

CITY OF NEENAH
FINANCE AND PERSONNEL COMMITTEE MEETING
Monday, September 25, 2017 – 7:00 p.m.
Hauser Room, Neenah City Administration Building
211 Walnut Street, Neenah, Wisconsin

MINUTES

Present: Chairman Pollnow; Aldermen Boyette, Erickson and Kunz; Mayor Kaufert; Director of Finance Easker.

Others Present: Police Chief Wilkinson and Director of Human Resources and Safety Barber.

Public Appearances: None.

Minutes: **Motion/Second/Carried Kunz/Boyette to approve the minutes from the August 28, 2017 Regular Meeting.** All voting aye.

Request for FLSA Accounting Cycle Change: Committee reviewed memo from Chief Wilkinson recommending Council approve changing FLSA policy to allow sworn police employees on a Monday – Friday schedule to use an FLSA accounting period of 28 days, always starting on Sunday. He said that the current 26 day accounting cycle is impractical for sworn officers and can lead to unnecessary overtime. Director Barber also endorses the change from a 26 to a 28 day cycle. Committee and staff discussed various aspects of the proposed change.

Motion/Second/Carried Erickson/Boyette recommending Council approve changing FLSA policy to allow sworn police employees on a Monday – Friday schedule to use an FLSA accounting period of 28 days, always starting on Sunday. All voting aye.

2017 Wage Update/2018 Wage Proposal: Committee reviewed memo from Director Barber with regard to the 2017 wage update and the 2018 wage proposal for non-represented employees. The proposal is essentially the same as what has been recommended for the past three years. It includes moving the salary plan upwards by 1.5%, a January 1 across the board cost of living adjustment of 1%, a July 1 merit based increase of between .5% and 1.25%, and an October 1 mid-point adjustment for employees under their grade mid-point ranging from .3% to 2.6%. Mayor Kaufert informed the committee of his intention to include this proposal as part of his proposed 2018 Executive Budget. The memo also spelled out the effect that the implementation of the approved wage increases from previous years has had on employee salaries.

Committee and staff discussed various aspects of the proposal. Issues discussed included the financial viability of the wage increases to the City moving forward, the difficulty in filling positions with specific skill sets, as well as future wage strategies that would benefit the City with regard to the recruitment and morale of its employees. The item was discussed as informational only with final action on the proposal being part of the 2018 final budget adoption.

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2018 Health Insurance Plans: Committee reviewed memo from Director Barber recommending Council accept the three health insurance plans through Wisconsin Counties Association (WCA), and an increase to the opt-out plan, as offerings for employees in 2018. The WCA health plan includes an overall 3.5% (\$74,900) increase in premiums and includes employee access to multiple providers including Thedacare, Affinity and Aurora. The WCA plan was recommended over the Network health plan that offered a 0% increase in premiums but would again only offer in-network access to Affinity providers. As part of the proposal, Director Barber is also recommending plan changes that result in additional savings as well as a \$440 increase in the Health Insurance Opt-Out program to bring the value to \$5,000 per opt-out. Altogether, the total increased cost for health insurance for 2018 would be \$30,200, or a 1.12% increase on the total 2017 health insurance budget of approximately \$2.7 million.

Committee and staff discussed various aspects of the proposed 2018 health insurance plan. Issues discussed included the usage of the employee health clinic, the rationale for the proposed opt-out increase as well as the savings generated from each opt-out, the current status of the health insurance reserve fund surplus, how the Health Reimbursement Accounts (HRA) would financially benefit employees who experience no health claims and the question of how the proposed \$30,200 increase in 2018 would be funded. Mayor Kaufert endorsed the health insurance proposal and said he intended to fund the \$30,200 in the 2018 operating budget as part of ongoing operations and not from the health insurance reserve fund surplus. Chairman Pollnow requested that Director Easker provide the Common Council with a written update on the status of the health insurance reserve fund prior to final Council action.

Motion/Second/Carried Erickson/Kunz recommending Council accept the three health insurance plans through Wisconsin Counties Association, and an increase to the opt-out plan, as offerings for employees in 2018. All voting aye.

Fiscal Matters: August Vouchers: Motion/Second/Carried Boyette/Erickson to approve the August vouchers as presented. All voting aye.

Motion/Second/Carried Boyette/Erickson to adjourn the meeting at 8:00 p.m. All voting aye.

Respectfully submitted,



Michael K. Easker, CPA
Director of Finance

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