

PERSONNEL COMMITTEE
January 29, 2020

A meeting of the Personnel Committee was called to order by Chair Williams at 1:30 p.m. in the Council Chambers. Roll call: Members Williams and Bacon were present.

Avenson/Bacon to adopt the following agenda switching item 3 and 4:

1. Roll call.
2. Adoption of agenda.
3. Presentation by: Public Administration Associates re: Wage & Compensation Study.
4. Consideration of: Reducing Age of Employment to 15 years old for Ice Rink Attendant position.
5. Consideration of: Change of payroll for non-represented employees to bi-weekly.
6. Consideration of: Post Employment Health Reimbursement Plan Changes to Employee Handbook.
7. Consideration of: Employee Benefits.
8. Consideration of: Internal policy for use of carry over vacation.
9. Adjourn.

Carried.

Municipal Services Director Barker explained to the Committee the difficulty in hiring ice rink attendants over the past two years. By allowing 15 year olds to be hired to staff the ice rink, the City may have more options in staffing the rink. Avenson/Bacon to recommend to the Common Council to allow the employment of 15 year olds for the ice rink attendant position. Carried.

Dave Tebo, Public Administration Associates, presented the Wage & Compensation Study to the Personnel Committee. Mr. Tebo gave an overview of why the study was conducted, the process that PAA used to proceed with the study which included meeting with administration, external comparisons with peer communities, internal position evaluations, development of a salary grid for individual positions, employee wage adjustments based on provided data, wage range survey irregularities and recommendation for adjustment. PAA also presented an initial development of salary grids for all the administration personnel positions that were studied and the 2020 placement on the salary grid. Discussion took place regarding the process and the next steps to accept and implement the findings from the study.

City Administrator VanLieshout presented the recommendation to implement bi-weekly payroll for non-represented employees. It was noted that during negotiations, both the Fire & Police Unions agreement to a change to bi-weekly payroll with a Tuesday pay date for implementation in July of 2020. Bacon/Avenson to recommend to the Common Council to implement a bi-weekly payroll for non-represented employees and to update the Employee Handbook. Carried.

City Administrator VanLieshout presented the post employment health reimbursement plan changes to the Employee Handbook. During recent union contract negotiations, the Council adopted a resolution to be part of North Shore Banks Deferred Compensation Plan. Inclusion under this plan allows for employees to direct their accumulated sick leave upon retirement, disability or death into a post-employment health reimbursement plan qualified under IRS Code 105 and 106. There is a mutual benefit for both the City and employee in the form of payroll tax and income tax savings. The proposed system is graduated to reflect the idea that if an early retirement is to happen, that employees will likely need the benefit of the HRA longer as Medicare eligibility is further off. This proposed graduated program would be for all non-represented employees.

Avenson/Bacon to recommend to the Common Council to approve the Post Employment Health Reimbursement Plan Changes to the Employee Handbook as follows under Sick Leave:

Upon retirement, disability or death: for employees between the ages of 50 and 54, 100% of all accumulated sick leave shall be directed into a post-employment health reimbursement plan qualified under IRS Code 105 and 106. Qualified retirement means the employee is entitled to retirement benefits as defined by the Wisconsin Retirement Fund at the time of separation of employment. In the event there are no dependents or spouse, the credits will be forfeited to the employer.

Upon retirement, disability or death: For employees between the ages of 55 and 60, 80% of all accumulated sick leave shall be directed into a post-employment health reimbursement plan qualified under IRS Code 105 and 106. The employee or the employee's beneficiary shall be paid for twenty (20) percent of his or her unused sick leave in cash upon the employee's retirement at normal retirement age or with eligibility for disability retirement benefits under the Wisconsin Retirement System, or death. In the event there are no dependents or spouse, the credits will be forfeited to the employer. Qualified retirement means the employee is entitled to retirement benefits as defined by the Wisconsin Retirement Fund at the time of separation of employment. In the event there are no dependents or spouse, the credits will be forfeited to the employer.

Upon retirement, disability or death: for employees age 61 and older, 60% of all accumulated sick leave shall be directed into a post-employment health reimbursement plan qualified under IRS Code 105 and 106. The employee or the employee's beneficiary shall be paid for forty (40) percent of his or her unused sick leave in cash upon the employee's retirement at normal retirement age or with eligibility for disability retirement benefits under the Wisconsin Retirement System, or death. In the event there are no dependents or spouse, the credits will be forfeited to the employer. Qualified retirement means the employee is entitled to retirement benefits as defined by the Wisconsin Retirement Fund at the time of separation of employment. In the event there are no dependents or spouse, the credits will be forfeited to the employer.

Upon retirement, disability or death: Employees in a Military Veteran Group, shall be paid out upon qualified retirement, disability or death at the regular hourly rate for the accrued and unused sick leave. Qualified retirement means the employee is entitled to retirement benefits as defined by the Wisconsin Retirement Fund at the time of separation of employment. In the event there are no dependents or spouse, the credits will be forfeited to the employer.

Carried.

City Administrator VanLieshout presented changes to the Employee Handbook to the Committee. After review of the Handbook, it was determined that a modification to some benefits may be in order. In analyzing the non-represented employee benefits (both exempt and non-exempt) while much parity has been realized between bargaining unit employees and non-represented employees a chasm exists where vacation is concerned. In some cases, subordinate bargaining employees with less work experience have more vacation than long term senior management staff members.

Also discussed was the various perspectives towards management positions from non-exempt staff and a reluctance to join or stay in management roles. The various reasons cited often include things such as more hours, unscheduled nature of management in small organizations,

and reward and risk for accepting additional responsibilities. Two opportunities were presented that involve a benefit for the City, in predictability, and the employee, in value which include a Employee Handbook change for management employees only, where management employees would be defined as “salary exempt staff who have oversight of one or more employees.” It was noted that these premiums for management would reward longevity and experience, support employee retention and recruitment and encourage employees to remain in management and leadership roles.

Bacon/Avenson to recommend to the Common Council to make the following changes to the Employee Handbook:

Vacation:

5 days (40 hours) upon hire [remain the same]

Ten (10) days (80 hours) after two (2) years of continuous service [remain the same]

~~Fifteen (15) days~~ **Seventeen (17) days (136 hours)** after eight (8) years of continuous service

~~Twenty (20) days (160 hours)~~ **Twenty-three (23) days (184 hour)** after fifteen (15) years of continuous service

~~Twenty-five (25) days (200 hours)~~ **Twenty-nine (29) days (232 hours)** after twenty-five (25) years of continuous service

Management Premium:

- Longevity Reward be increased from \$1.25 to \$2.50. Longevity rewards are currently paid out after three years of continuous service at \$1.25 per month. The increase for Management Premium would increase this from \$1.25 to \$2.50.
- Sick Leave Accumulation increase from 100 days to 150 days. Sick leave accumulation is currently that an employee’s base sick leave is accrual of 100 days. The increase for Management Premium would increase from 100 to 150.

Carried.

City Administrator VanLieshout presented an internal policy for the use of carry over vacation for those employees who had a vacation carry over prior to the January 1, 2020 change in how much vacation could be carried over.

Bacon/Avenson to approve the internal policy for use of carry over vacation as follows:

- Allow employees who have “carryover” vacation on the books until December 31, 2021 to use the carry over vacation or lose it.
- No payout of unused vacation.
- Employees must still abide by the new policy set in place for January 1, 2020 regarding the max carry over of 40 hours.
- Only in the case of extreme circumstances and with Mayoral approval, will deviation beyond December 31, 2021 be allowed.

Carried.

Avenson/Bacon to adjourn. Carried. The meeting adjourned at 2:44 pm.

Respectfully submitted,

Stephanie L. Reinhardt
City Clerk/HR Director