

CITY OF NEENAH
SPECIAL FINANCE AND PERSONNEL COMMITTEE MEETING
Wednesday, October 17, 2018 – 6:00 p.m.
Hauser Room, Neenah City Administration Building
211 Walnut Street, Neenah, Wisconsin

NOTICE IS HEREBY GIVEN, pursuant to the requirements of Wis. Stats. Sec. 19.84, that a majority of the Neenah Common Council will be present at this meeting. Common Council members may be present to gather information about a subject over which they have decision-making responsibility. This constitutes a Meeting of the Neenah Common Council and must be noticed as such. The Council will follow the same agenda as the committee, but will not take any formal action at this meeting.

AGENDA

1. Public Appearances
2. Approval of Amended Minutes from the October 8, 2018 Regular Meeting (minutes can also be found on the City's website).
3. 2019 Health and Dental Insurance Proposal (attachment) H. Barber
4. Employee Clinic Partners (attachment) H. Barber
5. Adjournment

In accordance with the requirements of Title II of the Americans with Disabilities Act (ADA), the City of Neenah will not discriminate against qualified individuals with disabilities on the basis of disability in its services, programs, or activities. If you need assistance, or reasonable accommodation in participating in this meeting or event due to a disability as defined under the ADA, please call **the Neenah Finance Department at (920) 886-6140** or the **City's ADA Coordinator at (920) 886-6106** or e-mail attorney@ci.Neenah.wi.us at least 48 hours prior to the scheduled meeting or event to request an accommodation.

CITY OF NEENAH
FINANCE AND PERSONNEL COMMITTEE MEETING
Monday, October 8, 2018 – 6:30 p.m.
Council Chambers, Neenah City Administration Building
211 Walnut Street, Neenah, Wisconsin

AMENDED MINUTES

Present: Chairman Erickson; Aldermen Kunz, Stevenson, Steele and Boyette; Mayor Kaufert; City Attorney Godlewski; Director of Finance Easker

Others Present: Director of Human Resources & Safety Barber, Director of Community Development Haese, Director of Public Works Kaiser, Library Director Raab, Deputy Director of Community Development Schmidt, Public Works Assistant Superintendent Radtke, Kathleen Behnke, Kathy Engelbreth, Nathan Earwood, Trevor Griesbach, Raymond Jahnke

Public Appearances: None

Minutes: **Motion/Second/Carried Kunz/Stevenson to approve the minutes from the September 24, 2018 Regular Meeting.** All voting aye.

Salary Plan Update Recommendations from Carlson Dettmann: Committee reviewed memo from Director Barber breaking out the recommendations from Carlson Dettmann. The issue was first discussed at the previous committee meeting. In the memo, she provided eight Potential Action Items related to the updated Salary Plan as follows:

Potential Action Item 1: Integrate part time employees into the same salary plan as full time employees eliminating the separate structure that is set to 85% of the full time plan.

Potential Action Item 2: Approve the new non-laborer pay plan for implementation on 1/1/19.

Potential Action Item 3: Approve the new laborer pay plan for implementation on 1/1/19.

Potential Action Item 4: Establish the target amount of time to move a new employee to the grade midpoint at 7 years, depending on the market and the City's ability to pay.

Potential Action Item 5: Change the salary plan rule to get employees to 100% of midpoint at 10 years. (Current rule is 90%)

Potential Action Item 6: Change the policy to allow HR to negotiate up to midpoint with external AND internal applicants.

Potential Action Item 7: Allow the HR Director, in consultation with the Mayor, to counteroffer a bona-fide offer of employment with current employees up to the grade midpoint if determined to be in the best interest of the City.

Potential Action Item 8: Require that any non-Council reporting departments who adopt the City's pay plan adhere to its policies and procedures to protect the integrity of the plan.

She also indicated that the 2019 total cost (including fringes) to make changes to move employees towards the new pay grade minimums, advance people with 10+ years in their position towards midpoint, and to place laborers in appropriate steps is projected at \$67,697, or less than a 1% increase to non-union payroll.

Committee and staff discussed various aspects of the recommendation. Issues discussed included the projected goals for the amount of time the average employee would reach the midpoint of their pay grade, how the plan update would benefit Library and Public Works/Parks/Water laborer employees, and the fact that the salary plan goals will always be dependent upon budgetary factors on an annual basis.

Motion/Second/Carried Kunz/Stevenson recommending that Council approve eight Potential Action Items related to the updated Salary Plan as listed and to instruct City Attorney Godlewski to draft a resolution incorporating the eight action items for final consideration by the Common Council. All voting aye.

Acquisition of 122 W. Peckham Street Utilizing Community Development Block Grant (CDBG) Funding: Committee reviewed memo from Deputy Director Schmidt recommending Council authorize staff to move forward with the purchase of 122 W. Peckham Street for a cost not to exceed \$15,000 using CDBG funds. The purchase would be used in conjunction with the purchase of 1311 S. Commercial Street (formerly Harn's Furniture) and other potential land acquisitions to eliminate blight and develop a regional storm water treatment pond. Director Schmidt indicated that ongoing discussions are taking place with other area land owners needed to eventually construct the storm water pond.

Committee and staff discussed various aspects of the proposed purchase, including a review of the land map of the area highlighting this property and others being considered for purchase.

Motion/Second/Carried Stevenson/Kunz recommending Council authorize staff to move forward with the purchase of 122 W. Peckham Street for a cost not to exceed \$15,000 using CDBG funds. All voting aye.

Ordinance 2018-17 Transportation Assessment Replacement Fee: Committee reviewed memo from City Attorney Godlewski and Director Kaiser recommending Council approve Ord. 2018-17 creating the Transportation Infrastructure Utility and the Transportation Assessment Replacement Fee (TARF) for the purpose of funding transportation infrastructure installation, repair, resurfacing and reconstruction. The intent of the fee would be to eliminate all special assessments currently charged for street and sidewalk construction, with the exception of new subdivisions. The ordinance provides the structure and basis for the creation, billing, collection and use of the proposed TARF. Per

REPORT

REPORT

the ordinance, the fee would be charged on the basis of assigning all City properties a specific number of units based upon the developed area within that property, similar to the existing Equivalent Runoff Units (ERU) used for Storm Water fees. The specifics of the fee, such as the amount and the potential of properties being exempted if they had a recent special assessment, would be planned for approval in a separate resolution, likely in conjunction with 2019 budget deliberations. The memo also separately addresses potential options to reduce or eliminate special assessments on sanitary sewer and storm water construction.

Committee and staff discussed various aspects of the proposed ordinance. Issues discussed included the **approximate \$20** per unit fee staff is proposing for the TARF that would generate approximately \$400,000 annually with the proposed assurance to property owners that the fee would remain the same for five years. Discussion also took place on the staff plan to use the funds in the same way current special assessments are used by directly offsetting debt service costs related to borrowing for street/sidewalk construction projects. Other items discussed included the reasons for the proposed use of the City utility billing process to collect the fee, how to treat vacant lots and the proposal to waive fees for up to five years for property owners who had special assessments within the past five years.

Specific discussion took place regarding the potential options to reduce or eliminate special assessments on sanitary sewer and storm water construction, including the fact that any potential changes to the assessment policy for Water utility charges would need to be done through the Water Commission and PSC guidelines. Alderman Kunz said he was strongly in favor moving forward on both the TARF ordinance and finding a way to completely eliminate special assessments on all sanitary and storm water projects as well.

Motion Kunz recommending Council approve Ord. 2018-17 creating the Transportation Infrastructure Utility and the Transportation Assessment Replacement Fee for the purpose of funding transportation infrastructure installation, repair, resurfacing and reconstruction, and to refer the issue of eliminating special assessments on sanitary sewer and storm water construction projects to the Public Services and Safety Committee. Motion dies for lack of a second.

Continued discussion took place. Alderman Stevenson said that he would need to see more information on the effect eliminating special assessments for sanitary sewer projects would have on overall sewer rates. Chairman Erickson suggested that the cost impact of all alternatives be calculated and the issue be deferred to the next meeting.

Motion/Second Erickson/Boyette to defer action on Ord. 2018-17 creating the Transportation Infrastructure Utility and the Transportation Assessment Replacement Fee to the next committee meeting, and to instruct Director Kaiser to determine and report the sanitary sewer fee impact of all proposed alternatives to sanitary sewer assessments, and for that issue to also be addressed at the next committee meeting.

Alderman Lendrum said she would like to discuss other options for the waiver of fees for property owners who have had special assessments in the past. Director Haese requested that the calculation of ERU's be changed for residential properties in an effort to simplify and streamline the process moving forward using a LEAN based approach. Alderman Boyette asked that the question be called and all committee members concurred to call the question.

Above agenda item motion called for vote. All voting aye

Fiscal Matters: September Vouchers: Motion/Second/Carried Stevenson/Steele to approve the September vouchers as presented. All voting aye.

Motion/Second/Carried Kunz/Stevenson to adjourn the meeting at 8:30 p.m. All voting aye.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "M.K. Easker".

Michael K. Easker, CPA
Director of Finance



Dept. of Human Resources and Safety
211 Walnut St. • P.O. Box 426 • Neenah WI 54957-0426
Phone 920-886-6102 • e-mail: hbarber@ci.neenah.wi.us
HEATHER BARBER
DIRECTOR OF HUMAN RESOURCES AND SAFETY

MEMORANDUM

DATE: October 10, 2018
TO: Chairman Erickson and Members of the Finance and Personnel Committee
FROM: Heather Barber, Human Resources
RE: 2019 Health and Dental Insurance Proposal

Annually, the City requests proposals for its health insurance renewal.

The City received and considered requests as follows:

Wisconsin Counties Associations (current): 8% increase
Anthem: 5% increase
Network Health: 6% increase
Robin Health: 3.8% increase
WEA Trust: 10.9% increase
WPS: 12.8% increase

The difference between our current provider's bid and the low bid by Robin Health equates to approximately \$100,000.

While it isn't ideal to regularly switch health insurance providers, in this case, the provider systems are the same, and there looks to be limited disruption in making the transition.

We made fairly substantial changes to the plans in 2017 and 2018, and based on the low increase for the renewal, I am not proposing any changes to benefit levels. I am attaching a copy of the proposed plans for 2019. The only changes are the premium amounts, and the addition of out of network coverage.

There will be no increase to dental premiums in 2019. I would propose that we keep the dental benefits the same as 2018. This proposed plan is also attached.

Staff requests a recommendation to Council to approve the 2019 health and dental insurance plans.


City of Neenah

2018 Health Coverage

Carrier	Robin Health	Robin Health	Robin Health
	Plan 1	Plan 2	Plan 3
Plan Type	Broad	Broad	Broad
Deductible			
In-Network (Single / Family)	\$1,000 / \$2,000	\$2,000/\$4,000	\$2,500/\$5,000
Out-of-Network (Single / Family)	Ded. 50% Coins	Ded. 50% Coins	Ded. 50% Coins
Health Reimbursement Account			
Employee	\$600	\$1,000	\$1,500
Family	\$1,200	\$2,000	\$3,000
Employee Coinsurance			
In-Network	20%	20%	20%
Out-of-Network	Ded. 50% Coins	Ded. 50% Coins	Ded. 50% Coins
Out-of-Pocket Max	<i>Includes Deductible</i>	<i>Includes Deductible</i>	<i>Includes Deductible</i>
In-Network (Single / Family)	\$1,500/\$3,000	\$3,000/\$6,000	\$3,500/\$7,000
Out-of-Network (Single / Family)	Ded. 50% Coins	Ded. 50% Coins	Ded. 50% Coins
Lifetime Maximum	Unlimited	Unlimited	Unlimited
Office Visits			
In-Network	Ded, 20% Coins	Ded, 20% Coins	Ded, 20% Coins
Out-of-Network	Ded. 50% Coins	Ded. 50% Coins	Ded. 50% Coins
Specialist			
In-Network	Ded, 20% Coins	Ded, 20% Coins	Ded, 20% Coins
Out-of-Network	Ded. 50% Coins	Ded. 50% Coins	Ded. 50% Coins
Routine/Preventive Care			
In-Network	100% Coverage	100% Coverage	100% Coverage
Out-of-Network	Ded. 50% Coins	Ded. 50% Coins	Ded. 50% Coins
Inpatient Hospital Services			
In-Network	Ded, 20% Coins	Ded, 20% Coins	Ded, 20% Coins
Out-of-Network	Ded. 50% Coins	Ded. 50% Coins	Ded. 50% Coins
Outpatient Hospital Services			
In-Network	Ded, 20% Coins	Ded, 20% Coins	Ded, 20% Coins
Out-of-Network	Ded. 50% Coins	Ded. 50% Coins	Ded. 50% Coins
Emergency Room			
In-Network	Ded, 20% Coins	Ded, 20% Coins	Ded, 20% Coins
Out-of-Network	Ded, 20% Coins	Ded, 20% Coins	Ded, 20% Coins
Prescription Drugs - In-Network			
Tier 1 / Tier 2 / Tier 3 / Tier 4 / Tier 5	Ded, 20% Coins	Ded, 20% Coins	Ded, 20% Coins
Mail Order Prescription Drugs			
Tier 1 / Tier 2 / Tier 3	Ded, 20% Coins	Ded, 20% Coins	Ded, 20% Coins
Monthly Premium Rates			
Employee	\$512.87	\$451.24	\$435.47
Family	\$1,356.56	\$1,193.55	\$1,151.84
Employee Monthly Premium Contribution WITH Physical	12.5% ee Contribution	7.5% ee contribution	5% ee contribution
Employee	\$64.11	\$33.84	\$21.77
Family	\$169.57	\$89.52	\$57.59
Employee Monthly Premium Contribution WITHOUT Physical	15% ee contribution	10% ee contribution	7.5% ee contribution
Employee	\$76.93	\$45.12	\$32.66
Family	\$203.48	\$119.36	\$86.39

City of Neenah

DENTAL COVERAGE ALTERNATIVES - General

Carrier	
	2019
Deductible	\$25 / \$75
Annual Maximum	\$2,000
Preventive Services	No deductible
Oral Exams	100%
X-Rays	100%
Cleanings (2 per Year)	100%
Topical Fluoride	100%
Space Maintainers	100%
Basic Services	Deductible applies
Amalgam/Composite Fillings	80%
Stainless Steel Crowns	80%
Simple Endodontics	80%
Simple Periodontics	80%
Sealants	80%
Oral Surgery	Deductible applies
	80%
Major Services	Deductible applies
Complex Endodontics	80%
Complex Periodontics	80%
Porcelain Crowns	80%
Inlays/Onlays	50%
Partial or Complete Dentures	50%
Full & Partial Denture Repair	50%
Removable or Fixed Bridgework	50%
Dental Implants	50%
Treatment / Services Related to TMJ	50%
Orthodontics	
Benefits Paid At	50%
Annual Maximum	\$1,500
Adult Ortho	Yes
Dental Costs eligible for HRA	Yes
Employee Cost - Single (10% of premium)	6.02 / month
Employee Cost - Family (10% of premium)	14.73 / month

NOTE: Orthodontics annual maximum is included in the Annual Maximum.

This constitutes only a summary of the Dental plan involved. The actual contract or plan document must be consulted to determine the governing contractual provision, limitations, or exclusions. There is no guarantee, expressed or implied by Associated Financial Group or vendors of plan provisions or level of payments.



Dept. of Human Resources and Safety
211 Walnut St. • P.O. Box 426 • Neenah WI 54957-0426
Phone 920-886-6102 • e-mail: hbarber@ci.neenah.wi.us
HEATHER BARBER
DIRECTOR OF HUMAN RESOURCES AND SAFETY

MEMORANDUM

DATE: October 12, 2018
TO: Chairman Erickson and Members of the Finance and Personnel Committee
FROM: Heather Barber, Human Resources
RE: Employee Clinic Partners

As you are aware, we are currently running an Employee Health Clinic at the Training Center / Fire Station on Breezewood Lane.

In 2018 Wisconsin Counties offered us \$60,000 towards the \$80,000 cost to operate the clinic. For 2019, clinic money was not offered by any of the insurance providers who submitted bids. According to our broker, insurers are no longer offering payment towards clinics since employers realize savings in their claims and premium renewals.

Currently our clinic is open 12 hours per week, and it is not at maximum capacity in terms of usage.

In 2017, we broke even in terms of the cost of running our clinic and savings realized by the clinic. It is likely 2018 will have a similar result.

Since we are no longer receiving a lump sum from the insurance company, it would be advantageous to the City to consider partnering with other employers to share the cost.

At this time, we have two potential partners; WS Packaging and Winnebago County.

We have made proposals to each, contingent upon your approval, to join our clinic.

WS Packaging has multiple locations in Wisconsin, and while they provide an Employee Clinic at their other locations, they have been too small to create the same opportunity at their Breezewood location.

Winnebago County participates in an Employee Clinic in Oshkosh, and they are also participating in the Menasha School District's Bluejay Clinic too for their employees in the northern part of the county. Later this month the Bluejay

Clinic will close, leaving Winnebago County without a clinic for its employees in the northern part of the county.

Based on an evaluation of the populations and usage data, our broker has recommended an appropriate split for the operation of the clinic in terms of the number of hours each should fund. The recommended split is:

City of Neenah: 8 hours per week
WS Packaging: 4 hours per week
Winnebago County: 4 hours per week

Each employer would pay for the staff time to operate the clinic for the hours above. In addition, fixed costs in the amount of \$6,000 would be charged to both proposed partners. Finally, a private-sector fee in the amount of \$7,000 would be charged to WS Packaging.

If both partners join the clinic, we would be open 16 hours per week. If only one partner would join, we would keep our hours at 12 per week.

I believe that these partnerships offer us an excellent opportunity to make our clinic as cost-effective as possible, while still offering a great benefit to employees.

Staff requests a recommendation to Council to allow WS Packaging and / or Winnebago County to join our Employee Health Clinic.