

*****ATTACHMENTS*****

CITY OF SHEBOYGAN

REQUEST FOR SALARIES AND GRIEVANCE COMMITTEE CONSIDERATION

ITEM DESCRIPTION: HR 200 Employee Anniversary Award Program

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

REPORT DATE: December 8, 2016

MEETING DATE: December 12, 2016

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:

The City of Sheboygan is privileged to have a dedicated workforce, many of which have spent all or most of their career with the City. In an effort to show these employees how much their work is appreciated, a new program has been created through a committee made up of employees representing all departments throughout the City.

STAFF COMMENTS:


Employers benefit by having a steady, trained workforce. This program is one way of showing appreciation to those employees who have dedicated so much of their time and energy providing services needed to help make the City of Sheboygan a better place to live and work.

ACTION REQUESTED:

Motion to request the City Attorney draft a resolution introducing HR 200 - Employee Anniversary Award Program.

ATTACHMENTS:

- I. HR-200 Employee Anniversary Award Program

| | | | | |
|--|---|--|---|--|
|  | Title: Employee Anniversary Award Program | | Policy Number: HR 200 | |
| | Author: Sandy Rohrick, Director of Human Resources and Labor Relations | | Created: 11/28/2016 Revision: A | |
| | Scope: City of Sheboygan Employees | | Print Date: 12/9/16 9:59 AM | |
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SECTION I: Purpose and Scope

1) Purpose

This program has been created to recognize employees for their dedication and years of service to the City of Sheboygan. This policy outlines the schedule of benefits available for 2017, based on City Council approval. The schedule of benefits will be reviewed yearly. The goal is to award employees for their years of dedication and service to the citizens of Sheboygan.

2) Scope and Eligibility

This policy applies to all employees, represented or non-represented, as well as full-time elected officials, and is based exclusively on City Council approval. Eligible employees must be employed with the City of Sheboygan for a minimum of five (5) years of continuous service. This Employee Recognition Program is for years-of-service only and is not based on merit, quality of work or popularity or an employee.

SECTION II: Benefits

3) Awards

Employees who reach a milestone year of service shall receive an anniversary award of their choice. Awards will consist of either a gift certificate or an anniversary gift. (Applicable income tax reporting requirements may apply following IRS guidelines.)

4) Measurement Used

The initial program is being introduced starting in calendar year 2017 and is not retroactive. Employees with the incremental completed years of service (following the Schedule of Benefits listed below) as of December 31, 2016, will be issued an anniversary award in 2017. For example, a full-time employee who completed 10 years of service as of November 1, 2016 will receive a gift or gift certificate in 2017 of \$50.

5) Schedule of Benefits

| <u>Full-Time Employees</u> | | <u>Part-Time Employees</u> | |
|----------------------------|---------------------------------|----------------------------|---------------------------------|
| <u>Years of Service</u> | <u>Gift or Gift Certificate</u> | <u>Years of Service</u> | <u>Gift or Gift Certificate</u> |
| 5 | \$ 25 | 5 | \$ 10 |
| 10 | \$ 50 | 10 | \$ 25 |
| 15 | \$ 75 | 15 | \$ 35 |
| 20 | \$100 | 20 | \$ 50 |
| 25 | \$150 | 25 | \$ 75 |
| 30 | \$200 | 30 | \$100 |
| 35 | \$250 | 35 | \$125 |

6) Celebration Event

Employees will be formally recognized by his/her direct supervisor, Department Head, Mayor and/or City Administrator at a **Recognition Gathering** and anniversaries will be announced in the quarterly employee Newsletter.

7) Disclaimer

Benefits associated with this program are outside of any bargaining agreement, are non-precedent setting and non-negotiable.

CITY OF SHEBOYGAN

REQUEST FOR SALARIES AND GRIEVANCE COMMITTEE CONSIDERATION

ITEM DESCRIPTION: HR 135 Employee Referral Bonus Program

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

REPORT DATE: December 8, 2016

MEETING DATE: December 12, 2016

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:

Over the past few years, the number of applications the City of Sheboygan has received for various positions has decreased. This trend is consistent with most employers, public and private sector. In addition, Sheboygan (as a city) has a very low unemployment rate, as well as a favorable projection of available openings in the future. In order to encourage employees within the City to spread the word regarding open positions to their friends and family, the City is considering a referral bonus program in hopes to stay ahead of the curve with recruitment efforts.

STAFF COMMENTS:

Recruitment efforts have changed drastically over the years. Word-of-mouth and networking are now considered one of the best ways to advertise openings, either through conversation or social media. The incentive identified (\$250) is only paid if the applicant is hired and works for 90 or more days, and only if the applicant lists the referring employee on the application.

ACTION REQUESTED:

Motion to request the City Attorney draft a resolution introducing HR 135 - Employee Referral Bonus Program.

ATTACHMENTS:

- I. HR-135 Employee Referral Bonus Program



| | |
|---|---|
| Title: Employee Referral Bonus Program | Policy Number: HR 135 |
| Author: Sandy Rohrick, Director of Human Resources and Labor Relations | Created: 12/12/2016 Revision: New |
| | Page 1 of 1 |

1.0 Purpose

The purpose of the Employee Referral Bonus Program is to provide an incentive to active employees who promote employment with the City of Sheboygan to their friends and family, resulting in potential candidate(s) who are subsequently hired by the City of Sheboygan.

2.0 Scope

This policy applies to active, permanent full or part-time employees of the City of Sheboygan.

3.0 Procedure

When an employee becomes aware of openings within the City of Sheboygan, the employee is encouraged to invite friends or family members to apply for the position. The applicant is responsible to list the referring employee's name on their original application as the referral source. If the applicant is hired and maintains active employment for a minimum of 90 calendar days, the referring employee will be issued \$250 in compensation. (Applicable taxes will be deducted following IRS guidelines.)

4.0 Definitions

a. Applicant

Applicants are persons not currently or previously employed with the City of Sheboygan and must meet the minimum qualifications for the position he/she is applying for.

b. Eligible Employee

All active employees are eligible to receive a referral bonus with the exception of employees whose regular, recurring, jobs include the recruitment and selection of employees (Director of Human Resources and Labor Relations, for example, is excluded) or where the manager/supervisor or other persons associated with the selection of the candidate under their immediate or subsequent direction.

c. Positions

All permanent full or part-time positions are eligible for this program. (Seasonal positions are not.)

5.0 Disclaimer

Benefits associated with this program are outside of any bargaining agreement, are non-precedent setting and non-negotiable.

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: December 8, 2016

MEETING DATE: December 12, 2016

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:

Non-Represented employees generally have the same benefits, with the exception of Fire Department Protective Service employees who are sworn officers and follow state-identified guidelines for protective service employees. In order to specify the correct application of benefits available to "Protected" employees, additional language has been added to the HR-101-17 Employee Benefits Policy. Certain differences are currently practiced, such as the Discretionary PTO for Battalion Chiefs who are on a 24-Hybrid Shift. In addition, uniform allowance for all Command Staff is different than uniform allowance for other Civilian Non-Represented Employees. The only significant change is a recommendation to allow the Command Staff (other than the Fire Chief) to have the opportunity to retain the retirement benefits they previously earned as a member of Sheboygan Fire Fighters, Local 483. This option would eliminate any retirement options / severance payout as a Non-Represented employee (the retiring employee would need to choose one severance payout or the other).

STAFF COMMENTS:


Other than the Fire Chief, all Command Staff members previously served in Local 483. Prior to 2012, benefits for Non-Represented employees were either mirrored or enhanced compared to the benefits in the union contract. As of January 1, 2012, that is not the case with all benefits, depending on the employee and his/her personal situation. This policy provides current Command Staff and future Command Staff who previously served with Local 483, and who continue to be eligible to return to Local 483, the option to retain previous severance benefits or elect to receive the Civilian Non-Represented severance benefits.

ACTION REQUESTED:

Motion to request the City Attorney draft a resolution listing the changes and/or updates to the both the Non-Represented Employees and the Protected Service Non-Represented Employee benefit plans.

ATTACHMENTS:

- I. HR-101-17 Non-Represented Employee Benefits

| | | | | |
|---|---|------------------------------|---------------------------------|-------------|
|  | Title: Non-Represented Employee Benefits Policy | | Policy Number: HR 101-17 | |
| | Author: Sandy Rohrick | | Created: 11/28/2016 Revision: B | |
| | Scope: Non-Rep City Employees | Print Date: 12/9/16 11:29 AM | | Page 1 of 7 |

SECTION I: Purpose and Scope

1) Purpose

This policy outlines benefits provided to employees that are not represented by a union. This is a summary of benefits only and does not include all plan provisions, exclusions, and limitations relating to coverage. If differences exist between this document and the Certificate of Coverage, the Certificate of Coverage will govern.

2) Scope

There are two classifications of Non-represented employees: **Civilian** Non-Represented and **Protected Service** Non-Represented. Protected Service Non-Represented employees are Sworn Officers in leadership positions within the Fire Department, excluding the Fire Chief (whose benefits follow the Civilian Non-Represented employees).

SECTION II: Benefits

3) Direct Deposit

All employees shall be required to have direct deposit. Up to three (3) financial institutions may receive funds, as designated by the employee. A minimum of one (1) financial institution shall be designated as receiving 100% of the remaining direct deposit; the other two (2) options, if elected, need to identify a designated dollar amount of the deposit.

4) Health Insurance

The City offers an Affordable Care Act compliant Qualified High Deductible Health Insurance Plan administered by UMR. This plan has a \$1,500 deductible per single/member, and a \$3,000 deductible for family. Cost per month is as follows:

| 2017 Health Insurance Monthly Costs (4 Tier Options) | | | | | | | |
|--|------------|-------------------------|----------------------|----------------------------------|----------------------|-------------------------|---------------------|
| | Premium | Full-Time Employee Cost | Employee Percentage* | Full-Time Employee Cost with HRA | Employee Percentage* | Part-Time Employee Cost | Employee Percentage |
| Single | \$674.36 | \$109.60 | 16% | \$54.80 | 8% | \$337.18 | 50% |
| Ee plus Spouse | \$1,278.77 | \$207.88 | 16% | \$103.94 | 8% | \$639.39 | 50% |
| Ee plus Child/ren | \$1,156.98 | \$188.04 | 16% | \$94.02 | 8% | \$578.49 | 50% |
| Family | \$1,776.00 | \$288.68 | 16% | \$144.34 | 8% | \$888.00 | 50% |

*Percentage listed is rounded to the nearest whole number

- Employees become eligible for insurance (based on the position they hold) on the first of the month following their start-date. See Summary Plan Document for an overview of benefits.
- Employees on this plan may utilize the Interra InHealth Clinic (the County Clinic). Fees may apply for non-preventive visits and/or appointments.
- Opt-Out Credit: Full-time, permanent employees who chose not to take the City's health insurance are eligible for up to \$1,200 per year (paid \$50 per pay check, first two payrolls of each month).
- Spousal Surcharge: Covered spouses who work full-time and have medical insurance available to them yet remain on the City's plan (even as a secondary insured), are charged an additional \$100 per month for coverage. A Spousal Waiver application must be completed by employees on a yearly basis to be considered for a waiver of this fee.



- A Voluntary Group Medicare Supplement Insurance is available for Retirees and/or their spouses transitioning to Medicare for those able to elect a supplement plan.

5) Dental Insurance

The City offers dental insurance administered through Delta Dental. The plan has a \$25 deductible per person, with an out-of-pocket maximum of \$1,500 per year. See Summary Plan Document for an overview of the benefits.

| | Premium | Full-Time Employee Cost | Employee Percentage* | Part-Time Employee Cost | Employee Percentage |
|-------------------|----------|-------------------------|----------------------|-------------------------|---------------------|
| Single | \$45.24 | \$6.79 | 15% | \$22.62 | 50% |
| Ee plus Spouse | \$91.31 | \$13.70 | 15% | \$45.66 | 50% |
| Ee plus Child/ren | \$102.02 | \$15.30 | 15% | \$51.01 | 50% |
| Family | \$149.92 | \$22.49 | 15% | \$74.96 | 50% |

*Percentage listed is rounded to the nearest whole number

- Employees become eligible (based on the position they hold) for insurance on the first of the month following their start-date. See Summary Plan Document for an overview of benefits.

6) Life Insurance

a. Group Life

Upon completion of the qualifying period, the City provides eligible employees with the Wisconsin Group Life Insurance Plan equal to one-times an employee’s annual salary. Premiums for basic coverage are paid 50% by the City and 50% by the employee. Additional coverage available for spouse and/or children.

b. Voluntary Group Life Supplemental Insurance

Voluntary Group Life Insurance is also available for new employees through The Standard Insurance Company, with amounts of guaranteed issue for new hires and/or their spouse and children.

7) Paid Time Off (PTO)

Permanent employees, both part-time and full-time, will be eligible for paid time off upon hire and/or through time worked. Part-time employees will receive a prorated amount of holiday and discretionary pay based on either the amount of productive hours actually worked the previous year (if part-time the previous year) or the average scheduled projected hours worked divided by a 40-hour work week. (When a person moves to part-time from full-time, the holiday hours follow their scheduled hours, not the hours worked the previous year.

a. Holidays

Employees are eligible for holiday pay upon hire provided the employee is actively working the day before or after the holiday. If on vacation, the employee must work the day before the scheduled vacation and the day after.

| | | |
|----------------------|------------------------|-------------------|
| New Years Day | Labor Day | Christmas Eve Day |
| Friday Before Easter | Thanksgiving Day | Christmas Day |
| Memorial Day | Day After Thanksgiving | New Year’s Eve |
| Independence Day | | |

* The observed day may be modified if appropriate and approved by City administration.

b. Vacation

Employees with less than one year of service on January 1, the schedule is as follows:

Pro-rated Vacation Schedule

| <u>Hired the previous</u> | <u>Eligible on the following January 1</u> |
|---------------------------|--|
| January 1 – March 31 | 40 Vacation Hours |
| April 1 – June 30 | 28 Vacation Hours |
| July 1 – Sept 30 | 16 Vacation Hours |
| October 1 – December 31 | 0 Vacation Hours |

Employees with greater than 1 full year of service as of January 1 are eligible for the following:

- 1 – 4 years: 80 Hours
- 5 – 12 years: 120 Hours
- 13 – 20 years: 160 Hours
- 21 + years: 200 Hours

Protected Service Non-Represented Employees (Battalion Chiefs)

| If working a Hybrid 24/8 Shift | If working the traditional 24-hour shift: |
|--|--|
| >5 Years of Service: 6 Tours (144 hours) | >5 Years of Service: 10 Tours (244 hours) |
| >15 Years of Service: 9 Tours (216 hours) | >15 Years of Service: 13 Tours (312 hours) |
| >20 Years of Service: 12 Tour (288 hours) | >20 Years of Service: 14 Tours (336 hours) |
| >22 Years of Service: 14 Tours (336 hours) | >22 Years of Service: 15 Tours (360 hours) |

- Vacation must be used during the calendar year or it will be forfeited. On rare circumstances, it may be necessary for a person to carry over up to 40 hours of vacation to the next calendar year. This must be approved by the Department Head by December 15.
- Vacation requires supervisor approval and may be taken in 4 or 8 hour increments


c. Discretionary

Discretionary Paid Time Off (DPTO) is available to take care of personal business or tend to the unplanned issues that happen in life, including sicknesses, bereavement, etc. Employees with one or more years of service as of January 1 will be issued DPTO in January (80 hours for a full-time employee, prorated for a permanent part-time employee). New employees are eligible for this benefit after 3 months of employment. Employee earns 10% of their eligible DPTO schedule per month while actively working. Employees may use time prior to it being earned. However, if a person uses more DPTO than they have earned, they would need to refund the amount of the overage, or the amount will be deducted from their final paycheck or the last payroll of the year.

Absences must be coordinated with Supervisor approval where possible/practical to allow for continued departmental operations. Time may be taken in a minimum of 1 hour increments. Time not used in the calendar year is forfeited. Unused, earned DPTO is not paid out upon resignation.

Prorated PTO Schedule for Civilian Non-Represented Employees

| <u>Hired</u> | <u>Eligible after 3 months</u> | <u>Eligible the following January 1</u> |
|---------------------|--------------------------------|---|
| January – March 31: | 32 Discretionary Hours | 40 Discretionary Hours |
| April 1 – June 30: | 16 Discretionary Hours | 40 Discretionary Hours |
| July 1 – Sep 30: | 8 Discretionary Hours | 40 Discretionary Hours |
| Oct 1 – Dec 31: | 0 Discretionary Hours | 40 hours upon reaching |

| | | | | |
|---|--|-------------------------------------|---|--------------------|
|  | Title: Non-Represented Employee Benefits Policy | | Policy Number: HR 101-17 | |
| | Author: Sandy Rohrick | | Created: 11/28/2016 Revision: B | |
| | Scope: Non-Rep City Employees | Print Date: 12/9/16 11:29 AM | | Page 4 of 7 |

DPTO for 24-Hour Battalion Chiefs of the Fire Department

Due to the nature of the position and hours worked, Battalion Chiefs have a separate schedule.

Vacation PTO

96 Hours (4 – 24 hour tours)

d. Sick Leave / Sick Leave Bank (for those hired prior to January 1, 2012)

Employees with a balance in their sick bank accrual may use the paid time off (PTO) immediately for up to 80 hours / 2 Weeks in the case of a Wisconsin Family Medical Leave qualifying absence. This PTO may also be used in the event the employee has exhausted all but 2 weeks of his/her available Vacation and Discretionary PTO.

8) Voluntary Short-term and Long-Term Disability / Family Medical Leave (FML)

Short and Long-Term disability Insurance is available on a voluntary basis to provide pay-continuation in the event of an extended illness. Family Medical Leave is available to qualified employees as well. FML and Short Term Disability run concurrent to each other. Active employees who go out on a disability may need to utilize available PTO. Once that PTO is exhausted, the employee will be unpaid during the disability. While Family Medical Leave protects an employee's position for 12 weeks, the City of Sheboygan will hold a person's employment status open for 26 weeks (6 months). Once an employee is out beyond 26 weeks, they will be placed on inactive employment status (active employment termination) and the position they hold may be forfeited, filled with another employee or a new employee may be hired. If the terminated employee receives a return to work authorization releasing him/her return to work, the employee may reapply for an open position, but there is no guarantee they will be able to return to their previous position and/or be offered a return to employment.

9) Voluntary Vision Insurance

Though eye exams are covered in the medical insurance plan, this insurance is available to help pay for the cost of glasses, contacts, and other vision products.

10) Voluntary Accident / Critical Illness Insurance

This product is available to offer cover of hidden costs related to accidents and critical illnesses. This voluntary product is available to assist in expenses related to those hidden costs (cost of lost time from work, deductibles, copays, etc.).

11) Mileage

Mileage is paid to employees who use their personal vehicles to perform work-related activities. The City of Sheboygan reimburses at the IRS mileage rate.

12) Uniform Allowance

Employees who are required to wear special clothing or use special equipment for their work will receive an allowance as follows (amount issued is applicable to IRS tax regulations):

- a) Uniform Allowance: \$100 yearly
- b) Safety Shoes/Boots/Equipment: \$100 yearly
- c) Glasses with safety lens / frame \$ 50 once every two years
- d) Protected Service Battalion Chiefs Uniform Allowance \$425 yearly

13) Overtime Pay

Non-exempt employees working over 40 hours in a week are eligible to receive time and one-half pay for hours worked over 40. PTO time taken/paid does not count in the calculation of time worked for overtime pay purposes. With supervisor approval, employees may flex their time during the same workweek to maintain the 40 hour schedule.

14) Parking

City employees will receive employer paid parking, either a specific parking location or a parking lot.



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15) Jury Duty

Employees who are subpoenaed and serve on jury duty on an involuntary basis on any days which are scheduled workdays for them shall be excused for the time spent in jury service and shall receive their regular rate of pay (no greater than 8 hours of pay for each full day served) for said time served on jury duty, not to exceed sixty (60) days per calendar year, subject to the following provisions:

- (a) The employee must present proof of jury duty service, stating the dates and hours per day served on jury duty.
- (b) The employee shall immediately endorse his/her check for such jury service over to the human resources/payroll department.
- (c) When the employee is excused for jury service, the employee shall report back to work within one hour to complete his/her shift unless the employee chooses to utilize paid time off for the absence.

16) Shift Premium

Shift Premium will be paid to non-exempt, hourly employees as follows:

| | |
|--|------------------|
| Work Hours from 6:00 a.m. – 5:59 p.m. | No Shift Premium |
| Work Hours from 6:00 p.m. – 11:59 p.m. | \$0.35 per hour |
| Work Hours from 12:00 a.m. – 5:59 a.m. | \$0.45 per hour |

17) Wisconsin Retirement System (WRS)

Employment with the City of Sheboygan may qualify an employee to participate in the Wisconsin Retirement System. The City will provide the WRS required city contribution. Employees will be required to pay the required employee portions following WRS guidelines for both Civilian Non-Represented Employees and Protected Service Non-Represented Employees.

18) Residency

Protective Service Non-Represented Employees must establish a residence within 15 miles of City boundaries.

19) Severance/Termination Pay at Retirement, Death, Layoff without Cause, and Termination

Employees leaving in good faith may qualify for a severance payout. In the event of an employee's retirement, resignation with notice, termination without cause or layoff, the employee qualifies for all unused vacation the year in which the employee becomes inactive. Upon death, the employee's beneficiary/estate will be issued a severance payout in accordance with state/federal requirements. Those who quit while a disciplinary action is being performed, are terminated for willful misconduct, or fail to provide 2 weeks resignation will not be eligible for a severance payout. Discretionary PTO cannot be included in the 2-week resignation notification and will not be paid out. The term "retirement" as used herein shall mean the employee must be retired under the Wisconsin Retirement System and has applied for and will be or is receiving monthly annuity payments immediately after the retirement date.

a) Vacation Severance

All earned and unused vacation a person became eligible for on January 1st of the year in which their employment is terminated will be paid out providing employee provides a minimum of two (2) workweeks notice. PTO may not be used during the two-week resignation time.

*Protective Service employees assigned to the 24-hour shift or 24-hour hybrid shift, the formula for a tour of duty shall be regular biweekly pay divided by 112 multiplied by 24.

b) Sick Bank Account

Upon a qualified retirement (WRS eligibility requirements), employees with a balance in their sick bank account are eligible to receive a portion of the account to either use towards the cost of post-employment medical insurance premiums or a cash payout of 50% of the maximum qualified value. The maximum eligible amount an employee "qualifies" for depends on the employee/union group the employee was part of as of December 31, 2011:

| <u>As of December 31, 2011 And Upon Retirement</u> | <u>Qualified Value Available For Retiree Medical or COBRA Med Insurance</u> | <u>Eligible Payout Value</u> |
|--|---|------------------------------|
| Non-Rep Employees: | Up to 576 Sick Bank hours = Max Value | 50% of Max Value |
| AFSCME (DPW) & City Hall: | Up to 672 Sick Bank hours = Max Value | 50% of Max Value |
| Professionals: | Up to 640 Sick Bank Hours = Max Value | 50% of Max Value |



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Example: DPW Employee/City Hall Employee

A long-term DPW employee decides to retire. He was hired in 1980 (employees hired before 1978 do not have their bank divided by 2). On December 31, 2011, this employee made \$17.86 per hour and he had 972 hours in his Sick Bank. The value of his Sick Bank \$17,359.92 as of December 31, 2011, and he has not used time from the bank since then. Upon actual retirement (WRS eligible, receiving an annuity), he has the ability receive a portion of that bank in one of two ways:

Option 1: ***Qualified Portion applied to COBRA medical insurance continuation***

The retiring employee may apply the qualified portion of his Sick Bank to apply towards the medical insurance election (COBRA). (This money is not available for dental or other COBRA benefits.) This employee's Qualified Max Value is 672 hours x \$17.86 or \$12,001.92.

Option 2: ***Qualified Portion 50% Payout***

The retiring employee may choose to receive a lump-sum payout equal to 50% of his qualified portion of the max value. His qualified Maximum Value payout is \$6,000.96.

c) Good Attendance Bonus

Tier I and II employees (non-rep employees as of December 31, 2011) may have earned a value based on their good attendance. Employees may use the value to pay for medical insurance premiums if the employee elects to remain on the City's medical insurance program. There is no cash payout of this value if the employee leaves the City's medical insurance plan. The value of the bonus will be based on the number of hours over maximum bank as of December 31, 2011/8 x \$60.

d) Post-Employment Health Insurance Plan / Surviving Spouse

Non-represented employees qualify for continuation of coverage in health and dental insurance. Due to the changes in benefits over time, some employees may have grandfathered benefits. For reference purposes, there are 3 classifications employees may fall into relating to post-employment health insurance:

Class / Tier I

WRS vested employees who, as of December 31, 2011, were retirement eligible but chose not to retire prior to December 31, 2011. Tier I employees will retain the benefit as-is; that is, these employees will be eligible to continue on the City's medical insurance upon retirement after December 31, 2011. As of December 31, 2011, Tier I employees achieved at least 15 years of service with the City of Sheboygan, with at least 5 years as a non-represented employee, and had reached retirement age according to WRS retirement eligibility (55 for non-protective services and age 50 for protected services) on or before December 31, 2011. In all categories, if spouse becomes Medicare eligible, Medicare must be primary:

Benefit:

Exempt Employee*:

Eligible to continue on the City's employee's medical insurance plan for up to 10 years.

Single Continuation of Coverage: Paid 100% by the City

Family Continuation of Coverage: Paid 60% by the City

Non-Exempt Employee*:


Eligible to continue on the City's employees medical insurance plan for up to 5 years.

Single Continuation of Coverage: Paid 100% by the City

Family Continuation of Coverage: Paid 60% by the City

Class / Tier II

Non-represented employees as of December 31, 2011 (employee was not in a bargaining unit) who did not meet eligibility for retirement under WRS guidelines as of December 31, 2011. Upon retirement, providing an employee in this group achieves at least 15 years of service as a non-represented employee and retires from an exempt position, the employee is eligible to remain on the health insurance plan for 5 years post-retirement. A non-exempt employee who has been a non-rep for at least 15 years is eligible to remain on the health insurance plan for 2.5 years post-retirement. Premium payment in either situation is 50% City funded and 50% employee funded for either Single or Family coverage until either the retired employee or spouse becomes Medicare eligible.

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Class / Tier III

All new employees hired on or after January 1, 2012, and employees hired before January 1, 2012 who were covered under an employment contract prior to January 1, 2012 are qualified for COBRA continuation of coverage. COBRA is available for 18 months following the last day of the month in which an employee retires or terminates employment.

Surviving Spouse

In the event an active employee dies, the surviving spouse may remain on the City of Sheboygan Health Insurance Plan. The spouse would be responsible for 100% of the premium contribution plus 2% administrative fees. In the case of death of a retired employee in Class I or Class II, the spouse would be eligible to continue on the City of Sheboygan health insurance plan until the spouse becomes eligible for health insurance through his/her own employer, by marriage, or becomes Medicare eligible. The surviving spouse would be responsible for the same premium contribution. In the case of death of a retired employee in Class III, the spouse may be eligible for an additional COBRA benefits, following federal guidelines.

20) Severance/Termination Pay at Retirement, Death, Layoff without Cause, and Termination for Protected Service Non-Represented Employees

Protected Service employees who reach WRS qualified retirement for protected, sworn employees and who actually retire as a WRS qualified annuitant receiving an annuity upon direct retirement from the City of Sheboygan, who previously served 5 or more years of service with the City of Sheboygan's Local 483, retain the ability to elect an optional retirement program. This option waives any alternative rights available to the Civilian Non-Represented Employees Severance Program except where listed otherwise. This option includes the following:

- a) Option to remain on the City of Sheboygan Health Insurance II Plan until reaching Medicare eligibility. Employee to pay the full cost of monthly premium for single or family coverage.
- b) Good Attendance Bonus. No cash payout. Credits previously earned were frozen at the time of transfer into Protected Service Non-Represented Employee. Qualified portion eligible to use towards health insurance premiums.
- c) Sick bank: employee may choose to deposit the after-tax amount of ½ the value of all accumulated sick days to a maximum value of 72 days, not to exceed the cost of health insurance premiums for 1 year, or choose payout of ½ accumulated sick days up to a max of 72-days pay.
- d) Vacation: Employee will receive a severance payout of all earned, unused **and prorated** vacation based on the schedule of vacation applicable for their position. For employees assigned to the 24-hour shift duty, the formula for a tour of duty shall be regular biweekly pay divided by 112 multiplied by 24.
- e) Regular bi-weekly pay / 80 hours.
- f) Surviving Spouse: For employees whose hire date is prior to January 1, 2012, the guidelines set forth in the Civilian Non-Represented Retiring Employee will apply.

CITY OF SHEBOYGAN

REQUEST FOR SALARIES AND GRIEVANCE COMMITTEE CONSIDERATION

ITEM DESCRIPTION: Monthly Premium Equivalent Rates for 2017 Health Insurance

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

REPORT DATE: December 8, 2016

MEETING DATE: December 12, 2016

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:

Earlier this calendar year, City Council approved the health insurance premium rates for 2017. An additional calculation was necessary to establish the rates for participants who are either on Medicare themselves or cover a dependent on Medicare.

STAFF COMMENTS:

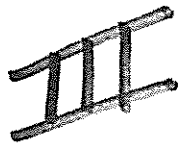
Retirees and/or their dependents who become Medicare eligible are required to elect Medicare as primary. Health Insurance premium rates are discounted based on the projected costs for participants.

ACTION REQUESTED:

Motion to recommend a substitute Resolution Number 151-16-17, modifying the Medicare plus one and Medicare plus two rates. Motion to recommend the Common Council approve the Substitute Resolution Number 151-16-17.

ATTACHMENTS:

- I. Res. No. 151-16-17



DIRECT REFERRAL TO SALARIES AND GRIEVANCES

Res. No. _____ - 16 - 17. By Alderperson Donohue. December 12, 2016.

A RESOLUTION establishing the monthly premium equivalent rates for the City's Medical Benefit Plan for calendar year 2017 coverage.

WHEREAS, Res. No. 67-16-17 was passed on August 15, 2016 and indicated in paragraph (E) that "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."

NOW THEREFORE BE IT RESOLVED: That effective January 1, 2017, the monthly premium health insurance rates for the 4-tier plan are as follows:

| | |
|-----------------------|------------|
| Single: | \$ 674.36 |
| Employee plus spouse: | \$1,278.78 |
| Employee plus child: | \$1,156.98 |
| Family: | \$1,776.00 |
| | |
| Single on Medicare: | \$ 567.40 |
| Medicare plus one: | \$1,156.98 |
| Medicare plus two: | \$1,241.75 |

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

Sal & Grew

I HEREBY CERTIFY that the foregoing Resolution was duly passed by the Common Council of the City of Sheboygan, Wisconsin, on the _____ day of _____, 20____.

Dated _____ 20____. _____, City Clerk

Approved _____ 20____. _____, Mayor