

## PERSONNEL COMMITTEE MINUTES

Monday, February 27, 2012

The Personnel Committee of the City of Manitowoc met in the Second Floor Conference Room, 900 Quay Street, Manitowoc, Wisconsin on February 27, 2012 at 6:00 p.m. Members present were Chair Chris Able, Alderpersons Schema and McMeans. Others present were Mayor Nickels, Val Mellon, Dave Less, Jennifer Hudon, Bill Manis, Tony Dick, Denise Larson, Randy Junk, Jane Rhode, Confidential Legal Secretary and Deb Geiger, Director of Human Resources/Risk Manager.

1. The meeting was called to order at 6:00 p.m. by Chair Chris Able.
2. Discussion and possible action regarding health plan changes in accordance with the 2012 budget. Alder McMeans opened discussion in support of the proposed deductible increase from \$600 to \$2,500 for single coverage and from \$1,200 to \$5,000 for family coverage, along with summarizing the wellness plan's history of usage by employees and the percent of employees' having met their deductibles in the past.

Alder Hennessey arrived at 6:03 p.m.

A motion was made by Alder McMeans and seconded by Alder Hennessey recommending approval of the full health insurance proposal with dental for purposes of discussion.

Alder Olson arrived at 6:08 p.m.

Discussion continued as far as the impact of raising to the higher deductibles, moving to an HSA in 2013 where there would be no co-pays, different health plan options, keeping the wellness component or the increase in co-pays and related cost savings to the City. It was suggested that with the increase of the deductibles the City would offer a no interest loan to employees to pay this higher deductible.

Alder Sladky arrived at 6:17 p.m.

Bill Manis demonstrated employees' salaries as a result of increased employee premium contribution plus a deductible increase would bring an employee's out of pocket to a total of \$7,000 and the undo hardship many would suffer.

Kathleen McDaniel addressed the committee and urged consideration be given to more moderate increases with the proposed health insurance plan changes.

Alder Hennessey briefed those present with different plan and option scenarios, including one of \$1,500 single and \$3,000 family, and an increase in the employee contribution toward premium payment. Committee discussed alternate

options mentioned and what the cost savings would be to the City, along with the fact that reserves would have to be hit to some degree, as none of the options would bring the required budgetary \$450,000 savings to the City.

Alder Olson advised he would not support increases in health plan contributions for all employees except protective service employees.

Alder Able reported he was not happy with any of the scenarios and urged fairness to the employees.

Alder Braunel arrived at 6:38 p.m.

Discussion continued on Option #6 with a \$1,500 single deductible and \$3,000 family deductible, double co-pays, a \$200 prescription deductible, with an estimated cost savings to the City of \$132,000.

Motion remained on the table as previously moved by Alder McMeans and seconded by Alder Hennessey to recommend the full proposal of \$2,500 single and \$5,000 with dental. Those in favor were McMeans and Braunel and those opposed were Hennessey, Schema and Able. Motion failed by a vote of 2-3.

Committee further discussed the \$1,500/\$3,000 deductibles, double co-pays, \$200 prescription deductible and continued 12½% contribution toward premium and the fact that this would be merely a one year fix. When asked Alder Schema reported that Manitowoc County has a \$1,500/\$3,000 health care plan.

Moved by Alder Hennessey to pull \$450,000 out of the health insurance reserves account along with the \$1,500 single plan deductible and \$3,000 family plan deductible, double co-pays, \$200 prescription deductible and continued 12 ½% contribution toward premium payment, for 2012 only.

Randy Junk questioned the possibility of a “cafeteria style plan”.

Motion was seconded by Alder Schema. It was added to the motion to offer a no interest loan to employees to pay the higher deductible. Also added to the motion was to offer a full dental plan for those employees choosing to have same, at their expense for the cost of the plan, along with an 18 month waiting period and a 4 year required participation requirement. Committee discussed with Deb Geiger the length of time for the waiting period. Those in favor were Schema, McMeans, Hennessey and Braunel. Alder Able voted against the motion. Motion passed 4-1. The remaining estimated \$350,000 health insurance savings shortfall will need to be addressed going forward.

#### Convene in Closed Session

3. A motion was made by Alder Braunel and seconded by Alder Hennessey to convene in closed session. All members voted by roll call vote in favor to convene in closed session. That vote being 5-0. The Committee convened in

closed session at 7:08 p.m.

4. Discussion and possible recommendation regarding Teamsters Transit successor labor agreement.

\*\*\*\*\**Redacted – Closed Session*\*\*\*\*\*

Reconvene in Open Session

5. A motion was made by Alder Schema and seconded by Alder McMeans to reconvene in open session. All members voted by roll call vote in favor to reconvene in open session. The Committee reconvened in open session at 7:18 p.m.
6. Discussion and possible recommendation regarding Teamsters Transit successor labor agreement. A motion was made by Alder Hennessey and seconded by Alder McMeans to approve the Teamster Transit successor labor agreement for 2010-2012. That vote being 5-0.
7. Adjourn. The meeting was adjourned at 7:21 p.m.

Respectfully submitted,

Jane Rhode  
Confidential Legal Secretary