

EMPLOYEE RELATIONS COMMITTEE MEETING

Tuesday, Oct. 14, 2008

Council Chambers

PRESENT: Alds. Purins, Ewerdt, Krol, Walsh - 4

EXCUSED: Ald. Donegan

ALSO PRESENT: J. Archambo, City Admin.; A. Kesner, City Atty.; B. Aldana, Asst. City Atty./HR Dir.; M. Loy, Health & Prod. Coordinator; K. Rusch, Admin. Intern

Ald. Purins as chair called the meeting to order at 6:45 p.m.

Ordinance amending Section 2.59.040 of the city code reclassifying the Traffic & Electrical Supervisor to Superintendent (for adoption)

The committee discussed for adoption the reclassification of the Traffic & Electrical Supervisor position.

Moved by Ald. Walsh, seconded by Ald. Ewerdt
to recommend adoption of an ordinance amending
Section 2.59.040 of the Municipal Code reclassifying
the Traffic & Electrical Supervisor to Traffic & Electrical
Superintendent at pay grade 11. Ayes: 4

2008 Employee Recognition Dinner

The Human Resources Director discussed with the committee the upcoming annual Employee Recognition Dinner where employees are recognized at five year intervals of employment with the city. She said it is a fun event and there will be a slide show presentation showing the employees at work. It is a way of putting a personal touch on this experience. Ms. Aldana noted that the attendance on behalf of the council has not been great and encouraged them to attend.

***Approval of wellness vendor contract**

The committee reviewed a memo from the Human Resources Director regarding whether to approve a contract for professional services with eCare Solutions to provide wellness services to support the City's comprehensive wellness program.

Ms. Aldana highlighted the strategy being taken by the city and what drove the decision to recommend eCare Solutions. The coaching model and the general technology differentiate the companies. Some of the vendors were only going to contact high risk individuals. eCare Solution Wellness Coaches will contact everyone. Some people will have risks identified and they will work together on an action plan. If it is determined that the employee's action or plan is to see their provider, the employee will be required to do a follow up with the provider.

Ms. Aldana commented that the City incorporated a more comprehensive wellness initiative into the collective bargaining agreements for 2009 and 2010. All of the bargaining agreements covering non-union employees contain minimum wellness requirements. The City negotiated a 100% increase in each plan's deductibles and 100% differential in premiums. The deductibles and premiums are reduced by 50%

only if the employee satisfies all three of the wellness requirements. If an employee does not satisfy the minimum requirements on the family plan, for example, they will pay more than \$500 additional than an employee who does satisfy the minimum requirements.

Moved by Ald. Krol, seconded by Ald. Ewerdt to recommend approval of entering into a contract for Wellness Vendor Services with eCare Solutions for a three year agreement - 4

Proposed amendment to Sections 2.52.080 (F) (4) of the Code to eliminate employee biweekly contributions into retirement health savings accounts

The committee reviewed a memo from the Human Resources Director regarding whether to eliminate the \$10 employee biweekly contribution into the Retirement Health Savings Accounts. The collective bargaining process resulted in substantial reduction of City paid retiree health insurance for new hires. In recognition of that, the City agreed to establish Retirement Health Savings Accounts (RHSA) for employees. This provides a way for employees to fund post-employment health care expenses through tax free contributions into the accounts and tax free distributions for eligible expenses after separation from employment. The labor contracts provide that the City will make initial lump sum contributions, annual sick leave conversion and sick leave conversion into the accounts at retirement.

The police contract and the ordinance covering non-represented employees also contains language which provides employees will contribute \$10 pre-tax biweekly into the accounts. Other groups were considering the employee contribution component into the accounts, but no other group had opted to put this into their contract.

The City has been in the process of implementing the RHSA's with ICMA-RC. ICMA-RC promotes mandatory employee contributions as an approved method of contributing funds into these accounts. During the summer, Ms. Aldana sent the plan documents for review by outside benefits counsel at Davis & Kuelthau. Outside counsel concluded that mandatory employee contributions were allowed under applicable IRS regulations.

The City recently became aware that there have been legal developments this summer in Wisconsin involving the IRS relating to similar employee contributions into a similar plan. That creates sufficient uncertainty at this time about whether the employee contributions comply with IRS regulations. Based on this recent development, the City's Attorney's office and outside counsel both recommend ending the employee contributions as soon as possible. The IRS has not made a regulation that this is unlawful, however, the City is uncomfortable proceeding. The determination could be made at a later time to reinstate this.

Ms. Aldana advised that she has been in contact with the Police Union and continues to work with them about another mechanism that would be another employee based contribution. However the current biweekly contribution plan needs to be undone first. The employees that have accounts will either be able to take their money they have paid in back in salary or by deferred compensation.

Moved by Ald. Ewerdt, seconded by Ald. Walsh to recommend approval the MOU with Police Union eliminating this provision from its contract - 4

Moved by Ald. Ewerdt, seconded by Ald. Walsh to amend ordinances to eliminate provision requiring \$10 bi-weekly pre-tax employee contributions for non-represented employees under suspension of rules - 4

Revised City Administrator review process and forms

The committee reviewed a memo from the Human Resources Director regarding the review of a revised City Administrator review process and forms. Ms. Aldana said that this revised form is based on feedback from the committee from previous discussions. These comments included the following points: 1) City Administrator should set result oriented goals, 2) Council should focus their review on things that can be measured or seen, they cannot measure many of the internal operational performance issues, 3) Feedback should be requested from Department Directors on internal operational issues, and 4) Timing of review should allow for goal setting and performance evaluation.

Ms. Aldana reported that per the City ordinance Chapter 2.08, during the last quarter of each calendar year, the common council shall conduct a review and evaluation of the job and performance of the city administrator. The timing of this presents some challenges due to the budget cycle. Once the budget process begins it would be difficult to include a goal for the next year that would impact the budget.

The attachments included in the committee packets include the strategic planning and evaluation process, draft performance evaluation for the City Administrator, draft 360 degree review by Department Directors, and a draft template for the City Administrator's goal and objectives. The proposed process includes looking forward as well as looking back on the past year's performance. Most importantly a process needs to be created so that the common council and the administrator can meet and plan for three years down the road. The city administrator will submit his goals in advance to the common council. The Committee of the Whole would discuss and make any changes to the proposed plan or strategies set by the administrator. At that time a review of progress from the prior year would be done and redirection could be made if necessary.

Ms. Aldana reported that the city administrator will propose his goals and at the review process the committee can agree or disagree and go from there. It would be a collaborative arrangement. The 360 degree review is a mild attempt at gathering information from those that work with the city administrator on a day to day basis. This information would be presented to the committee. The department heads would remain anonymous.

Ald. Purins inquired about this year's timetable. Ms. Aldana noted that the review process should be scheduled in December to remain on schedule with previous years. Potential dates of December 2 and 16th were discussed. The committee decided on the date of December 16th for consideration of the administrator's proposal with collective feedback.

The committee requested from staff a template of all the different actions and timing for the next scheduled meeting on October 28th.

The meeting adjourned at 8:06 p.m.

Carla A. Ledesma, City Clerk
City of Wauwatosa

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