

IT IS EXPECTED THAT A QUORUM OF THE BOARD OF PUBLIC WORKS, PLAN COMMISSION, AND ADMINISTRATION COMMITTEE WILL BE ATTENDING THIS MEETING; (ALTHOUGH IT IS NOT EXPECTED THAT ANY OFFICIAL ACTION OF ANY OF THOSE BODIES WILL BE TAKEN)

**CITY OF MENASHA
Personnel Committee
140 Main Street, 3rd Floor Council Chambers**

May 5, 2008

5:30 PM

AGENDA

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1. CALL TO ORDER

A. Call to Order

2. ROLL CALL/EXCUSED ABSENCES

A. Roll Call

3. MINUTES TO APPROVE-MINUTES & COMMUNICATIONS TO RECEIVE

Minutes to approve:

A. Personnel Committee Minutes, 4/21/08

[Attachments](#)

4. DISCUSSION

A. Options relating to non-represented employee bonuses-Article V.A.14 of Personnel Policy Handbook - pg 10

[Attachments](#)

- 1. Amendment requiring justification (Alderman Hendricks)**
- 2. Elimination of bonus policy (Alderman Pack)**

B. Update on Health Insurance

[Attachments](#)

C. Consideration of Personnel Committee involvement in contract negotiations for union contracts beyond 2008

[Attachments](#)

5. ADJOURNMENT

A. Adjournment

"Menasha is committed to its diverse population. Our Non-English speaking population or those with disabilities are invited to contact the Menasha City Clerk at 967-3600 24 hours in advance of the meeting so special accommodations can be made."

CITY OF MENASHA
Personnel Committee
140 Main Street, 3rd Floor Council Chambers
April 21, 2008

MINUTES

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1. CALL TO ORDER

Meeting Called to Order by Chairman Hendricks at 6:58 p.m.

2. ROLL CALL/EXCUSED ABSENCES

A. Roll Call

PRESENT: Ald. Wisneski, Pack, Hendricks, Zelinski, Michalkiewicz, Benner, Taylor, Mayor Merkes.

ALSO PRESENT: CA/HRD Brandt, PC Stanke, DPW Radtke, CDD Keil, C/T Stoffel, PHD Nett, PRD Tungate, PWS Jacobson, Clerk Galeazzi, and the Press.

3. MINUTES TO APPROVE-MINUTES & COMMUNICATIONS TO RECEIVE

Minutes to approve:

A. Personnel Committee Minutes, 4/15/08

Moved by Alderman Pack, seconded by Alderman Michalkiewicz to approve Personnel Committee Minutes, 4/15/08

Motion Carried on voice vote

Results:

4. DISCUSSION

A. Options for filling District 1 Alderman Vacancy

CA/HRD Brandt explained the options available to the Council to fill the alderman vacancy. The Council can wait until the November 2008 election and make it part of the Presidential Election or can advertise, go through an interview process and the Council make the appointment to fill the vacancy. CA/HRD Brandt explained what procedures were used in the past when there was an alderman vacancy.

Discussion ensued on the quickest process to give representation to District 1

Moved by Ald. Wisneski, seconded by Ald. Pack to recommend to Common Council to advertise to have interested people submit resumes by May 5 for consideration at May 19 meeting.

5. ADJOURNMENT

A. Adjournment

Moved by Ald. Pack, seconded by Mayor Merkes to adjourn at 7:07 p.m.
Motion carried on voice vote.

Deborah A. Galeazzi

Respectfully submitted by Deborah A. Galeazzi, City Clerk



MEMO

TO: Personnel Committee

FROM: Jeff Brandt JSB

SUBJECT: Non – rep bonuses

DATE: May 1, 2008

The Personnel Committee will be considering the Personnel Policy Handbook provision for non- represented bonuses. I am attaching the provision of the handbook authorizing the bonuses. I am also attaching the list of all the Departments where past bonuses were received and the amounts.

The process in the past was that the Mayor approached me as Human Resources Director telling me when the Mayor felt a bonus was appropriate. I created a memo to the affected employee for the Mayor's signature advising as to the bonus and the justification for that bonus. This memo would then be placed in the employees' personnel file. The bonuses of 2008 did not follow this procedure since I was on Family and Medical Leave from April 1 – April 21, 2008. Had I been at work, I would have created those memos in each instance.

The genesis of the bonus provision was the time the City changed from a merit-based pay system for non-reps to a longevity based system. The pay plan included the bonus provision to allow for monetary recognition where a non – represented employee performed in some way during the year deserving of merit. The power was given to the Mayor to avoid personality conflicts that might exist from a specific member of the Common Council. It was also felt that the Mayor had a better ability to observe the employees since his position was full-time compared with any Council member.

Should the Personnel Committee feel that either the Alderman Hendricks or Alderman Pack proposal or another proposal has merit, a motion to recommend such action to the Common Council should be made and considered by the Personnel Committee.

BONUS AUTHORIZATION FROM PERSONNEL POLICY HANDBOOK

14. The Mayor has the authority in his/her discretion to provide any non-represented employee up to a \$500 one-time bonus for any year in which the Mayor feels that the particular employee has performed in such a meritorious manner so as to deserve such monetary recognition. It is intended that this provision will be sparingly used. Such bonus will not be added to that employee's base salary and will be distributed at such time as the Mayor directs.

Bonus Pay -- 1992 to present

Year	Department	Amount
1996	Public Works	\$500
	Public Works	\$500
1998	Community Development	\$500
	Community Development	\$500
1999	Police	\$500
	Fire	\$500
	Fire	\$500
2002	City Attorney/Personnel	\$500
	Fire	\$500
2003	Fire	\$500
2004	City Attorney/Clerk	\$500
	Community Development	\$500
2005	Health	\$500
	Public Works	\$500
2006	City Attorney/Clerk	\$500
	Finance	\$500
	Health	\$500
2007	Public Works	\$500
2008	City Attorney/Personnel	\$500
	City Attorney/Personnel	\$500
	City Attorney/Personnel	\$500
	City Attorney/Clerk	\$500
	City Attorney/Clerk	\$500
	Community Development	\$500
	Community Development	\$500
	Finance	\$500
	Health	\$500
	Park, Rec & Forestry	\$500
	Park, Rec & Forestry	\$500
	Police	\$500
Police	\$500	
Public Works	\$500	



MEMO

TO: Personnel Committee

FROM: Jeff Brandt JSB

SUBJECT: Health Insurance Update

DATE: April 30, 2008

The City of Menasha negotiated with Locals 1035 (Street, Park, Sanitation, Fleet), 1035B (City Hall and Police Support, and 603 (Police) to change the health insurance plan from a Preferred Provider Organization (PPO) to an choice of an HMO or PPO. The previous plan was self-funded through a coalition of members of WPPI (Wisconsin Public Power Inc. The current provider is Network Health Plan.

The negotiations were through an Insurance Study Committee. That Committee included representatives from all Unions, their Staff Representatives from AFSCME, and management representatives Health Director Nett, Chief Stanke, PW Director Radtke and HR Director Brandt. Mayor Laux attended when available. Aldermen were invited to attend, but no one did other than at the first meeting. The Committee has reconvened by agreement of all Unions and management. Our first meeting was March 26 and the next is June 4.

The result of the Insurance Study Committee in 2006 was an agreement to change the benefit structure of health insurance, saving over \$350,000. The attached table shows health insurance costs over the last several years.

Health insurance premiums depend on several things: the experience of our group, medical inflation, number of large claims, and benefit structure.

Experience of our group

The City currently insures about 125 active employees and about 25 retirees. Retirees are allowed to stay on the City's plan at their expense until they qualify for Medicare. During the period of 2004 - 2006, the City's loss ratio was 115%. That means that \$1.15 was paid out on claims for every \$1.00 of premiums. As you can see from the table our premiums rose dramatically during those years. That trend improved in 2006 - 2007 to around 80%. Figures for 2008 are too preliminary for any meaningful comparison, although they have risen in the first two months.

Medical Inflation

The City has no control over this component. My last discussion with our insurance consultants pegged this at 10 – 12%. Components of this will include research and development, new medical techniques, competition and the general economy.

Number of large claims

Large claims can affect our premiums in two ways. If there are several that appear to be continuing, the projection is that our costs will remain high. Since there is reinsurance available for most large claims, those that appear to be one time instances are discounted when our experience is calculated.

Benefit Structure

In the public sector, this is a significant cost item. When insurance was inexpensive in the 70's and 80's, Collective Bargaining Agreements included generous health insurance in lieu of wage increases. As health insurance increased in cost, municipalities were forced to provide a quid quo pro due to the binding arbitration law to reduce benefits. This is the reason Menasha saved money over the last two years because the benefit was changed from a PPO to an HMO.

Others

There are other areas where it is believed insurance costs may be reduced. These include the so-called consumer driven health care. If users adjust their lifestyles and their reliance on medical care only when necessary, there will be fewer claims. A number of municipalities and Counties have tried wellness programs incentivized by lesser premium share. Whether those will have any significant effect on premiums is not yet known. High deductible plans can change insurance coverage from what we have enjoyed over the past couple of decades in favor of protection against high or catastrophic costs.

Reducing health insurance costs comes from the collective bargaining process. If unions are willing to reduce benefits or contribute more in premium share, costs go down. This has been the main function of the Insurance Study Committee. All of the ideas will be considered by the Committee.

However, should the Personnel Committee and the Common Council choose to change the way insurance has been considered in favor of something different, it has the right and responsibility to do so. Should the Personnel Committee wish to continue with the Insurance Study Committee, it is requested that it pass a motion to that effect. If the Personnel Committee wishes to do something different, that motion would be in order. Since any change in coverage ultimately requires the approval of the Common Council, it is not necessary for these motions to be considered by the Council.

Monthly Health Insurance Premiums Rate Increase History

	Single	Family	Emple/ Child	Emple/ Spouse	Percent increase from previous year	Changes
January 1, 2008 HMO	424.95	1,374.74	783.20	892.40	6.50%	prem % contribution (incl h-d-v)
less employee prem contr	25.50	82.48	46.99	53.54		HMO: 6%, cap of \$95
benefit	399.45	1,292.25	736.21	838.86		POS: 9%, cap of \$160
January 1, 2008 POS	482.01	1,559.31	888.36	1,012.23	6.50%	initial renewal came in at 12% increase;
less employee prem contr	43.38	140.34	79.95	91.10		consultant negotiated to 6.5%
benefit	438.63	1,418.97	808.41	921.13		
January 1, 2007 HMO	399.01	1,290.81	735.39	837.93	-25.67%	change to Network Health Plan
less employee prem contr	19.95	64.54	36.77	41.90		choice of HMO or POS
benefit	379.06	1,226.27	698.62	796.03		prem % contribution (incl h-d-v)
January 1, 2007 POS	452.59	1,464.14	834.14	950.45	-15.68%	HMO: 5%, cap of \$70
less employee prem contr	36.21	117.13	66.73	76.04		POS: 8%, cap of \$125
benefit	416.38	1,347.01	767.41	874.41		change prescription co-pays to: retail: \$10/\$25/\$50 mail: \$25/\$60/\$150 w/caps
<p>HRA policy established to reimburse employees if prescription exceeds \$200/Tier 2; \$320/Tier 3 per prescription; and specific dental surgeries previously covered by health ins</p>						
January 1, 2006 health ins prem	536.78	1,736.50	989.31	1,127.25	17%	no change
less employee prem contr (non-union)	32.21	104.19	59.36	67.64		
benefit	504.57	1,632.31	929.95	1,059.62		
less employee prem contr (union)		74.31				*union has prem contribution cap of \$80/mo for h-d-v insurance
		1,662.19				

Monthly Health Insurance Premiums Rate Increase History

	Single	Family	Emple/ Child	Emple/ Spouse	Percent increase from previous year	Changes
July 1, 2005 health ins rate increase	66.66	215.65	122.86	139.99	17%	mid-year increase
Jan 1, 2005 rate	392.13	1,268.54	722.70	823.47		
July 1, 2005 monthly premium	458.79	1,484.19	845.56	963.46		
2005 health ins rate (PPO)	392.13	1,268.54	722.70	823.47	19.50%	no change to prem contributions
less employee prem contr (non-union)	23.53	76.11	43.36	49.41		changed to 4-tier coverage
benefit	368.60	1,192.43	679.34	774.06		
less employee prem contr (union)		69.31				*union has prem contribution cap
		1,199.23				of \$75/mo for h-d-v insurance
2004 health ins rate (PPO)	328.14	895.38			6.73%	change to PPO only
less employee prem contr	19.69	53.72			8.41%	6% monthly prem contribution
	308.45	841.66				unions capped at \$60/mo for
						h-d-v insurances prem contr
						3-tier drug plan to 5/25/40
2003 health ins rate (PPO)	307.46	825.94			21.50%	6% monthly premium contr
less employee prem contr	18.45	49.56				unions capped at \$60/mo for
	289.01	776.38				h-d-v insurances
2003 health ins rate (comp)	341.28	916.80			21.50%	
less employee prem contr	91.47	210.92				
	249.81	705.88				
2002 health ins rate (PPO)	253.05	679.79			-11.92%	WPP1 Benefit Plan
less employee prem contr	0.00	0.00				Trust
	253.05	679.79				TPA-Claims Mgmt Svcs
2002 health ins rate (comp)	280.89	754.57			-5.16%	6% premium contribution
less employee prem contr	0.00	0.00				unions capped at \$60/mo for
	280.89	754.57				h-d-v insurances

Monthly Health Insurance Premiums Rate Increase History

	Single	Family	Emple/ Child	Emple/ Spouse	Percent increase from previous year	Changes
2001 health ins rate (PPO)	287.28	811.77			11.55%	offered PPO or comp coverage
less employee prem contr	8.62	24.35				
	278.66	787.42				
2001 health ins rate (comp)	296.17	836.88			15.00%	
less employee prem contr	8.62	24.35				
	287.55	812.53				
2000 health ins rate	257.54	727.72			7.50%	
less employee prem contr	7.73	21.84				
	249.81	705.88				
1999 health ins rate	239.57	676.95			7.81%	
less employee prem contr	7.19	20.31				
	232.38	656.64				
1998 health ins rate	222.22	627.92			-0.64%	increased deductibles to \$300/600
less employee prem contr	6.67	18.84				increased drug co-pays to \$5/15
	215.55	609.08				Fire Dept retiree City contribution starts: \$55/single; \$190/family
1997 health ins rate	223.65	631.97			8.48%	Changed to Trustmark Ins. Co.
less employee prem contr	6.71	18.96				
	216.94	613.01				
1996 health ins rate	206.16	582.44			2.60%	premium contribution started
less employee prem contr	6.19	17.47				
	199.97	564.97				
1995 health ins rate	200.94	567.68			4.00%	
1994 health ins rate	193.21	545.85			4.00%	
1993 health ins rate	185.78	524.86			21.96%	Joint w/Utilities added deductibles of \$125/250 drug co-pays of \$3/10
1992 health ins rate	152.33	430.36			-7.41%	
1991 health ins rate	164.52	457.99				WPS



MEMO

TO: Personnel Committee

FROM: Jeff Brandt

SUBJECT: Collective Bargaining

DATE: May 1, 2008

All the collective Bargaining Agreements expire at the end of 2008. Each Union is obligated to notify of their intention to bargain an extension by a time certain ranging from July 1 for Police, August 15 for Fire and September 1 for Street and City Hall. Typically, we schedule bargaining as early as possible. If we can reach agreements before the next budget is put together, the budget process is simpler. I have been in contact with all the Unions suggesting we start bargaining as soon as possible.

Historically, Mayors have taken quite different roles in bargaining. Mayor Ciske was on the City's bargaining team while Mayor Laux was not. It will be Mayor Merkes' decision as to his role.

Personnel Committee Chairmen, as well, have taken quite different roles in bargaining. Chairmen Griesbach and Derouin attended most bargaining sessions. Chairmen Barker, Michalkiewicz and Englebert almost never attended. Chairman Weber attended once in a while.

In all bargaining since 1991, the Human Resources Director led the bargaining team and determined offers or responses by the City. The Personnel Committee only had the input from the Chairman when the Chairman attended. Periodic updates were scheduled with the entire Committee in Closed Sessions. Once a tentative agreement was reached, it was reduced to writing and submitted to the Union for ratification and then to the Personnel Committee and to the Council for ratification. The Human Resources Director prepared an explanatory memo.

There are municipalities and Counties whose Personnel Committees take a much greater role in the bargaining process. If this Personnel Committee and Common Council wish to continue the general methods used in Menasha in the past, it is requested that such a motion be considered at this meeting. If, on the other hand, this Personnel Committee and Common Council wish to expand their role, it is requested that that direction be given and a Closed Session of the Personnel Committee will be scheduled to determine the direction.