



\*\*All present are expected to conduct themselves in accordance with our City's Core Values\*\*

## OFFICIAL NOTICE AND AGENDA

of a meeting of a City Board, Commission, Department, Committee, Agency, Corporation, Quasi-Municipal Corporation, or sub-unit thereof.

Meeting of the: **Human Resources Committee**  
Date/Time: **Monday, October 12, 2015 at 4:30 p.m.**  
Location: City Hall (407 Grant Street) - Board Room 2nd Floor  
Members: Romey Wagner (C), Gary Gisselman, Bill Nagle, David Oberbeck, Lisa Rasmussen

### AGENDA ITEMS FOR CONSIDERATION (All items listed may be acted upon)

- 1) Approval of 09/14/15 Minutes
- 2) **CLOSED SESSION** pursuant to Section 19.85(1)(e) of the Wisconsin State statutes for bargaining reasons requiring a closed session for the purpose of considering the following:  
Local 1168 Amalgamated Transit Union, AFL-CIO Collective Bargaining
- 3) **RECONVENE INTO OPEN SESSION**, and Possible Action on Closed Session Item
- 4) Discussion and Possible Action on Health Insurance Plan Design 2016
- 5) Discussion and Possible Action Related to Compensation:
  - Non-Represented Employees
  - Elected Officials - Common Council
  - Elected Officials - Mayor
- 6) Future Agenda Items for Consideration
- 7) Adjourn

This Notice was posted at City Hall and faxed to the Daily Herald newsroom on 10/08/2015 at 10:30 a.m.

Questions regarding this agenda may be directed to the Human Resources Office (715) 261-6630.

It is possible and likely that members of, and possibly a quorum of the Council and/or members of other committees of the Common Council of the City of Wausau may be in attendance at the above-mentioned meeting to gather information. **No action will be taken by any such groups.**

It is anticipated that each item listed on the agenda may be discussed, referred, or acted upon unless it is noted in the specific agenda item that no action is contemplated. It is possible that members of, and possibly a quorum of members of other committees of the Common Council of the City of Wausau may be in attendance at the above mentioned meeting to gather information. No action will be taken by any such group at the above mentioned meeting other than the committee specifically referred to in this notice.

Please note that, upon reasonable notice, efforts will be made to accommodate the needs of disabled individuals through appropriate aids & services. For information or to request this service, contact the City Clerk at 407 Grant Street, Wausau WI 54403 or by phone (715) 261-6620.

Other Distribution: Media, Alderpersons, Mayor, Department Heads, City Departments, Union Presidents.

**CITY OF WAUSAU HUMAN RESOURCES COMMITTEE  
MINUTES OF OPEN SESSION**

DATE/TIME: September 14, 2015 at 4:30 p.m.  
LOCATION: City Hall (407 Grant Street) – Board Room  
MEMBERS PRESENT: R. Wagner (C), G. Gisselman, W. Nagle, D. Oberbeck, L. Rasmussen  
ALSO PRESENT: M. Hite

**Approval of Minutes: August 10, 2015, August 13, 2015 and September 2, 2015.**

Wagner asked for a motion to accept draft minutes from all three previous meetings. Rasmussen motioned, Gisselman seconded. Motion passed unanimously. Minutes placed on file.

**Public Comment on Matters Appearing on the Agenda**

None at this time.

**Review, Discussion and Possible Action on the Employee Handbook, Chapters 1-4**

Hite distributed a memo with Staff Recommendations to the committee members. All committee members agreed that all “Housekeeping” items won’t need further review or discussion. Discussion took place regarding Chapter 1.06 Residency Requirement. The State ruled that it unlawful to require Department Heads live within the city proper, therefore “Residency Requirement” was stricken from the handbook. Hite stated some communities provide incentives to Department Heads for maintaining residency with the jurisdiction. This is something that can be looked at in the future.

Wagner spoke about Ch 1.02 – Anti-Harassment and would like the sentence that currently reads: *“Such conduct may be the basis for disciplinary action, including termination from employment”* to read as: *“Such conduct may be the basis for disciplinary action, up to and possibly including termination from employment.”* Hite will make the suggested change.

Wagner had no other suggestions or changes and opened discussion up to the committee members. All of these changes would be brought before the Council. Hite suggested training be implemented on Anti-Harassment and Workplace Bullying in the future.

Wagner asked for a motion to accept the changes they spoke about. Rasmussen moved to accept changes and Gisselman seconded. Motion passed unanimously.

**Initial Discussion and Possible Action regarding Closed Session Protocol**

Currently the City of Wausau has no set guidelines for who is allowed in a closed session meeting and what information can and can’t be released. No minutes of the meeting are recorded and this could potentially open the city up for liability issues. A policy should be drafted. Rasmussen suggested a change to the council rules or perhaps to the Code of Ethics. She also suggested an internal policy change and a council policy or new/amended rule change. Hite mentioned Chapter 2.13-Duty of Loyalty that addresses this issue within the employee Handbook for all employees, therefore the internal policy is complete. Oberbeck said closed sessions have to be formalized and Gisselman would like to see the agenda item be more specific. Chairman Wagner asked Hite to seek more information from Attorney Anne Jacobson and bring this back to the committee for further discussion.

**HR Director Report**

- Employee Benefits 2016: Hite said that we have a new insurance consultant broker and they sent out RFP’s with a September 4<sup>th</sup> deadline. Many agencies asked for extended deadlines. Right now if we currently do nothing, the city is looking at a 12.99% - 15.99% increase. She is hopeful that we can get these percentages down.
- Collective Bargaining – Amalgamated Transit Union – Local 1168: Hite said they don’t meet until September 24<sup>th</sup>, therefore she won’t have a report until next month.

**Adjourn.**

A motion to adjourn was made by Rasmussen and seconded by Oberbeck. Meeting adjourned.

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Romey Wagner  
Human Resources Committee, Chair



## Memorandum

**From:** Myla D. Hite, Human Resources Director  
**To:** Finance Committee  
**Date:** September 28, 2015  
**Subject:** 2016 Budget Inclusion of 2.5% Increase for Employee Health Care Benefit

Purpose: To provide an overview and obtain your approval for 2016 health care benefit design for City employees.

Overview of Proposed Design Changes. On September 29, 2015 the Finance Committee approved funding to support offering a health plan design that includes the following recommended changes to the plan design offered in 2015 (see attached chart):

1. Eliminate the 2015 Statewide PPO (Traditional Plan)) that currently has 17 Family and 5 Single plan participants. (Column 1 on 2015 Medical Plan Options)
2. Eliminate the 2015 HRA Plan – Aspirus Network option with 4 Family and 4 Single plan participants (Column 2 on 2015 Medical Plan Options).
3. Eliminating the Retiree plan option and migrating the Retirees to one of two plan offerings the same as other City employees. The City currently has 10 Retiree participants.
4. Increasing the stop loss deductible from \$60,000 to \$70,000.
5. Modifying the 2015 Statewide HDHP/HAS/HRA Option (Column 3 on 2015 Medical Plan Options) as follows:
  - a. Increase by \$250.00 the Single In-Network Deductible (\$2,000 to \$2,250) and by \$500.00 for Family (\$4,000 - \$4,500).
  - b. Increase by \$500.00 the Single Out-of-Network Deductible (\$4,000 to \$4,500) and by \$1,000.00 for family (\$8,000 to \$9,000).
  - c. Increase by \$750.00 the Single In-Network Out-of-Pocket Maximum (\$2,500 to \$3,250) and by \$1,500.00 for family (\$5,000.00 to \$6,500).
  - d. Increase by \$2,500.00 the Single Out-of-Network Out-of-Pocket Maximum (from \$8,000 to \$10,500) and by \$5,000 for family (from \$8,000 to \$10,500)
  - e. Increase by \$5.00 the Primary Care Office visit copay after deductible (from \$25 to \$30)
  - f. Increase copay by \$10.00 for a Specialist office visit after deductible (from \$50 to \$60)
  - g. Add a \$100.00 Urgent care copay after deductible
  - h. Add a \$200 Emergency room copay after deductible
  - i. Increase prescription copays after deductible is met (from \$0/\$25/\$40 to \$10/\$40/\$60/\$25%) up to \$150

## Background:

As part of total compensation, the City of Wausau provides employees the opportunity to participate in a group Health, Dental and Life Insurance programs. Consistent with the employee handbook at sections 7.03, 7.04 and 7.05 respectively, employees contribute 12% of the health insurance premium, 50% of the dental insurance and 100% of the life insurance premiums.

When I was first hired in July 2014, the designated insurance broker/consultant was projecting a 10% (approximately \$500,000) increase for health care benefits. Applying creative strategies, HR staff was able to develop a plan design to keep cost projections flat, while waiving premiums for non-represented staff as an incentive for them to elect a newly offered, more cost effective plan option. While staff was able to make significant accomplishments for 2015, we hoped to access expertise that could help us to continue to cost contain for future.

On May 11, 2015 the Human Resources Committee gave direction to City staff to pursue options for providing health benefits to City employees as a stand-alone entity for 2016 and to solicit Requests for Proposals for a new Consultant/Broker in an attempt to obtain the best possible benefits in the most cost effective manner.

On July 14, 2015 the Finance Committee approved, which Council subsequently adopted on the same date through Resolution 15-0706 designating Associated Financial Group (AFG) as the City's Broker/Consultant. The negotiated fee for this designation resulted in a rate of 5% per year, representing a cost savings estimated between \$6,000 - \$14,000 per year.<sup>1</sup>

On August 7, 2015 I met with AFG to clarify the timeline and direction to pursue for achieving the City's two-fold goal which remains to balance cost containment against benefits provided. During this initial meeting we discussed the preliminary data provided by the City's current carrier – WPS. The initial increase projected was 15.74% (\$850,804.52). WPS later reduced the 2015 benefit design increase to 12.94% (approximately \$706,969.08).

Through the process of competitive bidding facilitated by AFG, along with continued plan design modifications, staff has successfully outlined a plan (with assistance and input from AFG) resulting in a projected increase of 2.5% (projections provided by current provider – WPS, at current claim experience rate and usage level).

### Impact:

- Health Care Benefits: \$91,660.31, approved by the Finance Committee on September 28, 2015 for inclusion in the 2016 budget. This represents a 2.5% cost increase. Participating City employees pay a 12% monthly premium share.
- Dental: No increase for 2016. City employees pay a 50% premium share.

Encl: Health Benefits 2015 Summary Chart (For use for Comparison Purposes)

Cc: Mayor

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<sup>1</sup> Estimate projections vary based upon the number of plan participants within a plan year – the negotiated fee was 5% as opposed to the former 6%.

## Human Resources Committee Minute Excerpt (May 11, 2015)

**Discussion and Possible Action on the North Central Wisconsin Public Employer Health Insurance Consortium.** Hite gave an overview to the committee of the discussion last September to explore the possibility of participating in the North Central WI Public Employer Health Insurance Consortium. In the September meeting, Hite was given authority to spend up to \$10,000 for this process. To date, Wausau has spent \$5,500 as a participant. Hite explained that further exploration is needed by the consortium that would cost the City \$7,000 for a needed RFP, \$16,000 for a complete pharmacy benefits audit, and an on-going charge of \$3.50 per employee per month for charges through BSG. Hite presented two options to the committee: continue with the consortium and be approved for additional costs, or have staff explore options on their own and discontinue participation in the consortium. **Motion made by Rasmussen directing Hite to pursue 2016 options for budget as a stand-alone provider, and to have Hite construct an RFP for a new broker. Second by Oberbeck.** Further discussion took place regarding the pro's and con's of joining a consortium. Oberbeck believes that a smaller group will be able to make more changes. Rasmussen agreed, saying that the bigger you get, the harder it is to make changes. **Motion passes 4-0.**

**Discussion and Possible Action approving a two year contract for insurance broker consultant services – Hite** Elise Krohn indicated the HR Department strongly recommends moving to a new broker through the RFP process and was asking the Finance Committee to approve going forward to the next step. There were eight responses to the RFP, which were charted by HR and Finance based on the qualifications asked for. The recommendation is to move forward with Associated Financial Group, which came in at the lowest cost, is local, and has a lot of benefits to offer. Wagner indicated as chair of HR he was in support of immediate acceptance.

Motion by Nutting, second by Mielke to approve a two year contract with Associated Financial Group. Motion carried 4-0.

**City of Wausau All General Employee's  
Medical Plan Options - WPS  
January 1, 2015**

	Statewide PPO		HRA Plan Aspirus Network		Statewide HDHP/HSA/HRA		Aspirus HDHP/HSA/HRA	
	In-Network	Out-of-Network	In-Network	Out-of-Network	In-Network	Out-of-Network	In-Network	Out-of-Network
<b>Annual Deductible</b>								
Individual	\$1,000	\$4000	\$2,500	\$5,000	\$2,000	\$4,000	\$2,000	\$4,000
Family	\$2,000	\$8000	\$5,000	\$10,000	\$4,000	\$8,000	\$4,000	\$8,000
			Employee responsible for \$750 Employee/\$1,500 Family; City contributes \$1,750 Employee/\$3,500 Family to Health Reimbursement Account(HRA)		Employee responsible for \$1,400 Employee/\$2,800 Family; City contributes \$600 Employee/\$1,200 Family to Health Reimbursement Account (HRA)		Employee responsible for first \$1,400 Employee/\$2,800 Family in accordance with IRS Guidelines. (If Employee contributes to the HSA, City will match the contribution annually up to \$600 Employee/\$1,200 Family. The City's payments will be made quarterly to the HSA account) City contributes \$600 Employee/\$1,200 Family to Health Reimbursement Account (HRA) after the Employee has met the \$1,400/\$2,800 minimum deductible	
<b>Coinsurance</b>	80%	60%	90%	70%	90%	70%	100%	70%
<b>Out-of-Pocket (includes deductible and coinsurance)</b>								
Individual	\$3,000	\$8,000	\$3,500	\$8,000				
Family	\$6,000	\$16,000	\$7,000	\$16,000				
<b>Maximum Out-of-Pocket MOOP (includes deductible, coinsurance and all copayments (med &amp; Rx))</b>								
Individual	\$6,450		\$6,450		\$2,500	\$8,000	\$2,000	\$7,000
Family	\$12,900		\$12,900		\$5,000	\$16,000	\$4,000	\$14,000
<b>Preventive Care</b>	No Cost Share; plan pays 100%	Deductible/Coinsurance	No Cost Share; plan pays 100%	Deductible/Coinsurance	No Cost Share; plan pays 100%	<b>No Coverage</b>	No Cost Share; plan pays 100%	<b>No Coverage</b>
<b>Physician Office Services</b>								
Primary Physician Office Visit	No Copay; subject to Deductible/Coinsurance	No Copay; subject to Deductible/Coinsurance	\$25 copay then Deductible/Coinsurance	Deductible/Coinsurance	Deductible, then \$25 copay and 90% Coinsurance	Deductible/Coinsurance	Deductible then 100%	Deductible/Coinsurance
Specialist Physician Office Visit	No Copay; subject to Deductible/Coinsurance	No Copay; subject to Deductible/Coinsurance	\$50 copay then Deductible/Coinsurance	Deductible /Coinsurance	Deductible, then \$50 copay and 90% Coinsurance	Deductible/Coinsurance	Deductible then 100%	Deductible/Coinsurance

	Statewide PPO		HRA Plan Aspirus Network		Statewide HDHP/HSA/HRA		Aspirus HDHP/HSA/HRA	
	In-Network	Out-of-Network	In-Network	Out-of-Network	In-Network	Out-of-Network	In-Network	Out-of-Network
<b>Emergency Room</b>	\$100 Copay (no deductible) then plan pays 80% (Copay waived if admitted)		\$100 Copay (no deductible) then plan pays 90% (Copay waived if admitted)		Deductible, then plan pays 90%		Deductible, then plan pays 100%	
<b>Prescription Drugs</b>	<u>Retail</u>	<u>Mail Order</u>	<u>Retail</u>	<u>Mail Order</u>	<u>Retail</u>	<u>Mail Order</u>	<u>Retail</u>	<u>Mail Order</u>
Preventive Medications (refer to list)	Plan pays 100% (no deductible or copay)	Plan pays 100% (no deductible or copay)	Plan pays 100% (no deductible or copay)	Plan pays 100% (no deductible or copay)	Plan pays 100% (no deductible or copay)		Plan pays 100% (no deductible or copay)	
Deductible	No Deductible		No Deductible		Subject to Medical Deductible then copayments apply as below		Subject to Medical Deductible then plan pays 100%	
Tier 1	\$5	\$10	\$5	\$10	\$0	\$0	\$0	\$0
Tier 2	\$20	\$40	\$20	\$40	\$25	\$50	\$0	\$0
Tier 3	\$40	\$80	\$40	\$80	\$40	\$80	\$0	\$0

See Certificate of Coverage for full policy details including limits and exclusions – for a copy see Human Resources  
 To identify an in-network provider, go to [www.wpsic.com](http://www.wpsic.com)

## Your Cost in 2015

Employee Monthly Contributions				
	Statewide PPO	Aspirus HRA	Statewide HDHP/HSA/HRA	Aspirus HDHP/HSA/HRA
<b>Single</b>	\$81.35	\$68.41	\$69.01	\$0.00
<b>Family</b>	\$242.54	\$217.02	\$212.56	\$0.00

### Statewide

PPO Single: \$677.88 Family: \$2,021.19

HRA Plan Aspirus Network PPO Single: \$570.10 Family: \$1808.59

Statewide H.S.A./HRA Plan Single: \$ 575.09 Family: \$1771.33

Aspirus HDHP Plan Single: \$503.21 Family: \$ 1549.91

**City of Wausau= Union, Fire, Police and Metro  
Protective Services  
Medical Plan Options - WPS  
January 1, 2015**

	Statewide PPO		HRA Plan Aspirus Network		Statewide HDHP/HSA/HRA		Aspirus HDHP/HSA/HRA	
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Deductible	No Deductible		No Deductible		Subject to Medical Deductible then copayments apply as below		Subject to Medical Deductible then plan pays 100%	
Tier 1	\$5	\$10	\$5	\$10	\$0	\$0	\$0	\$0
Tier 2	\$20	\$40	\$20	\$40	\$25	\$50	\$0	\$0
Tier 3	\$40	\$80	\$40	\$80	\$40	\$80	\$0	\$0

See Certificate of Coverage for full policy details including limits and exclusions – for a copy see Human Resources  
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**Your Cost in 2015 Police/Fire/Metro Union Employees are responsible for 12% of the premium. The City of Wausau pays the remaining 88%.**

	Employee Monthly Contributions			
	Statewide PPO	Aspirus HRA	Statewide HDHP/HSA/HRA	Aspirus HDHP/HSA/HRA
<b>Single</b>	\$81.35	\$68.41	\$69.01	\$60.39
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