

COMMITTEE OF THE WHOLE

A meeting of the Committee of the Whole was called to order by Chair Penterman on Tuesday, February 17, 2026, at 6:00 PM.

Members present: Antoine, Eggleston, Kilgas, Moore, Schell, Schumacher, and Thiele.

Also present: Mayor Penterman, Attorney Greenwood, DPW/Eng. Neumeier, Fire Chief Carrel, HR Director Hodge, Payroll Coordinator Ault, Street Superintendent Van Gompel, Lib. Dir. Thiem-Menning (Zoom), Street Foreman Nelson, and interested citizens.

Absent & Excused: DeCoster.

Motion by Moore, seconded by Eggleston to excuse the absent member.

All members present voted aye.

Motion carried.

1. Correspondence – none.

2. Discussion Topics.

a. Monday/Tuesday Meeting Structure.

The City's current meeting structure uses Standing Committees, which are the Board of Public Works, Finance and Personnel Committee, Health and Recreation Committee, Legislative Committee, and Public Protection and Safety Committee. All voting members of these committees are Common Council members, and most Standing Committee actions are ultimately advisory to the full council. As a result, items considered by Standing Committees on Monday are routinely considered and approved again by the same elected officials at the Council meeting the next night.

This structure produces several challenges. First, it results in duplicative procedures and redundancies. Department staff must prepare and present the same information twice in consecutive nights, and Council members deliberate and vote twice on the same matters. Additionally, if there is a proposed change that two Standing Committees have jurisdiction over, it should then go before both before being forwarded to the entire Council for action. Second, the need to adjourn one meeting and convene the next creates inefficiency and adds administrative complexity without substantial benefits. This also increases recordkeeping burdens, as each Standing Committee requires its own separately maintained agenda and set of minutes. Third, maintaining multiple small committees increases the potential for quorum issues. Because several alders serve on two or more Standing Committees, absences can more easily prevent a quorum and delay or prevent committee action. Fourth, restructuring may allow for more consistent and equitable consideration of issues. Since all voting members of all Standing Committees are also Common Council members, all alders will ultimately participate in discussion and decision-making. Allowing all alders to engage earlier in the process would reduce the need to reopen and re-debate items on Tuesday that were already discussed Monday.

Attorney Greenwood presented three options: maintain the current system, convert Monday meetings to a Committee of the Whole, or eliminate Monday meetings and standing committees entirely. If option 2 or 3 were chosen, there would be at least 30 ordinances to make changes to as they include references to standing committees.

Consensus amongst alders concluded that option 3 would be the least favorable option. Alder Moore stated that option 3 would be in the least interest for public transparency regarding Council meetings and things that are going on. Alder Moore expressed the most interest in maintaining

the current system as it allows members of the Common Council to talk about items in standing committees and have further discussion in Common Council. Alder Antoine also stated she would be in favor of option 1 or 2. Her concern with option 3 was that some meetings have important topics that require lots of discussion and decision making. If all the meetings were put on the same night, Antoine worried that some items would not get as long of a discussion as they otherwise would have.

Alder Eggleston also did not like the idea of having all meetings in 1 night. Eggleston expressed how the 2-night meeting structure allows alders to reflect on topics and come up with more questions or information for the following night. Alder Kilgas expressed interest in option 2 as it would allow for all alders to have discussion rather than just members of the standing committees, which is what the current structure is.

Attorney Greenwood will come back with more information so alders can decide between options 1 or 2.

b. Continuation of OBBBA Requirements and Pay Practices.

Recent federal legislation, the One Big Beautiful Bill Act (OBBBA), requires employers to identify, track, and report the exempt portion of true Fair Labor Standards Act (FLSA) overtime for all employees. This requirement applies citywide and must be reflected accurately in payroll records and annual W-2 reporting. Over the past several months, staff has reviewed the City's existing pay practices, evaluated payroll system capabilities, consulted with payroll professionals, met with affected departments (including the Street Department), and consulted with the City's outside labor counsel from Von Briesen, Attorney Patrick Leigl, to ensure the proposed approach is legally compliant and defensible. This work identified inconsistencies in how overtime is treated across departments, particularly when overtime is paid on non-worked hours such as holidays, vacation, or sick leave.

Fire and Police operations already follow FLSA standards by calculating overtime only on hours actually worked. The proposal brings the remainder of the city into alignment with this same standard to ensure compliance, equity, consistency, and efficiency, while recognizing that the Street Department has unique operational overtime needs that require a tailored solution.

A key consideration is the City's obligation to accurately report OBBBA-exempt overtime on employees' W-2s. Manual tracking is technically possible, but it is inefficient, error-prone, and not scalable with roughly 150 employees who qualify for overtime. Reliance on manual processes increases the risk of W-2 reporting errors, amended filings, employee tax corrections, professional service costs, and potential audit or penalty exposure. The proposed approach allows the payroll system to accurately calculate and report the exempt portion of true FLSA overtime, significantly reducing compliance risk. As part of this update, the city will also implement a blended overtime calculation consistent with FLSA. Under this method, the overtime premium is based on the employee's average regular rate of pay for the workweek, including applicable premiums earned during hours worked. The payroll system will separately identify the base overtime and the overtime premium portion, allowing for accurate OBBBA reporting while minimizing manual intervention.

The Street Department has unique operational demands related to emergency response, weather events, and unplanned overtime. To remain compliant while maintaining operational effectiveness, the following changes are proposed: Overtime will be calculated only on hours actually worked, consistent with FLSA standards, double-time on holiday and Sunday classifications will be eliminated, employees working weekends or City-assigned holidays will receive a flat premium of \$37.00 per hour in addition to their regular rate of pay, the \$37.00 premium was intentionally selected to keep employees whole to the greatest extent possible. It reflects the middle-grade, top-step rate, balancing equity across classifications and fiscal responsibility. It also acknowledges that the premium is consistent for all DPW staff coming in on unscheduled time, Saturday premium pay is new, providing additional compensation where none previously existed and helping offset changes to overtime treatment, and premium pay will be tracked separately from overtime, allowing the payroll system to

accurately identify and report the exempt portion of true FLSA overtime and reducing the risk of W-2 errors.

HR Director Hodge expressed how the current software, or any other software, does not have the capability to automate the value of an employee's earnings, compliant with the OBBBA. If the city were to maintain the current software and pay practices, manual tracking would be needed for all 150 nonexempt individuals employed by the city. For auditing purposes, all nonexempt employees must get tracked on whether or not they get overtime. Under the OBBBA requirements of what the city needs to manage for W2 reporting, the software can't automate what is or is not true overtime for physical hours worked over 40.

Hodge also discussed how this proposal is about managing the current pay practices to be compliant with the OBBBA and to keep the process as automated and in the system as possible. If all pay practices were to be kept the same, the only way to satisfy the requirements of the OBBBA would be to manually track all nonexempt employees outside of the software. Manually calculating and manually running reports leaves room for human errors and could cause later problems for auditing.

Alder Schumacher expressed support for manual tracking, so employees don't lose their overtime benefits. Alder Schumacher stated that without overtime benefits, it would be challenging to find employees to be called in and work when needed.

Alder Eggleston expressed concerns about manual tracking because any time you do anything off the software, you run into risks with human error and record keeping. Automated pay practices ensure that all employees are being treated the same. Eggleston said that manual tracking would create vulnerabilities for the city as the same process would not be done for every employee, which could be seen as exceptions. Eggleston said that it is important to stay as standard as possible, otherwise the city could risk audit violations.

Alder Antoine asked that if the OBBBA were to change in the future, if the city would be open to relooking at pay practices that were put into place to satisfy the requirements of the OBBBA, which HR Director Hodge stated that the Common Council could take this up again for discussion were that the case.

Alder Moore mentioned that Kaukauna Utilities has been able to manually operate their pay practices and was wondering why the city could not do the same. Hodge stated that we can manually track hours, but it would take additional administrative resources to manage that on a weekly basis. She also spoke to audit concerns, where manual management is at the risk of human error. Other employers might be using manual management to satisfy OBBBA, but it is unknown whether that will be compliant or hold up to an audit.

This item will be brought before the Common Council for a final decision.

3. Adjourn.

Motion made by Moore, seconded by Thiele to adjourn.

All members present voted aye.

Motion carried.

Meeting adjourned at 7:50 PM.

Kayla Nessmann, Clerk