

Neenah-Menasha Fire Rescue
Finance & Personnel Committee Meeting
May 27, 2014 – 5:30 p.m.
Hauser Room – City of Neenah

Draft

Present: Ald. Benner, Ald. Ramos, Ald. Kunz, Ald. Bates and Ald. Taylor

Excused: Ald. Englebert

Also Present: Chief Auxier, CA Godlewski, Director Steeno, Director Easker and Office Manager Theisen

Members of the Public Present: Ald. Pollnow, L275 President Jamie Leonard, Al Wroblewski

Ald. Ramos called the meeting to order at 5:30 p.m.

Public Forum: No members of the public chose to speak.

Minutes: The Committee reviewed the April 22, 2014 meeting minutes. **MSC Bates/Kunz to approve April 22, 2014 meeting minutes, and place on file, all voting aye.**

Budget Report: The Committee reviewed the April 2014 budget report. Chief Auxier noted the overtime budget is exceeding the budget due to FMLA requests, employee injuries, funeral leave and some sick leave usage. The maintenance of motor vehicles account has 68% usage due to the repair work needed for Quint 32 and other unforeseen issues with vehicles. Ald. Kunz asked if it saves more money to use more money out of this account to repair vehicles versus replacing vehicles. Chief Auxier explained the Department did have a vehicle replacement guideline that included changing engines on a 15 year cycle. The intent was to be able to have new vehicles that would have less maintenance issues, and sell the old engines to other Departments to recoup some of the money that was spent. Due to recent revenue issues both Cities have experienced the past few years, our Department has worked with both Mayors to push back the replacement of our vehicles. Since we are not replacing vehicles as often we now have an aging fleet and it is requiring more repair work in order to maintain the vehicles. Ald. Bates thanked Chief Auxier for the email that was sent out giving the vehicle information.

Ald. Kunz asked why the agenda for the Fire Commission had some of the same things on their agenda. Chief Auxier explained this information is given to them to keep them up-to-date with what is going on with our Department. **MSC Bates/Kunz to accept the April 2014 budget report, and place on file, all voting aye.**

April Activity Reports: The Committee reviewed the April activity and automatic aid reports. Chief Auxier explained due to implementation of the new radio and CAD systems, we've had issues with capturing the calls that Appleton responds to in the City of Menasha. He is working with Appleton Fire Department and Winnebago County Dispatch to have reports created so we can monitor the calls between each of our Departments.

Ald. Bates asked how it's decided what equipment is used for medical assists. Chief Auxier explained there is priorities in the dispatch system, and depending upon the type of call, depends upon the number of engines, and other equipment that is dispatched. Ald. Kunz asked if could we staff a van versus a fire truck for EMS calls. Ald. Taylor commented that this question has been asked for many years and asked why we can't staff other vehicles since we have more personnel due to consolidation. Chief Auxier explained that all of the equipment is on one vehicle. When we are fully staffed we have four man engine companies. However, when we are at minimum staffing, which is 80 % of the year, we only have three man engine companies and do not have enough manpower to staff a van for EMS calls and others to staff engines for fire calls. If we are dispatched to a medical call, and then get a fire call, that would require the members to drive back to the station with the van,

then get on the engine and respond to a fire call. This will cause increased response times for calls. We have shift inspectors assigned to different vehicles to perform inspections, which we are required to perform in both Cities, so this decreases our staffing to three man engine companies during the day, regardless if we have people off or not. Ald. Taylor asked Chief Auxier to bring a staffing chart to so they can see how staffing is decided for each vehicle. **MSC Bates/Kunz to accept the April activity and automatic aid reports, and place on file, all voting aye.**

Discussion of Fiscal Impact of 26 versus 27 pay dates in 2014: CA Godlewski provided an overview of pay periods. The City of Neenah has bi-weekly pay periods, which amounts to 14-day pay periods. Over a 11-year some years will have shorter months and then leap years it ends up in the 11th year employees are paid 27 paychecks versus 26 paychecks. During these 11 years employees also work one extra day per year and that rolls every year, for 11 years, and that's another factor for 27 paychecks in the 11th year.

During the merger discussions, a contract was worked on as the individual unions were consolidated into one union. Former CA Brandt wanted language in the contract that spelled out how members would be paid in the 11th year when 27 paychecks are paid. The language he wanted was similar to that applicable to other City of Menasha employees. The intent of the discussions was not to reduce their annual pay in the 11th year. However, due to the contract language negotiated at consolidation, when there are 27 paychecks employees' annual salary is divided by 27 which results in a reduction in bi-weekly pay for the members during that year. The purpose of this memo is to notify the Committee, and both Common Councils, of the potential surplus.

Ald. Bates asked about the raises. CA Godlewski said the interpretation of the contract was the last full pay period of the year. The language for the 27-pay period uses the same language. However, to be consistent, the term "payperiod" has to be treated as equivalent to "paycheck", which in the contest of the 2013 raises, backed up the effective date of the December raise from December 16 to December 2. The union did step forward and pointed out the error.

Director Easker explained due to the extra day employee's work each year, over 11 years, money is set aside each year to fund the 27th paycheck for the City of Neenah employees. This money is set-aside in a separate account and accrues over the years. However, due to the union contract, the monies are not needed for firefighters this year and there is a surplus in the account.

Director Easker further explained that the firefighters were overpaid in the beginning of the year and commended Local 275 members for bringing both of these issues this to the Cities attention right away. Eventually the issue would have been caught, however, with their diligence there was less work that had to be done to recoup overpaid monies.

Ald. Bates and Kunz asked how this account and NMFR's budget is funded. Director Easker explained it was funded through the budget formula that is approved every year by the Joint Finance & Personnel Committee. When the Departments merged there could only be one "employer" for the Department. The City of Neenah is considered the "employer" for the employees and they follow all of the City of Neenah's polices and procedures. Paychecks and Department purchases are processed through the City of Neenah's Finance Department. However, both Cities fund the Department's budget through the budget formula and the City of Menasha pays the City of Neenah their portion of the budget. NMFR's budget is audited every year and if there are any surpluses they are appropriated back to each City, per the budget formula for that year. If the budget went over budget then each City would have to pay their share according to the budget formula.

Director Easker passed out updated information on what the surplus is. Ald. Benner asked if interest was accrued on this account. Director Easker said there was a small amount of interest earned in this account. However, these numbers do not reflect interest.

Ald. Kunz and Ald. Bates asked what should be done in the future so there is not a large surplus every 11 years. Both Finance Directors advised funding for salaries should remain the same. If the contract language changes, and they are paid like the rest of the City of Neenah employees, then we will not have enough money in the 11th year for the 27th paycheck.

Ald. Kunz said it's difficult for him to support a contract language change for the union members as he feels the non-union employees have suffered more with smaller raises and paying more into their retirement due to Act 10. Chief Auxier explained this is the only group of employees that have had a reduction in pay this year. All non-union employees didn't have their paychecks reduced this year. The firefighters take home pay has the last few years, similar to the non-union employees, due to higher insurance premiums, lower raises and paying higher WRS contributions. They have suffered just as much the non-union employees. CA Godlewski and Director Easker both concurred with Chief Auxier and stated union members stepped up to the plate and agreed to open their contract to pay higher insurance when requested by both Cities. They didn't have to open their contract and voluntarily pay higher premiums. When Act 10 became a law it was around the same time as contract negotiations for the union. The union agreed to their portion of the WRS contribution without a fight. The overpayment of checks would have eventually been caught but they are the ones that brought the issue to the City's attention and asked how they could work with the City to correct this. The actions by the union members show the integrity of the employees we have working for us.

A lengthy discussion was held on how the City of Menasha pays their employees, which is the same way the union members are being paid this year. The City of Neenah doesn't reduce the employee's pay as they work an extra year and it accumulates over 11 years. CA Godlewski said when this issue came up in 2003; a survey was done to find out how the private sector handles this issue. The private sector doesn't reduce employee's pay. They follow the City of Neenah's practice of rolling that extra workday and in the 11th year paying out the 27th paycheck. Director Steeno noted from a public employer standpoint, the City of Menasha is the first municipality that she knows of who actually reduces employee's pay. Waukesha, West Allis and Oshkosh are Cities that she has worked for and handle it the same way as the City of Neenah and do not reduce employee's pay in the 11th year.

Ald. Benner said several times, he feels if employees work that extra day they should get paid for it. It's not fair to ask employees to work and not get paid for it. We, as employees, would not stand for working for free and it's not fair to ask our employees to work and not get paid consistently on a bi-weekly basis.

The Committee member asked when a decision has to be made to deal with the excess monies and asked both Finance Directors what their opinion is on what to do with this money. Should it remain in the current reserve account or be distributed from the fund. Both Finance Directors feel the monies should be distributed from this fund, as we should start over with funding this account over the next 11 years. CA Godlewski said there is no deadline to make a decision. The Committee agreed the Finance Directors should continue funding salaries, for union members, the same way they have been for the past 11 years.

Ald. Pollnow asked this issue be brought to the Council to decide how the money should be used. CA Godlewski said NMFR's Finance & Personnel Committee has the jurisdiction of deciding the budget, as outlined in the merger agreement.

Members asked if there are restrictions on how this money can be used. Director Easker said this money could be used for however the Cities want to use it once it is distributed back to them. If the decision is to distribute the monies back to both Cities, it would be done based on what each City responsibility was for the approved budget formula for the past 11 years.

Ald. Bates said she wants to look at having this money put into a reserve account to fund new vehicle purchases. Chief Auxier said many community's set-aside reserve funds to fund future large purchases. He feels this money should be used for funding purchases for NMFR and asked for consideration of putting this

money into a reserve account to fund the vehicle purchase scheduled in 2015. Over the last few years, the City of Menasha had to overcome the money challenges that they faced. During that time, if we were in dire need to replace any vehicle it would not have happened due to their financial constraints. If there is a reserve fund, we have an account to fall back on in case we ever have major issues and reduces the burden for both Cities. Director Easker said his preference is to borrow the money versus fund a reserve account. Director Steeno said the City of Menasha usually funds reserve accounts for future purchases. Ald. Ramos and Benner expressed concern with making a decision on distributing the funds without input from staff. The Committee agreed with Ald. Ramos and Benner, and directed staff to put together recommendations for the excess monies and bring this back to the June meeting for further discussion.

Future Meetings: Ald. Bates requested to change the July meeting from July 22, 2014 to July 29, 2014 as there are no council meetings for any of the alderman this week and this will allow them to make vacation plans. The Committee members agreed to change the meeting date. The next meeting will be held on June 24, 2014 at 5:30 p.m. in the City of Menasha.

MSC Bates/Kunz to adjourn at 6:30 p.m., all voting aye.

Respectfully Submitted,

Al Auxier
Chief

AA/tt