

*****ATTACHMENTS*****

CITY OF SHEBOYGAN

REQUEST FOR SALARIES AND GRIEVANCE COMMITTEE CONSIDERATION

ITEM DESCRIPTION: HR 101-17 Non-Represented Employee Benefits

REPORT PREPARED BY: Sandy Rohrick, Director of Human Resources and Labor Relations

REPORT DATE: February 13, 2017

MEETING DATE: February 13, 2017

FISCAL SUMMARY:

STATUTORY REFERENCE:

Budget Line Item: N/A
Budget Summary: N/A
Budgeted Expenditure: N/A
Budgeted Revenue: N/A

Wisconsin Statutes: N/A
Municipal Code: N/A

BACKGROUND / ANALYSIS:

In July, 2016, the Salaries and Grievances Committee reviewed HR-101-17 which outlined benefits for 2017. The notable changes included a shift from 2-tier premium options to 4-tier premium options, a change in the application of the opt-out incentive, and the inclusion of a voluntary group life supplemental insurance policy. Additional benefits were recommended for modification of Fire Department, protective service, Non-represented employees. The Fire Department benefits were not settled until months later.

The decision was made to *continue* offering *full-time* employees the \$1,200 opt-out benefit, as the bonus was considered to steer employees to other available insurance. However, the Committee opined that *part-time*, eligible employees likely elected to waive coverage based on the cost of the benefit (part-time employees pay 50% of the premium), and the reduced opt-out benefit of up to \$600 per year did not drive steerage away from participation. The Committee recommended discontinuing the benefit in 2017. During this process of reviewing the document, it was recognized that the 2016 resolution, as approved in 2015, inadvertently omitted a differentiation between full-time and part-time employees. In addition, although the City was issuing the 2016 opt-out bonus to part-time employees, the amount was not identified in the resolution.

The Committee requested the Office of the City Attorney's to draft two resolutions.

- Res. 66-16-17 passed on August 15, 2016, identifying the benefit as eligible in **2016** but not previously listed.
- Res. 67-16-17 passed on August 15, 2016, identifying, among other things, that in 2017, only full-time employees will receive the opt-out of \$1,200.

HR-101-17 was also reviewed on November 28, 2016 (see Salaries and Grievances agenda on Board Docs, item number 3.7) listing the opt-out benefit only available to full-time employees.

STAFF COMMENTS:

The concern brought to the Committee is that some employees felt that no communication was provided to part-time employees affected by this change.

This is not accurate. All employees, just as the public, have access to the agenda and minutes of the Salaries and Grievances Committee. The agenda serves as notification to employee on topics that will be discussed. The minutes serve as notice of what was discussed and action to be taken. In addition, the modifications of benefits (opt-out bonus available for full-time employees only) was listed in the document HR-101 as early as July 2016, and was again on the agenda in November and December 2016.

The Salaries and Grievances Committee is responsible for recommending action to the Common Council on, among other things, recommended changes in benefits plans. Employees, as do general public, have access to review the agenda and determine if the agenda items may or may not have an impact on employment. If employees do not wish to attend the meetings, they may read the minutes or view the documents that were drafted as a result of the actions taken.

The agenda and minutes serve as a means of notifying the public and employees on the changes or modifications. While the Human Resources Department may provide additional communications to employees, there is no requirement to do so. For example, when Common Council elected to adopt the residency restrictions following state-statutes, no additional communication was provided to employees at that time. Years later, the revision modified the employee handbook.

ACTION REQUESTED:

No action is requested. The benefit change and clarifying language was already approved via Res. 67-16-17 which passed on August 15, 2016.

ATTACHMENTS:

- I. Res. No. 67-16-17

OFFICE OF THE CITY CLERK
Sheboygan, Wisconsin
CITY HALL

I hereby certify that this is a true copy of a
document from the Common Council
proceedings of the City of Sheboygan.

Susan Richards
City Clerk

Res. No. 67 - 16 - 17. By Alderperson Donohue. August 1, 2016. *6.2*

A RESOLUTION adopting certain changes to the City's Medical Benefit Plan effective for calendar year 2017 coverage and establishing the monthly premium equivalent rates effective for January 2017 coverage and thereafter.

RESOLVED: That the following changes to the City of Sheboygan's Medical Benefit Plan effective for calendar year 2017 are hereby adopted:

A) Effective January 1, 2017, all eligible employees have access to a Qualified High Deductible Health Plan (Plan). The Plan has a \$1500 Single / \$3000 Family Deductible. In this plan, the family deductible must be met by one or more members in the family before co-pays apply, including pharmacy benefits (with the exception of some preventive medications which automatically apply to a co-pay schedule.)

1) The monthly employee premium equivalent rates for permanent, full-time employees who participate in the Health Risk Assessment and Bioscreen shall be:

\$ 54.80 for single coverage
\$103.94 for employee plus spouse
\$ 94.02 for employee plus child/ren
\$144.34 for family coverage

2) The monthly employee premium equivalent rates for employees who do not participate in the Health Risk Assessment and Bioscreen shall be:

\$109.60 for single coverage
\$207.88 for employee plus spouse
\$188.08 for employee plus child/ren
\$288.68 for family coverage

3) The monthly employee premium equivalent rates for permanent, part-time employees who work between 20-39 hours per week shall be:

\$337.18 for single coverage
\$639.39 for employee plus spouse
\$578.49 for employee plus child/ren
\$888.00 for family coverage

B) In 2017, the City will partially fund a Health Savings Account (HSA) for employees and/or family members to assist in the continued transition to a high deductible plan. The funding amounts will be \$750 for single and \$1500 for employee plus spouse, employee plus child/ren,

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and employee plus family. Employee Health Savings Accounts will be funded in January 2017.

- C) A spousal surcharge will continue to apply for employees who cover their spouses on the City's Medical Benefit Plan when that spouse is eligible for insurance through their employer but chooses to remain on the City's insurance. In 2017 the spousal surcharge will be \$100 per month (\$50 per payroll for the first two payrolls each month).
- D) Full-time, eligible employees who opt-out of participating in the City's Medical Benefit Plan shall receive \$100 per each month they elect to opt-out.
- E) Retiree rates applicable for the 2017 calendar year, identifying the premium equivalent rates for those on the plan who are and are not Medicare eligible, shall be set by a future resolution.

BE IT FURTHER RESOLVED: That said changes and rates shall not supercede the provisions contained within any applicable collective bargaining agreements.

Luzma Novoa

I HEREBY CERTIFY that the foregoing Resolution was duly passed by the Common Council of the City of Sheboygan, Wisconsin, on the 15th day of August, 2016.

Dated August 18 2016. Luzma Novoa, City Clerk

Approved August 18 2016. Michael J. Cantelero, Mayor

Proceedings Published August 20, 2016.
Resolutions Published August 20, 2016.
Certified August 18, 2016 to - Fin. Dir./Treas.; CA; HR