a costing of approximately \$4,127,000. Applying an estimated 11% market trend, the 2019 plan cost is estimated at \$4,580,879. Altering the PPO's benefit level brings that down to \$4,335,802, while 100% participation in the HDHP would reduce it further to \$3,689,898. The final amount will end up between those two levels as participation costs will be a blend of charges based upon plan participation. It is estimated and targeted to achieve a 25% voluntary participation in the HDHP.

It is worth noting that proposed benefit levels are a continued degradation of employee benefit levels. Last year the In-Network benefit levels were only as follows:

Annual Deductible (single/family) \$500/\$1,000;

Co-Insurance (single/family) 90%;

Out-of-Pocket Maximums (single/family) \$1,000/\$2,000; and

Co-pays - Office Visit - \$10 Primary Care Physician or Specialist.

It is also worth noting that the Franklin Business Park Consortium is still working on a final document for participation in a near-site clinic to be located within the Franklin Business Park. When this agreement is completed, it will be brought forth for consideration. It is being structured as a low-cost alternative that should blend well with a HDHP option.

Generally, the City does not address health care benefits this early in the year and has an open enrollment in November or December. Due to the significant degree of changes proposed, it is essential that they be approved earlier than usual and communicated to employees so that those employees who may have a health care alternative can compare the plans and proceed during the open enrollment period with the plan that they determine is most advantageous to them. Although the City stands behind providing full-time employees with a health insurance benefit, the City may see some added savings from individuals who elect to move to a spouses plan for 2019.

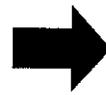
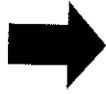
Historically, the Director of Administration has administered the health plan and addressed and authorized many of the smaller details of the plan changes and individual benefit changes that generally aim to keep the plan consistent with current trends in the field (for example, updates to the language and definitions of covered services within the plan document). Plan design changes of the magnitude addressed herein require approval by the Common Council. With approval of this motion, the Director of Administration can then work with the broker and Human Resources Coordinator to pull together all of the details of and contracts for setting up an HSA arrangement, altering the Flexible Spending Account (FSA) to provide for a limited-FSA (since HSA participants can't be in our current FSA), begin discussions with employees and labor unions, and finalize the annual contract approvals for the related stop-loss insurance, etc. Those other agreements would be brought back for approval as needed and as they become available.

The Personnel Committee and Director of Administration recommend approval.

COUNCIL ACTION REQUESTED

Motion to establish the primary health insurance plan benefits, effective January 1, 2019, as per HDHP (HSA) Option #2, and a second plan alternative as per "Traditional Plan Option #2", both on the attached "2019 Alternative Plan Designs" handout and to direct the Director of Administration to proceed with implementation of the plans, to develop necessary implementation steps and contracts, and to authorize the Director of Administration to make such related changes to the Employee Handbook as he determines is necessary.

City of Franklin
2019 Alternative Plan Designs



Prepared for 8-9-18 Update Meeting

	2018 Current	Traditional Option #1	Traditional Option #2	HDFP (HSA) Option #2
Annual Deductible				
In-Network (Single/Family)	\$1,000 / \$2,000	\$2,000 / \$6,000	\$1,500 / \$4,500	\$3,000 / \$6,000
Out-of-Net. (Single/ Family)	\$3,000 / \$6,000	\$6,000 / \$18,000	\$4,500 / \$13,500	\$6,000 / \$12,000
CO-INSURANCE				\$750/\$1,500 Contribution
Tier 1 In-Network (Single/Family)	85%	85%	85%	90%
In-Network (Single/Family)	80%	80%	80%	80%
Out-of-Net. (Single/ Family)	60%	60%	60%	60%
Out-of-Pocket Maximum				
In-Network (Single/Family)	\$3,000 / \$6,000	\$6,000 / \$12,000	\$4,500 / \$9,000	\$6,000 / \$12,000
Out-of-Net. (Single/ Family)	\$9,000 / \$18,000	\$18,000 / \$36,000	\$13,500 / \$27,000	\$12,000 / \$24,000
Copays (In-network)				
Office Visit				
Tier 1 In-Network PCP	\$15	\$30	\$25	90% after deductible
Other In-Network PCP	\$25	\$50	\$40	80% after deductible
Tier 1 In-Network Specialist	\$35	\$70	\$50	90% after deductible
Other In-Network Specialist	\$40	\$80	\$70	80% after deductible
Out of Network				60% after deductible
Urgent Care	\$100	\$100	\$100	90% after deductible
Emergency Room	\$250	\$500	\$400	90% after deductible
Virtual Visits	\$10	\$15	\$15	90% after deductible
Prescription Drugs				
Tier 1	\$10	\$10	\$10	90% after deductible
Tier 2	\$35	\$45	\$40	80% after deductible
Tier 3	\$50	\$70	\$60	80% after deductible
Tier 4	25%	25%	25%	80% after deductible
Separate Rx Out-of-Pocket Max.				
Single	\$4,000	\$1,900	\$2,400	N/A
Family	\$8,000	\$3,800	\$5,300	N/A
Claims Savings vs. Current Plan				
		-12.00%	-5.90%	-24.40%

HEALTH INSURANCE COMMUNITY COMPARABLES

Comparable Communities	In-Network Deductible		HRA Reimbursement/ City Contribution		NET		In-Network OP Max		Copay Primary/Specialist	Coinsurance In/Out	PRESCRIPTIONS				Urgent Care		Premiums Represented	
	Single	Family	Single	Family	Single	Family	Single	Family			Generic	Pref. Brand	Non-Pref. Brand	Specialty	ER	\$25/10%	10%	Single
Brookfield	\$ 1,000	\$ 2,000	\$ -	\$ -	\$ 1,000	\$ 2,000	\$ 3,000	\$ 6,000	\$25/\$25	10% / 30%	\$ 15	\$ 30	\$ 45	\$ 100	\$25/10%	\$80/\$160	\$199/\$398 ⁵	
Brookfield HDHP	2,700	5,400	1,200	2,400	1,500	3,000	5,400	10,800	0/0	10% / 30%	10	40	60	10%	10%	36/72	90/180	
Caledonia	3,000	6,000	2,500	5,000	500	1,000	4,000	8,000	25/25	10% / 40%	10	40	60	25%/35%	150	-	-	
Fond du Lac	1,000	2,000	-	-	1,000	2,000	3,000	6,000	0/0	10% / 40%	10	30	60	250/10%	68/136	176/352 ⁵	-	
Greenfield	4,000	8,000	3,250	6,500	750	1,500	4,000	8,000	25/50	0 after deductible	10	25	50	50	79	229	-	
Menomonee Falls	250	500	-	-	250	500	2,000	4,000	20/20	0 after deduct / 30%	10	30	50	150/0%	70	197	-	
Mequon	500	1,000	-	-	500	1,000	6,000 ²	12,000 ³	0/0	0% / 50%	Not Available	Not Available	Not Available	60	92/105	227/259	-	
Mt. Pleasant	5,000	10,000	4,500	9,000	500	1,000	6,000 ²	12,000 ³	10/25	10% / 30%	10	30	60	150/10%	110	110	-	
Muskego	3,000	6,000	2,750	5,500	250	500	500	1,000	15-10%/30-10%	10% / 30%	10	25	55	250/10%	10%/13%	10%/19% ⁵	-	
New Berlin HDHP	3,000	6,000	1,900	3,800	1,100	2,200	3,000	6,000	0/0	0% / -	-	-	-	-	90	247	-	
Oak Creek	1,000	2,000	-	-	1,000	2,000	1,000	2,000	-	0% / -	10	40	70	100	77/115	198/298 ⁵	-	
Sun Prairie	1,500	3,000	750	1,500	750	1,500	3,000	3,000	0/0	0% / Not Covered	0	0	0	0	0%/2%	0%/2% ⁵	-	
Wauwatosa	1,000	2,000	-	-	1,000	2,000	3,500	5,500	0/0	10% / 30%	10	30	75	100/10%	48/71/86	119/141/214 ⁴	-	
West Bend	2,500	5,000	850	1,700	1,550	3,100	3,000	6,000	25/1-50/50/1-100	20% / -	15	30	45	25% w/Max of \$150 20% Coins	128/7	250/7 ⁵	-	

Footnotes:

- 1) Menomonee Falls also has a high deductible plan that only applies to certain police officers.
- 2) Fitchburg looks as if it has 5 state plans with a variety of coverage levels.
- 3) Although the plan design says 6,000/12,000, incorporating the City-funded HRA the net OP Max is \$1,500/\$3,000.
- 4) Fond du Lac only has in-network pharmacy coverage. There is no out-of-network pharmacy coverage.
- 5) Lower rates are with successful participation in a wellness program or Biometric screening.
- 6) Three premium share-tiers. The lowest has a Health Risk Assessment (HRA) and successful wellness, the middle is HRA and unsuccessful wellness, the highest means no wellness participation.

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Prepared as follow-up (#2) to 8-9-18 Meeting
 All Illustrations Assume 25% participation in HSA Option #2

	2018 - Current Plan "Charging Rates"		2019 Projected Monthly Single / Family Premiums		HSA Option #2
	Total COF	EE	Trad. Option #1	Trad. Option #2	
Single	\$662.46	\$96.06	\$810.54	\$847.11	\$721.99
Family	\$1,602.29	\$232.34	\$1,960.45	\$2,048.90	\$1,746.26
Total	\$3,385,685	\$490,941	\$4,153,483	\$4,335,802	\$3,689,898

Combination of Traditional Plan Option #2 and HSA Option #2
 Assumes Employee Contributions Remain at Current (2018) Levels for the New HSA Option #2

Defined Contribution Plan with COF funding at HSA Option #2 rates for both plans
 Target of \$3,273,000 COF cost (8% above 2018 budget)

	HSA Option #2		Trad. Option #2		HSA Option #2		Trad. Option #2	
	COF	Employee	COF	Employee	COF	Employee	COF	Employee
Single	\$625.93	\$96.06	\$625.93	\$221.19	\$625.93	\$96.06	\$687.11	\$160.00
Family	\$1,513.92	\$232.34	\$1,513.92	\$534.98	\$1,513.92	\$232.34	\$1,662.90	\$386.00
COF Total	\$798,648	\$122,568	\$2,400,309	\$848,210	\$798,648	\$122,568	\$2,636,327	\$612,192
EE Total		\$3,198,957		\$970,777			\$3,434,975	\$734,760

Assumes COF contribution at 80% of Trad. Option #2
 Target of \$3,394,000 COF cost (12% above 2018 budget)

	HSA Option #2		Trad. Option #2	
	COF	Employee	COF	Employee
Single	\$625.93	\$96.06	\$677.69	\$169.42
Family	\$1,513.92	\$232.34	\$1,639.12	\$409.78
COF Total	\$798,648	\$122,568	\$2,598,815	\$649,704
EE Total		\$3,397,463		\$772,272

Assumes COF contribution at 82.5% of Trad. Option #2
 Target of \$3,485,000 COF cost (15% above 2018 budget)

	HSA Option #2		Trad. Option #2	
	COF	Employee	COF	Employee
Single	\$625.93	\$96.06	\$698.87	\$148.24
Family	\$1,513.92	\$232.34	\$1,690.34	\$358.56
COF Total	\$798,648	\$122,568	\$2,680,028	\$568,491
EE Total		\$3,478,676		\$691,059

Employee Premium shares as shown include the approved percentage discount for participation in the Health Risk Assessment.

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<p style="text-align: center;">APPROVAL</p> <p style="text-align: center;"><i>Slw</i></p>	<p style="text-align: center;">REQUEST FOR COUNCIL ACTION</p>	<p style="text-align: center;">MEETING DATE</p> <p style="text-align: center;">September 18, 2018</p>
<p>REPORTS AND RECOMMENDATIONS</p>	<p>Potential Acquisition of Property for Public Park Purposes in the City Pursuant to the May 1, 2018 Common Council Action Upon the Parks Commission Recommendation to Move Forward with Park Land Acquisition Necessary Steps (and which Common Council Action Also Changed the Status of the Neighborhood Park Land Acquisition Project in the 2018 Capital Improvement Fund to an "Approved Project")</p>	<p>ITEM NUMBER</p> <p style="text-align: center;"><i>G, 13,</i></p>

At the July 9, 2018, meeting of the Parks Commission, the following action was approved: move to recommend to the Common Council the purchase of two parcels of land for Neighborhood Park purposes, as discussed in closed session, based on the priorities established by the Commission, and a minimum land purchase of 18 acres.

COUNCIL ACTION REQUESTED

A motion to enter closed session pursuant to Wis. Stat. § 19.85(1)(e), for market competition and bargaining reasons, to consider the potential acquisition of properties to be used for public park purposes in the City pursuant to the May 1, 2018 Common Council action upon the Parks Commission recommendation to move forward with park land acquisition necessary steps (and which Common Council action also changed the status of the Neighborhood Park Land Acquisition project in the 2018 Capital Improvement Fund to an "approved project"), and to reenter open session at the same place thereafter to act on such matters discussed therein as it deems appropriate.

or

Such action as the Common Council deems appropriate.

APPROVAL	REQUEST FOR COUNCIL ACTION	MEETING DATE 08/07/18
REPORTS & RECOMMENDATIONS	<p align="center">POTENTIAL ACQUISITION OF PROPERTY FOR PUBLIC PARK PURPOSES IN THE CITY PURSUANT TO THE MAY 1, 2018 COMMON COUNCIL ACTION UPON THE PARKS COMMISSION RECOMMENDATION TO MOVE FORWARD WITH PARK LAND ACQUISITION NECESSARY STEPS (AND WHICH COMMON COUNCIL ACTION ALSO CHANGED THE STATUS OF THE NEIGHBORHOOD PARK LAND ACQUISITION PROJECT IN THE 2018 CAPITAL IMPROVEMENT FUND TO AN "APPROVED PROJECT").</p>	

At the July 9, 2018, meeting of the Park Commission, the following action was approved: move to recommend to the Common Council the purchase of two parcels of land for Neighborhood Park purposes, as discussed in closed session, based on the priorities established by the commission, and a minimum land purchase of 18 acres.

The Common Council may enter closed session pursuant to Wis. Stat. § 19.85(1)(e), to consider the potential acquisition of property for public park purposes in the general southwest area of the City and to reenter open session at the same place thereafter to act on such matters discussed therein as it deems appropriate.

COUNCIL ACTION REQUESTED

A motion to enter closed session pursuant to Wis. Stat. § 19.85(1)(e), for market competition and bargaining reasons, to consider the potential acquisition of properties to be used for public park purposes in the City pursuant to the May 1, 2018 Common Council action upon the Parks Commission recommendation to move forward with park land acquisition necessary steps (and which Common Council action also changed the status of the Neighborhood Park Land Acquisition project in the 2018 Capital Improvement Fund to an "approved project"), and to reenter open session at the same place thereafter to act on such matters discussed therein as it deems appropriate.

Or,

Action on the above item as the Common Council deems appropriate

APPROVAL	REQUEST FOR COUNCIL ACTION	MEETING DATE 07/17/18
REPORTS & RECOMMENDATIONS	<p style="text-align: center;">POTENTIAL ACQUISITION OF PROPERTY FOR PUBLIC PARK PURPOSES IN THE CITY PURSUANT TO THE MAY 1, 2018 COMMON COUNCIL ACTION UPON THE PARKS COMMISSION RECOMMENDATION TO MOVE FORWARD WITH PARK LAND ACQUISITION NECESSARY STEPS (AND WHICH COMMON COUNCIL ACTION ALSO CHANGED THE STATUS OF THE NEIGHBORHOOD PARK LAND ACQUISITION PROJECT IN THE 2018 CAPITAL IMPROVEMENT FUND TO AN "APPROVED PROJECT").</p>	

At the July 9, 2018, meeting of the Park Commission, the following action was approved: move to recommend to the Common Council the purchase of two parcels of land for Neighborhood Park purposes, as discussed in closed session, based on the priorities established by the commission, and a minimum land purchase of 18 acres.

The Common Council may enter closed session pursuant to Wis. Stat. § 19.85(1)(e), to consider the potential acquisition of property for public park purposes in the general southwest area of the City and to reenter open session at the same place thereafter to act on such matters discussed therein as it deems appropriate.

COUNCIL ACTION REQUESTED

A motion to enter closed session pursuant to Wis. Stat. § 19.85(1)(e), for market competition and bargaining reasons, to consider the potential acquisition of properties to be used for public park purposes in the City pursuant to the May 1, 2018 Common Council action upon the Parks Commission recommendation to move forward with park land acquisition necessary steps (and which Common Council action also changed the status of the Neighborhood Park Land Acquisition project in the 2018 Capital Improvement Fund to an "approved project"), and to reenter open session at the same place thereafter to act on such matters discussed therein as it deems appropriate.

Or,

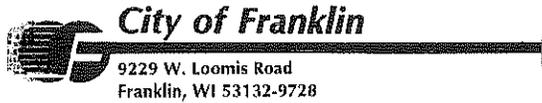
Action on the above item as the Common Council deems appropriate

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APPROVAL <i>Slw</i>	REQUEST FOR COUNCIL ACTION	MEETING DATE 9/18/18
LICENSES AND PERMITS	MISCELLANEOUS LICENSES	ITEM NUMBER H.1.

See attached listing from meeting of September 18, 2018.

COUNCIL ACTION REQUESTED



City of Franklin

9229 W. Loomis Road
Franklin, WI 53132-9728

414-425-7500

**License Committee
Agenda***

Aldermen's Room

September 18, 2018 – 5:55 pm

1.	Call to Order & Roll Call	Time:		
2.	Applicant Interviews & Decisions			
License Applications Reviewed		Recommendations		
Type/ Time	Applicant Information	Approve	Hold	Deny
Operator 6:00 p.m.	Todd P Kalmerton 5881 Tower Rd, Apt #2 Greendale, WI 53219 7-Eleven			
Operator	Troy M Bittenbender 1274 Knollwood Cir Crystal Lake, IL 60014 The Rock Sports Complex			
Operator	Mary E Furey 3333 5 th Ave., #6I South Milwaukee, WI 53172 Country Lanes			
Operator	Peter S Gulgowski 7368 Brunn Dr Franklin, WI 53132 Walgreens #15020			
Operator	Sally A Schroeder 12152 W Woodcrest Cir Franklin, WI 53132 Hideaway Pub & Eatery			
Operator	Heather L Stornello 1509 Nicholson Ave., #6 South Milwaukee, WI 53172 The Rock Sports Complex			
Operator	Ann M Thaler 9044 W Elm Ct #D Franklin, WI 53132 Irish Cottage			
Change of Agent	Mega Marts, LLC (Pick N Save) Jennifer A Weed 4118 Washington Rd #311 Kenosha, WI 53144			
3.	Adjournment			
		Time		

*Notice is given that a majority of the Common Council may attend this meeting to gather information about an agenda item over which they have decision-making responsibility. This may constitute a meeting of the Common Council per State ex rel. Badke v. Greendale Village Board, even though the Common Council will not take formal action at this meeting.

APPROVAL <i>Slur Pd</i>	REQUEST FOR COUNCIL ACTION	MEETING DATE 9/18/18
Bills	Vouchers and Payroll Approval	ITEM NUMBER I. 1

Attached are vouchers dated September 4, 2018 through September 13, 2018 Nos. 170179 through Nos. 170366 in the amount of \$ 920,218.55. Included in this listing are EFT's Nos. 3847 through Nos. 3856, Library vouchers totaling \$ 9,312.44 and Water Utility vouchers totaling \$ 11,719.90. Voided checks in the amount of \$ (500.00) are separately listed.

Early release disbursements dated September 4, 2018 through September 12, 2018 in the amount of \$ 585,746.46 are provided on a separate listing and are also included in the complete disbursement listing. These payments have been released as authorized under Resolution 2013-6920.

The net payroll dated September 14, 2018 is \$ 387,480.64 previously estimated at \$ 395,000.00. Payroll deductions dated September 14, 2018 are \$ 207,172.63 previously estimated at \$ 212,000.00.

The estimated payroll for September 28, 2018 is \$ 404,000.00 with estimated deductions and matching payments of \$ 455,000.00.

Attached is a list of property tax refunds Nos. 17886 dated August 31, 2018 through September 13, 2018 in the amount of \$ 12,943.07. These payments have been released as authorized under Resolution 2013-6920.

COUNCIL ACTION REQUESTED

Motion approving the following:

- City vouchers with an ending date of September 13, 2018 in the amount of \$ 920,218.55 and
- Payroll dated September 14, 2018 in the amount of \$ 387,480.64 and payments of the various payroll deductions in the amount of \$ 207,172.63 plus City matching payments and
- Estimated payroll dated September 28, 2018 in the amount of \$ 404,000.00 and payments of the various payroll deductions in the amount of \$ 455,000.00, plus City matching payments and
- Property Tax payments and settlements with an ending date of September 13, 2018 in the amount of \$12,943.07.

ROLL CALL VOTE NEEDED