

JOHNSON VILLAGE TRUSTEE BOARD MEETING MINUTES
JOHNSON MUNICIPAL BUILDING
TUESDAY, JUNE 20, 2023

Present:

Trustees: GiGi Beach, Steve Hatfield, Lynda Hill (remote), BJ Putvain (remote), Ken Tourangeau (remote)

Others: Erik Bailey

Note: All votes taken are unanimous unless otherwise noted.

1. Call to Order

Ken called the meeting to order at 11:58.

2. Review of Agenda and Any Adjustments, Changes, Additions

No changes to the agenda were needed.

3. Discuss and Set Non-Union Village Employees COLA Increase FY2024

Ken said when Erik submitted the information for our rate study it included our plan to give employees a 7.4% raise in FY2024. The prior board had agreed to that. Our insurance company is requesting a 14.5% increase. We don't know if they will get it. Erik has drawn up some possible motions for the trustees to consider. Setting a COLA increase would be beneficial to us for our rate case. The selectboard did not want to consider setting an increase at this time.

Ken said one possibility he discussed with BJ and Erik was a 6% increase, but with a 14.5% increase in health insurance costs, that could be expensive. It is easier to increase the raise percentage later than to decrease it. If we gave a 5% increase and stayed at a 90% employer contribution for health insurance, that would for the most part take care of the insurance increase. If we went with a higher increase then we would want to decrease the employer insurance contribution.

Lynda said she doesn't think we should go higher than 5%. GiGi said she agrees with the 5% suggestion, but how does it work if the selectboard doesn't follow our suggestion? Will we end up paying more if the selectboard agrees on a smaller percentage increase? Ken said we will end up paying whatever we approve. Erik said if we approve a 5% increase and the selectboard approves a 4% increase, then employees will end up with an increase of about 4.5%.

Ken said the selectboard didn't feel it was a good idea to set an increase now without the insurance information, and he kind of agrees, but if we don't add a COLA increase to our rate study it will stress us down again. He feels a 5% pay increase is a fair increase in today's market. GiGi and Lynda agreed.

Ken said a prior board agreed to a 7.4% increase. He is sure everyone would like to honor that and we may be able to. He can't see where we would have to go below 5%. Lynda said not many places give a raise of more than 3-4% annually. Ken said we had the idea of making the increase equal to this year's COLA, which would have been 7.4%. Erik said

looking forward, if we stayed with that system, next year's increase would be less than 4%. His guess would be 3.3%. GiGi said she will support the board honoring the choice made last year but she thinks 5% is a good place to go. Ken said this board is not obligated to do what any former board chose, even though 4 members are still the same. He is sure everyone here would love to give our employees a healthy raise. However, it will affect a lot of things down the road. Lynda said with insurance rates the way they are she thinks 5% is more than fair. Ken said he thinks most people would like to know their insurance isn't getting changed. We could give a 7.4% increase and decrease our contribution to health insurance so employees have to pay more. GiGi said in her experience employees would much rather have security in health insurance coverage. Steve said he likes the 5% minimum raise option. It sounds like it is more flexible. We can potentially increase it and their insurance costs are definitely covered.

Ken said if we go with 5% we are going with 2.5% less than a prior board told employees they would get. Lynda said we have to do what we have to do for the village. Ken said if the rate study were not going on we would not be entertaining this subject now. BJ said we aren't saying the increase won't be 7.4%. We are just saying what the minimum is that we will give them. We are saying it will be at least 5% with a continued 90% employer contribution to health insurance. Erik said he will try to find savings on health insurance so the increase can be greater. GiGi said sometimes people forget we would not have the town and village of Johnson if not for town and village staff. She thinks the 5% increase proposal has their best interest and the village's best interest in mind. We don't want employees not to feel valued.

Steve moved to guarantee a minimum 5% cost of living increase to non-union employees with an employer health insurance contribution equal to 90% of the Blue Cross Blue Shield Gold Plan regardless of the health insurance premium increase. The pay increase is potentially adjustable with net savings on health insurance below the projected 14.5% increase. The maximum available pay increase will be 7.4% if net village health insurance costs are increased by 10.9% or less. GiGi seconded.

Ken clarified that we are doing this because the Public Utility Commission doesn't want to consider projected numbers for the rate case. We also have the option not to set a COLA increase now and leave it out of our rate study but he thinks including it can make a difference.

The motion was passed.

4. *Adjourn*

Steve moved to adjourn, Lynda seconded, the motion was passed and the meeting was adjourned at 12:16.

Minutes submitted by Donna Griffiths