

PERSONNEL COMMITTEE MINUTES

Monday January 13, 2014

The Personnel Committee for the City of Manitowoc met in the City Hall Council Chambers, 900 Quay Street, Manitowoc, Wisconsin on January 13, 2014 at 5:15 p.m. Members present were Chair Alder Chris Able, Vice Chair Alder Jill Hennessey, and Alder Eric Sitkiewitz, and Alder Howe. Absent was Alder Schema. Others present were Alder Sladky, Alder, Martell, Alder Soeldner, Alder McMeans, Dave Less, Jeri Johnson, Kathleen McDaniel, Larry Zimney, Charlie Mathews, Todd Blaser, Nick Reimer, Bridget Brennan, Tony Dick, Gregg Kadow, Bruce Nelson with Precision Benefits, Brian Helminger, Karen Dorow, Dan Koski, Patrick Glenn from Carlson/Dettman, Greg Vadney, Jim Muenzenmeyer, and Denise Larson.

1. Meeting was called to order at 5:15 p.m. by Chair Alder Able. Alder Schema was not present.
2. Alder Able announced that an audio tape of this meeting would be available to the public on the City's website. Alder Able discussed some future changes that will be occurring with Granicus.
3. Public Input: No public input.
4. Discussion and possible approval of minutes of previous Personnel Committee meetings (December 9th, 2014). There was no discussion. Motion by Alder Hennessey and second by Alder Howe to approve minutes. That vote being 4 - 0.
5. Update on legal expenses billed through Human Resources. Alder Able reported. There was no discussion.
6. Update on Health Plan Funding. The current information was reviewed. Alder Hennessey inquired if being down -8.8 was a surprise? Steve Corbeille reviewed in prior months we were down 3%, then 5%, and then ended down 8.8% for the year. So no, this was not a surprise. There was discussion regarding this most likely was due to the retiree group.
7. Human Resources Update: Jeri Johnson reported. There were no questions.
8. Discussion regarding next steps with the City Compensation Study: Patrick Glenn of Carlson Dettman presented. Patrick stated that they had their market analysis complete. There will soon be the need for policy and implementation processes to begin. The process may begin to move rapidly or it may take some time depending. There was discussion concerning our markets comparison and there was review of a brief summary document. A more detailed recommendation will be distributed at the COW meeting on Monday evening January 20th. Alder Schema arrives. There was discussion regarding weighting the data. Patrick stated the recommendation will be the median market. They do not recommend pay cuts, will the City be able to meet the cost needs of implementing the plan, and there was discussion regarding administration of the pay plan. Typically there would be an 11 step pay plan... There was

discussion on what the different pay plan models might look like... for example, open range, step, combo step/performance. More details of the implementation project was discussed... for example the appeals process. Some items may be appeals, some may not. If the individual feels the position was rated incorrectly or if there have been substantial changes to the position since the inception of the study, these are two examples of why there would be an appeal. Patrick inquired about the thought on the market rates. Alder Able stated he felt the City couldn't afford to lead the market and that we would need to be somewhere in the median. Able discussed what he felt were the advantages of the combo pay plan. Patrick said pay scales will be provided Monday evening at the committee of the whole. Able advised Patrick Council would like to see all three options.

9. Discussion and possible action regarding hiring a replacement PT Transit Driver: Jim Muenzenmeyer requested to replace the PT Transit position that was opened due to an employee termination. This would be going to oversight next. Jill Hennessey moved to approve assuming approval from the oversight committee with a second from Alder Schema. A vote was taken and approved with a 5 – 0 vote.
10. Discussion and possible action regarding the vacant City Attorney position: Alder Able moves to begin the process of filling the vacant City Attorney Position. This action was seconded by Alder Sitkiewitz. A vote was taken. That vote being 5 - 0.

Alder Able then broached the subject of does the Assistant City Attorney take on the duties of the City Attorney and the Assistant City Attorney job duties are outsourced. Alder Sitkiewitz Commented he felt it made sense to outsource and that last time, this was a smooth transition. Kathleen McDaniel spoke to the subject stating Municipal Court duties were the easiest to outsource. Kathleen discussed what happened historically with this same situation. The amounts paid out were \$3000 monthly and \$3500 monthly which she felt were a little high. Kathleen recommends an hourly rate of \$75 per hour could make sense. Many attorneys in our area take contract work for \$70 per hour. Alder Hennessey felt this would be appropriate. Ms. McDaniel stated she would be stepping in if there was any sort of a conflict of interest. There was discussion on how time would be tracked. Alder Able expressed concern regarding the losing the municipal law experience and stressed we needed to make sure the chosen individual has the expertise necessary. Alder Hennessey stated she was fine with this plan and asked how we take interest. Ms. McDaniel stated she would ask for inquiries regarding an hourly rate proposal. Alder Able felt it would be appropriate to try to control the cost. Kathleen will have this information available at the next Personnel Meeting.

11. Discussion and possible action regarding the hiring of a replacement Associate Planner: Dave Less presented. The oversight committee had unanimously approved filling the vacant Associate Planner position. The feeling is that this Associate Planner is a critical position. Jeri Johnson spoke regarding the recent thought of outsourcing the GIS function. There have been conversations with the County regarding the possibility of partnering for GIS Services. The County had already responded as to what they could and could not provide. Outsourcing GIS could have an impact on this position. Alder Hennessey stated she would need to see a solid plan first. She discussed that we need to be staffed to meet the needs of the City and would hesitate to leave this critical position open much longer. She recommended we move forward with replacing this position. Dave Less stated that in 2009 the City had made the determination that they needed to own the GIS responsibilities. The longer the position remains open, the more difficult it becomes. Alder Sitkiewitz stated that the oversight committee had endorsed filling the position and sees no reason why we should not approve it. Alder Able stated that GIS is only a part of the position and that there were many other critical responsibilities but would like to caution Dave

going forward and make sure he stays flexible. Alder Able advised the starting wage range should be advertised at 80% below and 10% above. Alder Sitkiewitz approved the modified job description and replacing the associate planner with a second from Alder Hennessey. That vote being 5 – 0.

12. Discussion and possible action regarding hiring a replacement firefighter: Interim Fire Chief Gregg Kadow spoke regarding replacing an open firefighter position. The position is open due to a recent retirement. The oversight committee has approved the replacement. PFC has approved the eligibility list. Chief Kadow hoped to have the position filled around 4/1/2014. Alder Hennessey moved to approve filling the vacant position with a second from Alder Schema. There was a discussion pertaining to being mindful that the positions do not exceed their stated amounts. There must be a balance of staffing and at some point Personnel will need to address this. The vote was taken at 5 – 0.
13. Discussion and possible action regarding changing the PT Curator for the RWAM to a FT Curator: Greg Vadney, current Director of the RWAM spoke that the RWAM board had already approved changing this from a PT to a FT Curator position. There was a change in their budget allowing changing the position. This used to be a FT position. Right now they only have 2 FT staff members. This change would take them to 3 FT staff members. The change in budget was due to now exhibits are now privately funded. Alder Hennessey stated this appeared to be a deliberate well thought out plan by Greg. This position is an asset as PT and will be an asset as a FT position. Alder Hennessey move to approve changing this PT Curator position to FT Curator position with a second from Alder Sitkiewitz. Alder Sitkiewitz discussed that when this position moved to PT they knew it wasn't ideal and that it would be temporary. This vote being 5 – 0.
14. Discussion and possible action regarding WWTF wages: Brian Helminger, WWTF Superintendent spoke regarding starting wages for the WWTF post ACT 10. They have had a couple of new hires since ACT 10. Prior to that, there was a wage scale that people walked up through during their first year. Individuals back then waited a year to get to the top of the scale. In July 2013, the EPM changed this to 180 days. Jeri Johnson spoke that the interpretation of this is that the left column is the starting wage and individuals would be paid 85% of this wage for the first 180 days. Where Mr. Helminger's interpretation was that the far right amount is the starting wage and the first column is actually 85% of the amount on the right. Alder Hennessey discussed that prior Personnel determined new individuals would go to the full wage at 180 days of employment. Brian stated he had missed the 180 days with the individual in question and wanted to back pay the employee. Alder Sitkiewitz moved to approve the request for the 180 day start May 6th, 2013 eligible for 100% as of November 6th, 2013 with a second from Alder Schema. That vote being 5-0.
15. Discussion and possible action regarding the FICA Alternative Plan: Steve Corbeille introduced Bruce Nelson of the Precision retirement group. Steve discussed being informed of this program. It has been around since the 90's. The City is eligible to opt out for FICA for seasonal employees. Mr. Nelson stated this plan has been in existence since the late 90's. Once you were approved through WRS those not in WRS can opt out through the FICA Alternative plan. This plan defers state and federal taxes. The funds are invested in a group fixed annuity. Upon retirement, the funds go back to the individual. Alder Able stated that the law requires reasonable return on the investment. What would that be for this program? Mr. Nelson stated it would be the T-Bill rate of return. The down side of this program is having to go back and explain it is not figured into their social security benefits. Many individuals do not understand social security benefits. Alder Hennessey inquired what would be the advantage for the City? The City would not have to pay the matching FICA contribution. Steve Corbeille felt this could be significant savings for the

City. Alder Hennessey felt the program made sense and is agreeable to making it compulsory. Steve stated we do have the right to make it compulsory. Alder Hennessey stated it could be a benefit to the individual. Alder Sitkiewitz inquired about the cost to the City to implement the program. Mr. Nelson stated the program has a \$600 set up fee for the City which would be waived. Participant pays a \$12 distribution fee only up to interest earned. Alder Able feels people should have an option. Alder Hennessey moved to put in place and make the FICA deferral program effective March 1st, 2014 with a second from Alder Sitkiewitz. That vote being 4 – 1 with a no from Alder Able.

16. Discussion and possible action regarding the Payout PRIME-Choice plan: Mr. Nelson discussed that they have this in place for Dane County and the City of Madison currently. The retiree's lump sum distribution would either go to a medical trust account or a special payout option account. The funds are tax deferred and held in a group annuity, is completely liquid, and the retiree has more control on when they take it out thus controlling the tax event for them. The lump sum can go into the HRA or the Payout side. The employee saves the 7.5 on taxes and the City will save the same. For the HRA side, the funds can go for premiums or for qualified medical expenses similar to a Flex account. The first plan was established approximately 14 years ago and has never been challenged by the IRS. The HRA side does have fees associated with withdrawal which is \$4 per withdrawal which is why some individuals only withdraw once a year for the entire year. No fees are associated with the payout option. Does come out taxable. No fees, no charges, and no loads. The funds can be rolled to other qualified plans or can be left in the account until they want to pull from them. There is a one-time document fee of \$1000. Their fees come from assets under management. There is an interview process which eliminates constructive receipt concerns. This would not be offered as an option but would be compulsory if the City decided to implement it. Alder Hennessey inquired about the interview process and is it FDIC backed. Mr. Nelson discussed the interview process and how he made the decision based on the information the employee gives him. He also stated this was in a group fixed annuity. Alder Hennessey would like to see some thoughts from the employees and moved to table. Alder Sitkiewitz seconded the motion. The vote was taken 4 – 1 with Alder Able voting no to the motion.

Alder Schema needed to leave the meeting to go to work.

17. Discussion and possible action regarding out of state travel requests for the PD. Chief Tony discussed briefly the employees selected to travel to Boca Raton in April for a conference regarding the PD records management system. Alder Hennessey approved the request with a second from Alder Sitkiewitz. There was no additional discussion. That vote being 4 – 0.
18. Discussion and possible action regarding police supervisor group for the employee policy manual. Jeri Johnson began discussing PTO transferring over to the EPM. Vacation days were converted to PTO hours plus the assumption of three annual sick days, 24 hours was added into the total. Prior to this meeting there was a suggestion to add holiday hours into the PTO total to for more flexibility. There was question regarding time actually worked on holidays. Would it be double time? The response was that depends on exempt/non-exempt status. We would be investigating how many holidays the supervisors actually work and the next personnel we would determine exempt/non-exempt status. There was no action taken.
19. Discussion and possible action regarding the Rahr-West job description updates and the recreation job description updates. Alder Hennessey move to approve with a second from Alder Sitkiewitz. That vote being 4 – 0.

20. Discussion and possible action regarding the possibility of a medical opt out: Alder Able felt he wanted to table until next month. Jeri Johnson stated she would like to have the opportunity to speak with M3 about the opt-out and then if we decide to do something have a formal recommendation in a few months for 2015. No action taken.
21. Discussion and possible action regarding the BMO Business associate agreement: Jeri Johnson discussed the need for the document. It is a HIPAA agreement naming the privacy officers. Straun Boston was on the form. There was discussion of a second. Alder Sitkiewitz moved to approve naming Jeri Johnson as the Privacy Officer with a second from Alder Howe. That vote being 4 – 0.
22. Discussion regarding Personnel Committee's Granicus implementation: Alder Able discussed the need to have some administrative help once Granicus is implemented. We will need to have someone time stamping, etc. so Jeri can continue to be the Human Resources support during the live meeting. Alder Sitkiewitz discussed how they would be handling scheduling the meetings and rooms.. They will schedule in advance and if the meeting isn't necessary, they won't have it. Alder Able also discussed the deadlines for requests to be on the agenda would be Wednesday afternoons. Agendas will shut down earlier. This was just a review. Alder Sitkiewitz inquired about additional training. Alder Hennessey likes the idea of flexing Jane Rhode's time to cover the meetings. Alder Able says it is a positive to avoid overtime.
23. Next Meeting: The next meeting is scheduled for February 10th, 2014 at 5:15 p.m.
24. Motion to Adjourn: Alder Hennessey moved to adjourn with a second from Alder Sitkiewitz.

Respectfully submitted

Jeri Johnson, SPHR
Human Resources Generalist