



MEMORANDUM

TO: Mayor Merkes, Council President Sevenich and the members of the City of Menasha Common Council

FROM: City Comptroller/Treasurer Stoffel
Public Health Director Nett

DATE: 03/01/2012

SUBJECT: Benefits for Part-Time Employees – Resolution R-1-12

At the Common Council meeting of January 16, 2012, R-01-12 was presented for discussion and adoption. This is the resolution which addresses how regular, part-time employee's fringe benefit packages would be determined, as a percentage of time worked.

The resolution was tabled at that time and is now up for reconsideration at the Common Council meeting of 03/05/2012. Following is information which we feel is appropriate for inclusion in that discussion.

Currently in place, is a matrix, which determines the percentage of benefits a regular part-time employee can receive. The chart below compares the existing to the proposed plans:

Existing Plan		Proposed Plan	
If an employee worked:		If an employee worked:	
Less than 640 hours	Not eligible	Less than 50% FTE	Not eligible
At least 640 but less than 976 hours	33% benefits	50% - 99% FTE	Benefit % equal to the percentage of FTE budgeted to work in calendar year
At least 976 but less than 1300 hours	50% benefits		
At least 1300 but less than 1950 hours	67% benefits		

As you can see, based upon 1950 work hours in a year, a person working 1600 hours is currently eligible for a 67% benefit package, even though they are working 82% of a full year.

Also at that meeting a memorandum was distributed which stated that the current regular part-time employees who would be affected by this change, could see an increase in their total compensation package from \$126,810 to \$148,151. While this is possible it is **not** probable.

What the memo failed to mention was that under the current matrix, those same regular part-time employees are currently eligible for an additional \$19,348 in benefits. Therefore, under the current matrix these employees are eligible for \$146,158 in benefits and under the new plan they would be eligible for \$148,151 in benefits, a difference of \$1993.

Currently, for 2012, the City has budgeted \$1.45 M for Health Insurance for all employees based upon current classification. If just one employee changes from single to family coverage, this results in an increase of \$12,630 in their total compensation package. If all the employees were to change to a family plan, the City would be looking at a bill of \$1.975 M for Health Insurance. Again possible but **not** probable.

We would recommend that Resolution R-1-12 be adopted. This policy decision should be driven by what is fair to the employee, not on how much less the City can compensate our regular, part-time workers.

RESOLUTION R-1-12

A RESOLUTION TO RESTRUCTURE PRO-RATED BENEFIT LEVELS FOR REGULAR PART-TIME EMPLOYEES

Introduced by Alderman Krueger

WHEREAS, the City of Menasha offers a competitive array of indirect compensation to regular full-time employees; and

WHEREAS, regular part-time employees may be eligible for limited benefits on a pro-rated basis; and

WHEREAS, it is in the best interest of the City of Menasha to change from the current range system to a system where the limited benefit eligibility corresponds, and is equivalent to, the FTE status of each part-time position that is designated as half-time (.5) or higher.

NOW THEREFOR BE IT RESOLVED, that the City of Menasha changes its Personnel Policy Handbook, Benefits Eligibility, restructuring benefit levels for regular part-time employees to a system where the limited benefit eligibility corresponds, and is equivalent to, the FTE status of each part-time position that is designated as half-time (.5) or higher.

Passed and approved this ____ day of _____, 2012.

Donald Merkes, Mayor

Attest:

Deborah A. Galeazzi, City Clerk