

**[Draft: For Discussion Purposes Only]**

**VILLAGE OF HOWARD  
EMPLOYEE PAY AND BENEFIT  
COMPENSATION REVIEW**

**August 2013**

**Conducted by Public Administration Associates**

**[Draft: For Discussion Purposes Only]**

## **SECTION I: Job Descriptions and Titles**

- A. Narrative on Job Duties by Position**
- B. Suggestions on Upgrades and Revisions to Current Position Descriptions**

**[Draft: For Discussion Purposes Only]**

**SECTION II: Internal Rankings Based on Updated Duties and Position by Position Evaluations.**

**A. Copy of PAA Position Scoring Methodology**

**(This will be provided to the board on Monday night.)**

**B. Numerical Ranking of Howard Positions**

**[Draft: For Discussion Purposes Only]**

**SECTION III: External Wage and Mid-Point Comparisons by Position**

- A. Approach to Measuring and Calculating External Comparisons**
- B. Summary of Calculations by Position and Creation of Working Ranges**
- C. Chart of Private Sector Ranges Computed for 14 Similar Howard Positions**
- D. Appendix with Example of Sun Prairie's Pay Compensation Questionnaire Responses**

**[Draft: For Discussion Purposes Only]**

**SECTION IV: Employee Benefits Review Compared to Public and Private Sectors**

**A. Public Sector Comparison Chart (Pages 1-4)**

**B. Narrative Containing Summary of Benefits Survey Results and Recommendations for Future Employee Benefit Plans**

**C. Appendix with Original Peer Group Benefits Questionnaire**

## **LISTING OF HOWARD EMPLOYEE POSITIONS AND GENERAL DUTIES FOR TITLE COMPARISON PURPOSES**

**Director of Public Works**-Has general oversight and personnel responsibilities for the Divisions of Forestry, Streets, Mechanics, Engineering, Utilities, Storm Water District, Parks and Golf Course. Responsible for all agreements with county, state, and federal governments for transportation routes.

**Director of Engineering**-Signs and approves all developer agreements for residential, commercial and industrial projects in the community. Conducts traffic flow studies, traffic signal projects, other long term engineering studies. Gives presentations and conducts hearings on proposed sidewalk, street paving, street reconstruction, utility expansion projects to residents, developers and the Village Board.

**Staff Engineer**-Writes specifications for all streets, inter-sections, subdivision projects and commercial and industrial projects. Does field inspections of all private contractors and can order modifications to project design to insure compliance with Village zoning and construction standards. Conducts soil testing and soil compaction reviews.

**Senior Engineering Tech**-Position is proposed, but does not exist. Would have major drafting duties for all utility projects and also supervises both junior techs and 4-7 seasonal technicians. No Professional Engineer's license required.

**Engineering Tech**-Drafts most plans for utility expansion for private residences and commercial development. Negotiates with private contractors and coordinates work with Village crews for projects such as sidewalks, retention ponds, storm water sewers, drainage culverts etc.

**GIS Coordinator**-Operates the CAD mapping program and provides support to both engineering and zoning divisions. Provides low level of Informational Technology support by installing software, hardware and printers for PWD and a few other Village departments upon request. Looks up placement of utilities, private and public and does revisions of Village zoning and Certified Survey Maps.

**Public Works Administrative Assistant**-Responds to all citizen inquiries and/or complaints regarding department activities. Directs all communication to appropriate division personnel. Coordinates all departmental purchase orders, bills and receipts all payments for services. Processes and files all departmental correspondence and serves as personal assistant to the Director of Public Works.

**Water Utility Operator/Working Foreman Water and Sewer**-Conducts water quality tests twice weekly and submits water quality tests to State. Maintains chemical treatment and meters for water system and emergency wells. Main source of water is through agreement with City of Manitowoc to pump from Lake Michigan. Maintains and cleans sewer system, including lift stations but no treatment plant within Village

**Laborer Water and Sewer**-Provides a variety of repair and maintenance of water and wastewater mains, piping and meters. Conduct regular meter reading and replace worn ones. Respond to water main breaks and locate and replace laterals and main connections.

**Public Works (Streets/Parks) Working Foreman**-Gives daily direction to nine laborers, primarily in the areas of streets, parks, and forestry. Sets schedules and addresses work issues, but has no disciplinary authority and is part of a bargaining unit.

**Laborer Public Works**-The majority of time is spent in minor street repair, snow plowing, village facility maintenance, special large item garbage and brush pick-up, tree pruning, operating large equipment, sign installation and support of water and sewer utility repair projects (as back-up).

**Mechanic/Stockroom Clerk**-Repairs, overhauls, maintains all Village trucks, vehicles other motorized equipment. Maintain a parts stockroom for common replacement parts for all vehicles and equipment. Cuts and weld metal and have training in diesel and gas engines. Replace all parts not covered by warranty.

**Director of Parks & Forestry (also runs Golf Course maintenance)**: Oversees maintenance, landscaping and facilities/equipment for 15 Village parks, bike trails and neighborhood play lots. Oversees 20 part-time and seasonal maintenance workers. Oversees Village's urban forestry program which is responsible for planting and care of 900 trees in parks and general pruning and removal of diseased trees in public properties and right-of-ways.

**Village Administrator**-Responsible for overall Village administration and annual budget preparation. Also advises elected Board on policy and village process. Additionally is responsible for intergovernmental relations with county, state and federal agencies and officials.

**Administrative Assistant to the Administrator**-Handles correspondence and scheduling for the Village Administrator and Board. Creates Board and Commission agendas. Organizes and assembles board packets. Takes minutes of all Board and some commission meetings. Conducts special research and studies at direction of Administrator and organizes staff reports. Serves as Village public information officer by maintaining web site, blog and e-newsletter.

**Director of Administrative Services**-a blended position that includes normal Finance Director duties for overseeing all accounts payable, accounts receivable, utility billing, payroll and general accounting duties, as well as budget monitoring. In addition position serves as Treasurer and Clerk with all accompanying requirements of WI State Statutes, including the administration of elections, and issuing of all Village permits, licenses, and collections of fines and forfeitures. Position also serves as part-time Human Resources manager and oversees administration of Village golf-course. (Note: please provide wages of any position such as Finance Director/Treasurer/Clerk or Finance Director-Clerk if applicable)

**Accountant I**-Position is in charge of accounts payable and receivable and many standard accounting duties. Requires a four year degree in finance, business or accounting. Oversees Account Clerk.

**Utility Billing Clerk**-Prepares water and sewer bills. Enters accounts payable and receivable for three utility accounts. Requires associate degree in finance or accounting.

**Administrative Assistant/Front Counter**-Provide initial customer service to all phone and walk-in business at Village Hall. Direct residents and business contacts to appropriate sources of information and assistance within the village organization. Process permits and license applications. Accept payments for village taxes, fees and special charges and provide receipts upon request. Assist Director of

Administrative services with assigned Clerk duties such as election rolls, posting of meeting notices, and absentee voting.

**Building Inspector/Code Enforcement Administrator**-Conducts inspections of all new construction of residential and commercial property and all significant upgrades and rehabilitation of existing structures. Enforces the building codes of the Village and insures that building permits have been issued in advance. Also enforces storm water and erosion control regulations and cites violations of zoning and sign ordinances.

**Director of Community Development**-Charged with economic development, marketing of industrial park, housing development, enforcement of zoning and development ordinances, and overseeing building inspection, and zoning code. Also develops and updates community development plan(s) and provision of village services to undeveloped sections of the Village. General administration of zoning code, approves certified survey maps, staffs Plan Commission and works with Administrator to attract economic development in the Village.

**Public Safety Director**-Administrator of Police Operations through an agreement with Brown County Sheriff's Department for eight officers and two Directed Enforcement officers. Also administers budget, payroll and staffing for a combination Fire Division with one full time position, four part time paid officers, and 50 Paid on Call responders. Prepares emergency management plans and is liaison to Brown County emergency management. Also oversees all training for firefighters and first responders. Creates mutual aid agreements with City of Green Bay and other municipalities.

**Fire Captain**-Operates command post at all incidents. Is chief field officer and dispatches all other fire officers and crews to the scene of fires and accidents. Files reports of major incidents and consults with Public Safety director on overall departmental planning, scheduling and training needs. Also oversees equipment maintenance and supplies for the department.

**Leisure Services Director**-In charge of scheduling recreation programs for both parks and village facilities on a year round basis. Hires instructors, publishes calendar, reserves sites for outside groups, and collects fees. While Howard sponsors some programs for its senior citizens, there is no senior citizen center per se.

**Municipal Court Clerk**-Schedules hearings on violations of municipal ordinances for the Municipal Court Judge to hear on a weekly basis. Tracks juvenile and adult court cases electronically. Notifies defendants of court times. Collects fines and forfeitures from those found or pleading guilty of violations. Remits appropriate portions of such collections to village, county and state government in a timely fashion.

## **NOTES ON SUGGESTED CHANGES (ADDITIONS/DELETIONS) TO HOWARD JOB DESCRIPTIONS**

*These suggestions are based on personal interviews with 35 of the 38 employees regarding major job duties of each position, conducted on June 25 and 26 of this year. They are based also on knowledge of comparable positions in similar municipalities in the region and statewide. If no comments are listed, it is safe to assume that the job description is reasonably accurate.*

### **Village Administrator:**

Add designation of deputy clerk. Emphasize the duties as “chief negotiator for Village housing and economic development”, and assign percentage to duties. We suggest that this be 10-15% of Administrator’s description, particularly with the new village purchase of 70 acres to create a new subdivision development with improved lots for private sale.

### **Director of Administrative Services:**

Substitute new job description completed by Chris Haltom in June 2013 for the old, outdated version.

### **Administrative Assistant to the Administrator:**

Add more duties related to role as Village public information officer and assign a higher percentage to such duties (30-35% suggested). We believe that more descriptive language should be added, such as “maintains e-newsletter, directs inquiries to other Village departments from Village web-site, and writes weekly blog for citizens”. PAA also recommends that the current title be amended to add, “/Public Information Officer.”

### **Accountant:**

### **Utility Billing Clerk:**

### **Administrative Assistant/Receptionist:**

### **Director of Community Development:**

### **Building Inspector/Code Enforcement Administrator:**

### **Director of Public Safety:**

### **Fire Captain:**

### **Director of Parks and Forestry and Golf Course Manager:**

Delete unapproved reference to “serving as Director of Public Works in Director’s absence.”

### **Director of Leisure Services:**

**Municipal Clerk:**

**Director OF Public Works:**

**Director of Engineering:**

**Staff Engineer:**

**Engineering Tech:**

**GIS Coordinator:**

Reduce percentage of time spent on assisting other departments on informational technology (IT) projects. This appears to be less than 5% of normal duties, and this assistance is often provided more often through either Administrative Services, or by private contractor.

**Water Utility Operator/Working Foreman Water and Sewer:**

Consider changing title from "Working Foreman Water and Sewer" to the one listed above since nearly 40% of this position's duties relate to testing and maintaining the quality of municipal water flowing from Manitowoc through the Village's system to residents homes and businesses. The old job description may be 15-20 years old and should be re-written with assistance of the incumbent. Should be mentioned that position operates all heavy equipment for utilities and that training and certification for such is a job requirement.

**Laborer Water and Sewer:**

No section on "Work Environment" presently exists, unlike those included in most other engineering and public works descriptions. Water and Sewer workers work outside and are subject to handling water system breaks in sub-zero conditions.

**Public Works Department (PWD) Working Foreman:**

Recent job description was not available. If similar to Water/Sewer Foreman, position description is 15-20 years old and seriously outdated. Entirely new PD is recommended.

**Laborer Public Works:**

No section on "Work Environment" presently exists, unlike those included in most other engineering and public works descriptions. Streets laborers work outside and are subject to extreme cold and heat as well as potential traffic hazards from speeding vehicles.

In addition, add language stating that "position is responsible for backing up water and sewer laborers," and that laborers should be "cross-trained," in water meter installation and water and sewer pipe maintenance and repair procedures."

**Mechanic/Stockroom Clerk:**

**Administrative Assistant to Public Works:**

Add under duties," assists Director of Engineering in notification process to residents of street, sidewalk, and curb and gutter construction, including all notices of public hearings."

# VILLAGE OF HOWARD INTERNAL EMPLOYEE RANKINGS 2013

Prepared by Public Administration Associates July 2013

<b>Title of Position</b>	<b>Education</b>	<b>Experience</b>	<b>Job Compete</b>	<b>Supervision</b>	<b>Supervision</b>	<b>Consequer</b>	<b>Interaction</b>	<b>Work Envir</b>	<b>Total=100%</b>
<b>Weight Given (%)</b>	<b>20%</b>	<b>20%</b>	<b>20%</b>	<b>10%</b>	<b>10%</b>	<b>10%</b>	<b>5%</b>	<b>5%</b>	
<b>Administrator</b>	7	7	7	7	7	7	7	1	670
<b>Dir. Of Public Works</b>	6	7	6	6	6	7	6	3	615
<b>Dir. of Administrative Ser</b>	6	7	6	5	6	7	6	1	595
<b>Dir. Of Public Safety</b>	6	7	5	6	6	6	5	6	595
<b>Dir. Of Comm. Develop.</b>	6	6	6	5	6	5	6	1	555
<b>Dir. Of Engineering</b>	6	6	5	5	5	5	6	3	535
<b>Fire Captain</b>	5	5	5	6	5	6	4	6	520
<b>Super. Parks &amp; Forestry</b>	5	5	4	5	6	4	5	5	460
<b>Building Insp./Code Enf.</b>	5	5	5	1	4	5	6	5	455
<b>Staff Engineer</b>	6	3	4	4	4	5	4	3	425
<b>Accountant I</b>	5	5	4	3	4	5	4	1	425
<b>Dir. Of Leisure Services</b>	5	4	4	4	4	4	4	4	420
<b>GIS Coordinator</b>	5	5	4	1	4	4	4	1	400
<b>Water Operator-WS Fore</b>	2	5	4	5	4	4	4	5	395
<b>Admistrator Admin. Asst./</b>	3	4	4	1	5	5	5	1	385

**Public Information Off.**

<b>Engineering Tech</b>	4	3	4	4	3	4	4	3	365
<b>PWD Working Foreman</b>	2	5	3	5	3	3	3	5	350
<b>Mechanic</b>	2	4	4	1	3	5	3	4	325
<b>Municipal Court Clerk</b>	2	3	4	1	2	4	4	1	255
<b>Utility Billing Clerk</b>	2	3	3	1	3	3	3	1	250
<b>Water/Sewer Laborer</b>	1	3	3	1	2	4	2	5	245
<b>PWD Laborer</b>	1	3	3	1	2	3	2	5	235
<b>Administrative Asst/Recep.</b>	1	2	3	1	3	3	3	1	205
<b>Admin. Asst. PWD/Eng.</b>	1	2	3	1	3	3	3	1	205

## External Compensation Comparisons

### PAA's Approach

Twenty Wisconsin municipalities originally were selected as comparison municipalities based upon agreed qualities similar to Howard's, such as population size, proximity to metropolitan areas, services provided residents and current or past growth patterns. Fourteen municipalities responded to the survey and data from all were used when relevant to the 24 positions in Howard (i.e. 75% plus of duties were equivalent). Therefore, the first task was to establish the degree to which positions were relevant or equivalent. This was relatively easy to do for positions such as administrator, accountant, director of public works, engineering tech, administrative assistant/counter, in which 11 or more of the peer communities had these titles. It was less easy to do for combined positions where the title and job responsibilities are blended such as director of public safety, director of administrative services, administrative assistant to the administrator, and building inspector/code enforcement officer. In some cases we had to interpret the results and add or delete data for duties that have been added to these combined positions that exist in only a few limited places around the State.

Data were obtained on the salary range for each position and the current salary of the incumbent. Not all of the comparison municipalities maintain salary ranges, however and two provided us only with salaries and mid-points. All of the data of current peer communities were utilized in the following calculations. The value of a relatively large sample is that variation in municipal size, years of service for each employee, and complexity of major duties can be "averaged."

The first calculation is a determination of an average of range mid-points based upon salary range data. The average of midpoints, or middle steps in a pay range, includes the midpoints of the (1) low range, (2) high range, (3) average of complete ranges, and (4) average of actual low and high salaries. The second calculation is the average of the actual salaries currently paid. The third calculation is the average of the first and second calculations. This yields the **external mid-point**. The data in **bold** represent **85%, 100%, and 115%** respectively of the external midpoint and constitute the **working range**, which is a commonly used salary range for municipalities to use in creating logical wage grades and steps for the purposes of promotion and annual wage adjustments. The following is our listing of calculations and comments for each position in Howard's organization whether represented or non-represented, or exempt managerial under FLSA standards, or non-exempt. These positions are listed from highest to lowest according to the internal rankings assessments chart from Section II.

In general PAA comments and makes recommendations for changes to position wages that either deviate **plus or minus 10 percent or greater from the working range**, unless there are mitigating circumstances that are causing such deviations, such as disciplinary action or a probationary period for a new employee. The most common cause for a change in a position's pay grade or hourly rate is the addition or deletion of major duties assigned.

**Position: Village Administrator**

	<u>Minimum</u>	<u>Midpoint</u>	<u>Maximum</u>
<u>Low</u>	Not Applicable (Most Administrators are on fixed term contracts.)		
<u>High</u>	Not Applicable		
<u>Average Range(4)</u>	83,254	98,824	113,684
<u>Actual Average (11)</u>		101,602	
<b>Working Range</b>	<b>85,181</b>	<b>100,213</b>	<b>115,245</b>
<u>Actual Howard</u>	\$106,102 at Step 5 Current Minimum is \$92,939 and Max is \$116,017.		

Comment: The position is well situated near the working range for comparable communities both in the area and statewide.

**Position: Public Works Director**

	<u>Minimum</u>	<u>Midpoint</u>	<u>Maximum</u>
<u>Low</u>	63,800	76,559	89,556
<u>High</u>	85,949	97,669	120,133
<u>Average Range (7)</u>	72,762	86,068	99,757
<u>Actual Range MP</u>		91,967	
<u>Average of Midpoints</u>		88,066	
<u>Avg. Actual (13)</u>		91,084	
<b>Working Range</b>	<b>76,139</b>	<b>89,575</b>	<b>103,011</b>
<u>Actual Howard</u>	\$87,790 at Step 6 or Midpoint		
<u>Private Sector (9)</u>	Low (85%) -\$83,870 Midpoint (100%)-98,671 High (115%)-113.471		

Comment: Some of these positions also serve as both PWD and Village Engineer and/or Senior Engineer. In the private sector, the position most similar appears to be Director of Engineering.

**Position: Director of Administrative Services**

	<u>Minimum</u>	<u>Midpoint</u>	<u>Maximum</u>
<u>Low</u>	57,522	67,674	77,825
<u>High</u>	76,580	88,945	103,380
<u>Average Range (5)</u>	63,517	75,832	88,146
<u>Actual Range MP</u>		80,451	

<u>Average of Midpoints</u>		78,226	
<u>Average Actual Wages</u>		83,828	
<b>Working Range</b>	<b>68,873</b>	<b>81,027</b>	<b>93,181</b>

Actual Howard \$88,702 at Step 10  
Private Sector (21) Title: Exec. Administration-Low-74,968, MP-86,608, High-101,427

Comment: To qualify as a comparable, the other positions had to have multiple duties as well as Finance Director and Treasurer. These could be Clerk, Human Resources, Assistant Administrator, etc.

**Position: Director of Public Safety**

	<u>Minimum</u>	<u>Midpoint</u>	<u>Maximum</u>
<u>Low</u>	72,516	85,313	98,110
<u>High</u>	73,237	86,154	99,070
<u>Average Range (4)</u>	72,903	85,731	98,558
<u>Actual Range MP</u>		85,793	
<u>Average of MP's</u>		85,948	
<u>Avg. Actual Wages (6)</u>		85,859	
<b>Working Range</b>	<b>73,018</b>	<b>85,903</b>	<b>98,789</b>

Actual Howard \$88,186 at Step 9

Comments: There are very few similar positions in the State of Wisconsin with which to match. Menasha designates a Director of Public Safety because the position is Chief of Police and has administrative oversight over a Fire and EMS contract with the Neenah Fire Department. Ashwaubenon is the best comparable as far as administrative duties. Allouez abolished its Director of Public Safety in 2012 after it closed down its fire operation and contracted with Green Bay. It also has had a longstanding agreement for police coverage with the Brown County Sheriff's Department. Sun Prairie's position is currently in charge of police and oversees Fire and EMS through an independent fire service that will come under City jurisdiction beginning 2014.

**Position: Director of Community Development**

	<u>Minimum</u>	<u>Midpoint</u>	<u>Maximum</u>
<u>Low</u>	62,784	70,011	77,237
<u>High</u>	76,809	87,283	107,358

<u>Average Range (7)</u>	67,335	78,922	92,173
<u>Actual Range MP</u>		83,511	
<u>Average of MP's</u>		79,932	
<u>Avg. Actual Wages (6)</u>		80,636	
<b>Working Range</b>	<b>68,241</b>	<b>80,284</b>	<b>92,327</b>

Actual Howard: \$78,621 at Step 10.

Comments: Midpoint of this range is \$72,997 which is about 9% below Midpoint of the working range, so this should be studied in the future for adjustment to market rates. The position is an important one with the Village getting into housing and commercial development. It is also a position where experienced community development specialists are being actively sought by municipalities in high growth areas across the state.

**Position: Director of Engineering**

	<u>Minimum</u>	<u>Midpoint</u>	<u>Maximum</u>
<u>Low</u>	54,857	64,458	74,056
<u>High</u>	72,988	82,547	89,789
<u>Average Range (4)</u>	63,158	74,994	86,275
<u>Actual Range MP</u>		73,503	
<u>Average of MP's</u>		73,876	
<u>Avg. Actual Wages (6)</u>		75,517	
<b>Working Range</b>	<b>63,492</b>	<b>74,696</b>	<b>85,901</b>
<u>Actual Howard</u>	\$73,227 at Step 5		
<u>Private Sector Comp(5)</u>	62,525	75,559	84,593

**Position: Fire Captain**

	<u>Minimum</u>	<u>Midpoint</u>	<u>Maximum</u>
<u>Low</u>	52,890	60,900	67,650
<u>High</u>	75,229	85,488	105,150
<u>Average Range (4)</u>	63,628	71,757	83,602
<u>Actual Range MP</u>		79,023	
<u>Average of MP's</u>		74,292	
<u>Avg. Actual Wages (7)</u>		73,439	
<b>Working Range</b>	<b>62,786</b>	<b>73,866</b>	<b>84,946</b>

Actual Howard: \$39,936 and not part of a range.

Comments: Several communities surveyed either have little or no authority over the local fire service (Menasha, Middleton, Allouez, and Sun Prairie until 2014), or have Captains who are mostly Paid-on-Call responders or part time employees. Howard's position is becoming full-time, but the salary is still based on a POC model and it is stuck at 54% of the working range midpoint for a full time position. **It should at least be increased to entry level in the working range which is \$62,786, or pro-rated at this rate if less than 40 hours a week.**

**Position: Supervisor Parks & Forestry**

	<u>Minimum</u>	<u>Midpoint</u>	<u>Maximum</u>
<u>Low</u>	46,814	55,075	63,336
<u>High</u>	55,422	66,506	77,591
<u>Average Range (5)</u>	53,376	62,597	73,202
<u>Actual Range MP</u>		62,203	
<u>Average of MP's</u>		61,588	
<u>Avg. Actual Wages (7)</u>		64,920	
<b>Working Range</b>	<b>53,766</b>	<b>63,254</b>	<b>72,742</b>

Actual Howard \$59,081 at Step 3

Comment: The current pay and pay range is well within the working range.

**Position: Building Inspector/Code Enforcement**

	<u>Minimum</u>	<u>Midpoint</u>	<u>Maximum</u>
<u>Average of Managers (7)</u>		71,488	
<u>Average of Union Wages (6)</u>		53,128	
<u>Avg. Actual Wages (13)</u>		62,308	
<b>Working Range</b>	<b>52,962</b>	<b>62,308</b>	<b>71,654</b>

Actual Howard \$63,162 at Step 10

Comment: PAA found that the 13 comparables for the Building Inspector position were almost evenly split between those that had no managerial responsibilities and were largely hourly union positions, and those that were salaried with some management responsibilities such as supervision and budgeting. Since the Howard position falls in the middle of this range of duties, we decided to create the working range midpoint by averaging the two sets of building inspectors wage data to create a blended rate.

**Position: Staff Engineer**

	<u>Minimum</u>	<u>Midpoint</u>	<u>Maximum</u>
<u>Actual Range MP(6)</u>		66,842	
<u>Avg. of Private Comps.(16)</u>		69,121	
<u>Avg. Actual Wages (5)</u>		60,511	
<b>Working Range</b>	<b>58,753</b>	<b>65,491</b>	<b>75,315</b>

Actual Howard: \$75,502 at Step 12.

Comment: Because of a relatively small public sector sample (5) for ranges for this position, we have included the private sector range for the position title Civil Engineer for creating a valid working range. We always want at least three midpoints for the calculation. The incumbent in this position is already at the maximum of the pay range which is only \$187 a year above the **WR** maximum.

**Position: Accountant I**

	<u>Minimum</u>	<u>Midpoint</u>	<u>Maximum</u>
<u>Low</u>	36,920	44,329	51,730
<u>High</u>	48,955	57,594	66,234
<u>Average Range (5)</u>	41,333	48,992	56,645
<u>Actual Range MP</u>		51,577	
<u>Average of MP's</u>		50,623	
<u>Avg. Actual Wages (10)</u>		49,050	
<b>Working Range</b>	<b>43,412</b>	<b>51,073</b>	<b>58,734</b>

Actual Howard: \$53,473 at Step 9, the Midpoint is 50,303

Private Sector Comp. (36) 45,536 53,546 61,608

Comment: The current Howard midpoint is 1.5% under **WR**. We included the private sector median into the **WR** calculation as municipalities often compete with private companies for experienced accountants.

**Position: Director of Leisure Services**

	<u>Minimum</u>	<u>Midpoint</u>	<u>Maximum</u>
<u>Low</u>	32,885	39,499	46,093
<u>High</u>	61,806	71,714	83,621
<u>Average Range (6)</u>	58,534	67,950	78,372
<u>Actual Range MP</u>		58,253	
<u>Average of MP's</u>		59,354	
<u>Avg. Actual Wages (10)</u>		52,812	
<b>Working Range</b>	<b>47,671</b>	<b>56,083</b>	<b>64,495</b>

Actual Howard: \$50,490 at Step 1 or Entry Level, the Midpoint is 60,248.

Comments: There are communities surveyed in which this position is a department head with commensurate higher salaries. Others have made this an entry level position with no supervisory or budgeting responsibilities. That is why we have averaged the actual wages by adding both sets of positions and dividing by two. This position is sometimes called Recreation Director, and may include responsibilities for programming senior citizen social and educational programs as well.

**Position: GIS Coordinator**

	<u>Minimum</u>	<u>Midpoint</u>	<u>Maximum</u>
<u>Low</u>	40,388	47,515	54,642
<u>High</u>	53,706	63,170	72,654
<u>Average Range (5)</u>	46,075	54,636	63,203
<u>Actual Range MP</u>		56,521	
<u>Average of MP's</u>		55,461	
<u>Avg. Actual Wages (10)</u>		54,504	
<b>Working Range</b>	<b>46,763</b>	<b>54,982</b>	<b>63,239</b>

Actual Howard: \$71,474 at Step 12, the Midpoint is 50,303

Private Sector Comps. (16) Low – 43,763, Midpoint (Median)-51,486, High – 59,209

Comments: The incumbent's wages are at the top of the Howard pay range and are above the maximum for the working range by 13%. The position is not only \$8,235 over the public sector comparison, but is over \$12,000 (or about 21%) above that of private sector CAD operators we researched. **This position should have its wages red-circled (i.e. frozen), until such time as its working range and the rest of the labor market catches up to it.**

**Position: Water Operator/Foreman Water/Sewer**

	<u>Minimum</u>	<u>Midpoint</u>	<u>Maximum</u>
<u>Actual Range MP (low+high)</u>		53,633	
<u>Avg. of Private Comps.(16)</u>	47,752	56,179	64,606
<u>Avg. Actual Wages (9)</u>		54,817	
<b>Working Range</b>	<b>46,645</b>	<b>54,876</b>	<b>63,107</b>

Actual Howard: \$26.61 an hour or \$55,349 without overtime.

Comments: Although most union contracts treat the Water and Sewer Foreman/Water Operator position equally with the public works or streets working foreman, we believe the additional training and certificates required to take water samples twice a week adds to the value of this position. Therefore, **PAA recommends that the working range for this position be adjusted by 105% of the PWD foreman’s range if it is ever incorporated into a unified Village pay plan.** We also chose to exclude from our calculations the three peer municipalities in which the Water Operator/Foreman is actually a manager of a water processing plant and/or series of municipal wells which directly serves its residents (e.g. Fitchburg, Sun Prairie, and Town of Grand Chute), as these positions’ duties do not match with the operator in Howard.

**Position: Assistant to Village Administrator/Public Information Officer**

	<u>Minimum</u>	<u>Midpoint</u>	<u>Maximum</u>
<u>Low</u>	34,429	40,455	46,480
<u>High</u>	41,476	49,772	58,067
<u>Average Range (4)</u>	38,163	45,076	52,512
<u>Actual Range MP</u>		46,248	
<u>Average of MP’s</u>		45,388	
<u>Avg. Actual Wages (6)</u>		46,984	
<b>Working Range(MPX115%)</b>	<b>45,147</b>	<b>53,114</b>	<b>61,081</b>

Actual Howard: \$44,106 at Step 3, Current Midpoint (step 6) - \$48,196

Comments: Another “blended” position that was difficult to match with precision. Many of the Executive Assistants among the peer groups were confidential secretaries or assistants to either mayors (Menasha), village presidents (Ashwaubenon) and/or administrators (DePere). However, we find that the role of Public Information officer in mid-sized communities is a growing one and with the advent of blogs, e-newsletters, Facebook accounts and other social media, it will only be more valuable to officials and citizens. **This why we are recommending Howard add 15% to the working range of this position to recognize the PIO component. This boost**

would result in a 10.2% increase in the current step of the incumbent or an increase to \$48,605 over a full year.

**Position: Engineering Tech**

	<u>Minimum</u>	<u>Midpoint</u>	<u>Maximum</u>
<u>Low</u>	39,634	47,560	55,487
<u>High</u>	47,694	52,998	58,198
<u>Average Range (4)</u>	44,832	50,876	57,052
<u>Actual Range MP</u>		48,916	
<u>Average of MP's</u>		50,088	
<u>Avg. Actual Wages (8)</u>		55,359	
<b>Working Range</b>	<b>44,815</b>	<b>52,723</b>	<b>60,632</b>

Actual Howard: \$57,063 at Step 12, the Midpoint is 50,303.

Comments: We were requested by the Director of Public Works and the incumbent to research the typical requirements for a Senior Engineering Tech in both the public and private sectors. PAA found that both require either a professional engineer's license or a bachelor's degree in engineering, and sometimes both, to advance to the Senior Tech designation. While the incumbent has a bachelor's degree, it is in urban planning. While he is praised as a hard worker who takes on extra assignments, **we cannot recommend him for the upgrade which would appear to increase one's salary by 20-30 percent on average.**

**Position: Foreman Public Works Department**

	<u>Minimum</u>	<u>Midpoint</u>	<u>Maximum</u>
<u>Actual Range MP</u>		56,180	
<u>Avg. of Private Comps.(16)</u>	47,752	56,179	64,606
<u>Avg. Actual Wages (10)</u>		56,742	
<b>Working Range</b>	<b>47,912</b>	<b>56,367</b>	<b>64,822</b>

Actual Howard: \$26.61 hourly or \$55,349. Currently a union represented position.

Comment: The current pay and pay range is well within the working range and includes a private sector midpoint.

**Position: Mechanic/Stockroom Clerk**

	<u>Minimum</u>	<u>Midpoint</u>	<u>Maximum</u>
<u>Actual Range MP</u>		52,998	
<u>Private Sector (244)</u>	37,552	44,179	50,806
<u>Avg. Actual Wages (11)</u>		53,477	
<b>Working Range</b>	<b>42,685</b>	<b>50,218</b>	<b>57,751</b>

Actual Howard: Hourly rate - \$25.78 or \$53,622 annually

Comment: The current pay and pay range is well within the working range.

**Position: Municipal Court Clerk**

	<u>Minimum</u>	<u>Midpoint</u>	<u>Maximum</u>
<u>Low</u>	29,162	34,653	36,837
<u>High</u>	44,671	52,555	60,438
<u>Average Range (6)</u>	34,132	41,527	46,832
<u>Actual Range MP</u>		44,800	
<u>Average of MP's</u>		43,384	
<u>Avg. Actual Wages (10)</u>		40,776	
<b>Working Range</b>	<b>35,768</b>	<b>42,080</b>	<b>48,392</b>

Actual Howard: \$18.98 an hour or \$39,478 annually. A union position.

Comment: The current union contract amount is 6.2% below the mid-point in the working range.

**Position: Utility Billing Clerk**

	<u>Minimum</u>	<u>Midpoint</u>	<u>Maximum</u>
<u>Low</u>	31,075	34,944	45,552
<u>High</u>	39,634	47,560	55,487
<u>Average Range (4)</u>	38,315	43,648	50,073
<u>Actual Range MP</u>		43,281	
<u>Average of MP's</u>		42,358	
<u>Avg. Actual Wages (11)</u>		43,892	
<b>Working Range</b>	<b>36,656</b>	<b>43,125</b>	<b>49,594</b>

Actual Howard: Union at 21.67 an hour and \$45,074 ann

Comments: The Utility Billing Clerk tends to be union position. Therefore, there are few ranges for it and fewer midpoints to calculate off of. This leads us to rely more heavily on actual wages for the position which average \$43,892 in the public sector. The Howard position is currently about 3.4% above the average annual wage.

**Position: Water and Sewer Laborer**

	<u>Minimum</u>	<u>Midpoint</u>	<u>Maximum</u>
<u>Low</u>	17.64 hourly	20.20	22.76
<u>High</u>	26.63	27.02	27.41
<u>Average Range (8)</u>	21.61	23.09	24.58
<u>Actual Range MP</u>		22.53	
<u>Average of MP's</u>		23.21	
<u>Avg. Actual Wages (11)</u>		23.68	
<b>Working Range</b>	<b>40,475 (19.45)</b>	<b>47,618 (22.89)</b>	<b>54,761 (27.23)</b>

Actual Howard: \$25.08 hourly and \$52,166 under union contract that expires 12/31/2013.

Private Sector Comparable: 38,525                      45,323 (21.79)                      52,121

Comment: The current pay and pay range is well within the working range formula which includes the median for private sector wages.

**Position: Public Works Laborer**

	<u>Minimum</u>	<u>Midpoint</u>	<u>Maximum</u>
<u>Low</u>	17.51	20.04	22.56
<u>High</u>	24.63	24.81	24.98
<u>Average Range (7)</u>	20.43	22.08	23.73
<u>Actual Range MP</u>		21.25	
<u>Average of MP's</u>		22.05	
<u>Avg. Actual Wages (11)</u>		23.66 or 49,213	
<b>Working Range</b>	<b>39,780 (19.43)</b>	<b>46,801 (22.50)</b>	<b>54,657 (26.28)</b>

Actual Howard: \$25.08 hourly and \$52,166 annually. Union contract expires 12/31/13.

Private Sector Comps: Construction Worker-Low, 38,525, Mean-45,303(21.78), High-52,121

Comment: The current pay and pay range is well within the working range formula which, includes the median for private sector wages.

**Position: Administrative Assistant/Receptionist**

	<u>Minimum</u>	<u>Midpoint</u>	<u>Maximum</u>
<u>Low</u>	14.02	16.69	17.71
<u>High</u>	16.33	19.21	22.09
<u>Average Range (4)</u>	15.44	18.89	19.73
<u>Actual Range MP</u>		22.09	
<u>Average of MP's</u>		18.21	
<u>Avg. Actual Wages (9)</u>		35,651/17.14	
<b>Working Range</b>	<b>29,738 (15.03)</b>	<b>34,986(16.82)</b>	<b>40,234 (19.34)</b>

Actual Howard: \$18.24 an hour and \$37,939 annually. A union position.

Private Sector (19): Low-26,711, Median-31,425 (15.11), High-36,139

Comment: The current pay and pay range is near the high end of the working range formula which, includes the median for private sector wages

**Position: Administrative Assistant PWD**

	<u>Minimum</u>	<u>Midpoint</u>	<u>Maximum</u>
<u>Low</u>	14.02	16.69	17.71
<u>High</u>	19.01	22.37	25.72
<u>Average Range (4)</u>	17.22	19.83	22.18
<u>Actual Range MP</u>		19.87	
<u>Average of MP's</u>		19.69	
<u>Avg. Actual Wages (9)</u>		40,477/19.46	
<b>Working Range</b>	<b>31,983 (16.64)</b>	<b>37,627(18.09)</b>	<b>43,271(20.80)</b>

Actual Howard: \$18.24 an hour and \$37,939 annually. A union position

Private Sector (19): Low-26,711, Median-31,425 (15.11), High-36,139

Comment: The incumbent is just above midpoint according to the working range based on comparable public sector and private sector wages for equivalent duties.

## HOWARD POSITIONS COMPARED TO PRIVATE SECTOR EQUIVALENTS IN FOX VALLEY IN 2012

HOWARD POSITION	PRIVATE EQUIVALENT	# Of Firms	85% of Avg.	Median	Average Actual	115% of Avg	Comments
Accountant I	Accountant Sr.	36	45,536	53,546	53,572	61,608	
Utility Billing Clerk	Accounting Clerk	66	29,444	33,429	34,640	39,836	
Admin. Asst./Recep.	Admin. Asst. (Assoc.)	19	26,711	30,000	31,425	36,139	Requires 7+ yrs.
Admin. Asst. PWD	Admin. Asst. (Assoc.)	19	26,711	30,000	31,425	36,139	Requires 7+ yrs.
Dir. of Administration	Executive Admin.	21	74,968	86,608	88,198	101,427	Excludes Bonuses
Public Works Director	Exec. Engineering	9	83,870	86,608	98,670	113,471	Excludes Bonuses
Dir. Of Engineering	Civil Engineer	5	62,525	72,909	73,559	84,593	
Staff Engineer	Design Engineer	16	58,753	71,535	69,121	79,489	
Engineering Tech.	Design Drafter	10	41,106	47,862	48,360	55,615	Assoc. Degree
Engineering Tech. Sr.*	Design Engineer	8	68,686	83,502	80,807	92,928	BA In Eng. 6yrs.+
GIS Coordinator	Cad Operator Inmed.	16	43,763	53,170	51,486	59,209	
Foreman PWD/WS	Project Fore. Const.	189	47,752	51,418	56,179	64,606	Also Trans. Const.
Mechanic/Store Mgr	Vehicle Mechanic	244	37,552	43,680	44,179	50,806	
Laborer (PWD/WS)	Construction Worker	7	38,525	40,290	45,323	52,121	Extra \$ for CDL

***\*Position does not currently exist in Howard***

## VILLAGE OF HOWARD 2013 PAY COMPENSATION SURVEY OF EXTERNAL PEER COMMUNITIES

PAA -- JUNE 2013

Your Municipality \_\_\_\_City of Sun Prairie\_\_

Your Name & Title \_\_\_\_Brenda Sukenik, Human Resources Director

<b>Howard Position Title</b>	<b>Your Equivalent</b>	<b>Hourly Wage</b>	<b>Yearly Wage (Without OT)</b>	<b>Range within Grade (Hourly Rates low to high)</b>	<b>Grade Midpoint</b>	<b>Years in Position</b>
Director of Public Works	same	44.6568	92886	63799.60 - 89559.52	76559.52	<b>22</b>
Village Engineer	City Engineer	42.7284	88875.06	63799.60 - 89559.52	76559.52	<b>12</b>
Staff Engineer	Staff Engineer II	32.8876	68406.26	49105.86 - 68748.21	58927.03	<b>12</b>
Sr. Engineering Tech	same	31.0307	64543.96	46333.37 - 64866.71	55600.04	<b>12</b>
Engineering Technician	same	24.6273	51224.68	39633.71 - 55487.19	47560.45	<b>7</b>
GIS Coordinator	same	30.5131	63467.18	49105.86 - 68748.21	58927.03	<b>8</b>
Administrative Assistant-PWD	Secretary	16.61	34548.8	14.02 - 17.71	16.69	<b>25</b>
Water Operator/Foreman	WWTP Supervisor	33.6995	70094.86	52127.87 - 72979.02	62553.44	<b>15</b>
Laborer Water/Sewer	Utility Maintenance Worker	22	45760	17.64 - 22.76	21.46	<b>11</b>
Public Works Foreman	Maint. Worker Crewleader	23.81	49524.8	18.59 - 23.93	22.56	<b>4</b>
Laborer Public Works	Maintenance Worker	22.45	46696	17.51 - 22.56	21.27	<b>10</b>
Mechanic/Stockroom Clerk	Fleet Technician	18.81	39124.8	18.90 - 24.37	22.98	<b>2</b>
Dir. Of Parks & Forestry	Parks, PW, Forestry Supervisor	29.5363	61435.44	55421.87 - 77590.62	66506.24	<b>4</b>
Village Administrator	City Administrator	51.4423	107,000	79777.52 - 111688.53	95733.02	<b>1</b>

Admin. Asst. to Administrator	same	26.8136	55772.34	41476.48 - 58067.07	49771.78	<b>13</b>
Dir. Of Admin. Services	same	40.8094	84883.44	68626.77 - 96077.47	82352.12	<b>1</b>
Accountant I	same	23.3366	48540.18	41476.48 - 58067.07	49771.78	<b>11</b>
Utility Clerk	Account Clerk	24.1445	50220.56	39633.71 - 55487.19	47560.45	<b>14</b>
Admin. Assistant/Counter	Secretary	17.11	35588.8	14.02 - 17.71	16.69	<b>13</b>
Building Inspector/Code Enf.	same	39.7894	82761.97	59411.27 - 83175.77	71293.39	<b>23</b>
Dir. Community Development	same	44.6093	92787.27	68626.77 - 96077.47	82352.12	<b>1</b>
Public Safety Director	n/a					
Fire Chief	n/a					
Fire Captain (Full-time)	n/a					
Municipal Court Clerk	same	17.11	35588.8	14.02 - 17.71	16.69	<b>11</b>
Leisure Services (Rec Dir.)	Recreation Director	30.1098	62628.37	59411.27 - 83175.77	71293.39	<b>1</b>

# HOWARD EMPLOYEE BENEFITS PEER GROUP COMPARISON SUMMER 2013

Prepared by Public Administration Associates, LLC

Sheet 1 of 4

	HOWARD (baseline)	ALLOUEZ	ASHWAUBENON	BELLEVUE	DEPERE	FITCHBURG	GERMANTOWN	MENASHA
<b>I. Health Insurance</b>								
A. Administrator	Central States	United Health Care	Prof. Benefits Adm.	Assoc. Financial	Humana	St. of WI-Local Gov't	Auxiant	WI Educ. Trust
B. Carriers	III. Blue Cross/Shield	Multiple	Multiple	Anthem Blue Cross	Multiple	Multiple	Self-Insured	WEAC
C. % Paid by Employee	10%	20%-Trad.,3%-HSA	10 w/ Risk Ass./12.5	15%	15%	12%	12%	0%
D. Monthly Premiums	1342 S&F	491.52-S/1,474.47-F	412.34-S/840.63 F	451.86/1,355.58	614.44/1,875.65	Low Op.-504-1,256	Not Applicable	446.41/1445.22
1. Employee Share S/F	\$134.17 both	98.30/294.89,Trad.	41-52/84-106	73.56/220.68	92.17-S/281.35-F	All > low Option	Not Applicable	0
2. Employer Share S/F	\$1,207.83 both	393.22/1,179.58	361-371/736-757	378.30/1,134.90	522.27-S/1,594.30-F	All > low Option	Not Applicable	446.41/1,445.22
3. Employee + 1 S/C	Not Available	983.04-employer	Emp-63-79/552-568	948.91-Sp/856.38Ch	1,143.32 Total	None available	Not Applicable	no
E. Type of Plan	Choice of Provider	Prefer. Provid. Net.	PPN	PPN	PPN	6 Health Maint. Org.	PPN	5 HMO Options
F. High Deductible Offered	Not Available	Yes	Not Available	Yes	Yes	None available	Yes	Yes
1. Out of Pocket Max.	NA	3,500-S/6,000/F	None	Ded.-Co=3000/6000	1,500-S/3,000-F	NA	2,250-S/4,500-F	1,500-S/3,000-F
2. HSA or HRA?	NA	HRA	NA	Health Savings Acct.	Health Savings Acct.	NA	HRA	No
3. Municipal Contrib.	NA	No	NA	750-S/1,500-F	No	NA	1,250/2,500	No
G. Incentive to Drop Cov.	40% of Premium	No	No	1,500 paid bi-weekly	No	NO	No	No
<b>II. Dental Insurance</b>								
A. Carrier	Humana	Lincoln	PBA	Delta	Humana	Delta dental	Self-Insured	Delta Dental
B. % paid by Employee	10%	Dept. Hd.-0/5%	10%/12.5%	15%	All after 1st \$30	10%	0	10%
C. Premiums S/F	In Health Prem.	47.71-S/149.47-F	17.26-S/52.18 F	29.09-S/98.67-F	35.22-S/107.09	37.41-S/103.30-F	Not Available	114.7
D. Annual Max. per insur.	\$1,500	1,000	ortho-\$1,500/oth. 1,200	1,000	1,000	1,200	1,000	1,500
<b>III. Life Insurance</b>								
A. Carrier	Minn. Life (ETF)	Minn.Life (ETF)	Minn. Life (ETF)	Sun Life	Minn. Life (ETF)	Minn. Life (ETF)	Self-Insured	Minn. Life (ETF)
B. \$ Max of Coverage	5 X's Salary	5 X's Salary	5 X's Salary	\$25,000	5 X's Salary	5 X's Salary	1 X's Salary	5 X's Salary
C. Employee's Obligation	4 X's Salary	4 X's Salary	4 X's Salary	0	50% 1 X's Salary & add	4 X's Salary	0	4 X's Salary
<b>IV. Short Term Disability</b>								
(Part of HI Plan)								
A. Carrier	Central States	None	None	Sun Life	None	Aetna	None	None
B. Waiting Period	None	NA	NA	7 Days-Except Acc.	NA	30 days	NA	NA
C. ICI Coverage	Yes, State of WI	None	No	No	NA	Yes	NA	NA
<b>V. Vacation Leave</b>								
A. Minimum/Max.	5-25 days	10-33 days	12-27 days	Not Applicable	5-26 days	10-30 days	?	10-25 days
B. Annual Carried Over	80 hrs.	15 days	5 days		5 days	6 days	?	5 days
C. Maximum LT Accrual	10 days	15	5 days		5 days	50% to 320 hrs.	No	5 days
D. Pay-out @ Retirement	Yes, unused balance	Yes, any Unused	Last Year's Balance		Yes, unused	No-Can take leave	No	yes, unused
<b>VI. Sick Leave</b>								
None after 12/31/13								
A. Earning Policy	See under PTO	8 hrs. a month	8 hrs. a month		8 hrs. a month	8 hrs. a month	8 hrs. a month	8 hrs. a month
B. Annual Carried Over	See under PTO	DH-0,union-960	96 hrs.		96 hrs.	96 hrs.	96 hrs.	96 hrs.
C. LT Accrual	NA	960	150 days		1,200 hours	1,440	150 days	1,220
D. Conversion to HI Prems.	No	None	yes, 50-70%.10yrs.		Yes	Yes	No	Yes
E. Retirees Offered Vill. Plan	Limited w/ Cent. St.	No	Yes	No	Yes	Yes	Yes	Yes
F. Cash Payment @ Retire.	Prior to 12/31/13	After 5 yrs-bal. paid	No?		No	Monthly ann. To 1,120	No	Yes
<b>VII. Personal Days</b>								
A. How Many per year	3 Days	24 hrs.	None	Not Applicable	32 hours	32 hours	None	40 hrs. (Float. Hol.)
<b>VIII. Paid Time Off</b>								
Yes								
A. What Benefits Include.	6 Days replaces Sick	None	NA	Vac.,Sick & Personal	NA	NA	NA	NA
B. Schedule	48 hours for all	NA	NA	13-33 days	NA	NA	NA	NA
C. Limits of Carry Over	Payout >264 hrs	NA	NA	10 days-80 hrs.	NA	NA	NA	NA
<b>IX. Compensatory</b>								
A. Granted	Yes, Super. Approves	Yes	Yes	No	Yes, as approved	Yes	Yes	Exempt only

# HOWARD EMPLOYEE BENEFITS PEER GROUP COMPARISON SUMMER 2013

Prepared by Public Administration Associates, LLC

Sheet 1 of 4

	HOWARD (baseline)	ALLOUEZ	ASHWAUBENON	BELLEVUE	DEPERE	FITCHBURG	GERMANTOWN	MENASHA
B. Maximum Allowed	80 hours, > paid	Not available	Paid w/in Period	NA	40 hrs.	90 hrs.	unlimited	80 hours
C. Time Frame for Use	Calendar Year	By Dec. 1 annually	2 weeks	NA	Calendar year	No restrictions	Calendar year	6 mos.
<b>X. Uniform &amp; Vision Bens.</b>								
A. Groups Provided	PWD, Pks. Seasonal	Clothing PWD	PWD/Streets	PWD,Parks	PWD	PWD, Parks	PWD	PWD
B. \$ Uniforms/Boots	\$375	\$250	Boots-150/All-\$813	Unif. Prov./Boots-150	\$275, Cty. Provides	City provides	\$80 every other yr.	\$250-500
C. Safety Glasses Reimb.	Yes, Select Vendors	50% resonable cost	No	\$200 reimbursed	No	Part of Vision Plan	No	No

**HOWARD BENEFITS PEER COMPARISON SUMMER 2013 (Cont.)**

	HOWARD (baseline)	MIDDLETON	ONALASKA	NEENAH	SUAMICO	SUN PRAIRIE	Town Grand Chute	WESTON	AVERAGES/SUMMARY
<b>I. Health Insurance</b>									
A. Administrator	Central States	Unity	WI ETF Local Gov't	UMR Healthcare	Central States	Self-Administered	Wi ETF Local Gov't	United Health Care	
B. Carriers	Ill. Blue Cross/Shield	Network	Mayo& Gunderson	Network	Ill. Blue Cross/Shield	GHC,Dean,Phys.Plus	United Health	Network	
C. % Paid by Employee	10%	12.60%	20%	5-12.5%	10%	0% of lowest-20%	12% General	15%	(12)-11.75% High End
D. Monthly Premiums	1,342 S&F	430.58-S/1,073-F	759.80-S/1,894.70-F	598.05-S/1,614.70*	1,289.56 S/F	562.65-S/1,384.56-F	662.70-S/1,652-F	753.42-S/1,133.79-F	(12)557.31-S/1,416.69-F
1. Employee Share S/F	\$134.17 both	54.25/135.20	151.96-S/378.80-F	Varies w/plan	128.96 both	Varies w/ plan	79.52-S/198,24-F	68.01-S/170.03-F	(9) 88.75/212.68
2. Employer Share S/F	\$1,207.83 both	376.33/937.80	607.84-S/1,515.90	Varies w/plan	1,160.60 both	Varies w/ plan	583.18-S/1,454.76-F	685.41-S/963.49-F	(9) 468.56/1221.54
3. Employee + 1 S/C	Not Available	Not Available	Not Available	Not Available	Not Available	Not Available	Not Available	Not Available	Only 4 offer Avg.-887.68
E. Type of Plan	Choice of Providers	PPN	2 HMO Options	PPN	Choice of Provider	6 HMO Options	Health Mani. Net.	PPN	8-Pref. Provider,5 HMO
F. High Deductible Offered	Not Available	Yes	Not Available	Yes	Not Available	Not Available	Yes	Yes (2014)	8 of 13
1. Out of Pocket Max.	NA	2,500-5,000	NA	500-4,000	NA	NA	500-1,000	3,000/6,000	1,444-S/4,500-F
2. HSA or HRA?	NA	HRA	NA	50% of deduct. H.S.A	NA	No	Family H.S.A.	H.S.A. (2014)	H.S.A.-4,HRA-3
3. Municipal Contrib.	NA	None	NA	250-2,000	NA	No	No	No	(3)-750-S/2,000-F
G. Incentive to Drop Cov.	40% of Premium	No	No	\$1,560	No	No	No	No	3-See Narrative
<b>II. Dental Insurance</b>									
A. Carrier	Humana	Delta Dental	Insurance Center	Delta Dental	CS-Humana	Delta Dental	Delta-Self-Insured	Self-Insured	Delta Dental - 9
B. % paid by Employee	10%	0%	0%	10%	10%	0%	0%	10%	(8 charge)-10.3%, (5)-0
C. Premiums S/F	Inc. Health Prem.	19.10-98.20(E1)-193.4	28.03-S/79.88-F	54.60-S/132.60-F	Inc. in Health Prem.	35.49-S/101.36-F	About 90	80-Both	55.62-S/113.13-F
D. Annual Max. per insur.	\$1,500	\$1,500	\$1,500	\$2,000	\$1,500	\$1,200	\$1,000	\$1,500	(12)-1,325
<b>III. Life Insurance</b>									
A. Carrier	Minn. Life (ETF)	Minn. Life (ETF)	Insurance Center	Minn. Life (ETF)	Teamsters	Minn. Life	Assurant	Minn. Life	Minn. Life (ETF)-10
B. \$ Max of Coverage	5 X's Salary	5 X's Salary	Employee Choice	5 X's Salary	\$40,000	5 X's Salary	\$20,000	5 X's Salary	1 X's Emp. Salary
C. Employee's Obligation	All over 1 X's	All over 1 X's	100%	All over 1 X's	10%	All over 1 X's	0%	All over 1 X's	
<b>IV. Short Term Disability (Part of HI Plan)</b>									
A. Carrier	Central States	Aetna	None	None	Central States	None	Assurant Disability	None	Only 6 offer it
B. Waiting Period	None	30 days	NA	NA	None	NA	7 days	NA	0-30 days bene. Wait
C. ICI Coverage	Yes, State of WI	Yes, State	No	No	No	Police only	No	No	3-Yes, 11 No
<b>V. Vacation Leave</b>									
A. Minimum/Max.	5-25 days	12-27 days	5-30 days	10-30 days	5-20 days	10-25 days	5-25 days	10-30 days	5-33 days, avg.,10-30
B. Annual Carried Over	10 days	27 days	30 days	15 days	5 days	5 days	2 X's annual	50% of annual	Annual carryover-11.6
C. Maximum LT Accrual	10 days	240 days	60 days	15 days	5+Current year	5 days	2 X's annual	90 days	Variety
D. Pay-out @ Retirement	Yes, unused balance	Yes, balance	Yes, balance	Yes,balance	Yes,balance	Yes, balance	Yes, balance	Yes, balance	11-Yes, 2 No, & 1 NA
<b>VI. Sick Leave</b>									
A. Earning Policy	See under PTO	8 hrs. a month	8 hr. a month	8 hrs. per month	See PTO below	8 hrs per month	8 hrs. per month	8 hrs. per month	8 hrs. per month
B. Annual Carried Over	See under PTO	No max.	96 hrs.	unlimited	See PTO below	96 hrs.	96 hrs.	96 hrs.	96 hours annually
C. LT Accrual	NA	only prior to 7/12/13	960 hrs.	960 hrs.	NA	unlimited	960 hrs.	720 hrs.	Wide Variety
D. Conversion to HI Prems.	No	No	50% @ Retirement	Yes, private	NA	120 days-HRA	No	Yes, PEHP	7-Yes, 7-No
E. Retirees Offerd. Munl. Plan	Limited w/ Cent. St.	Yes	No	No	No	Yes	No	No	7-Yes, 7-No
F. Cash Payment @ Retire.	Prior to 12/31/13	No	50% of up to 480 hrs.	90-120 days	See PTO below	No-only HRA	Yes, up to 960 hrs.	After 20 yrs.	8-Yes, wide range
<b>VII. Personal Days</b>									
A. How Many per year	3 Days	3 days	2 days	4 days		1 day	0 days	2 days	Avg. 3.1 days, 3 None
<b>VIII. Paid Time Off</b>									
A. What Benefits Include.	6 Days replaces Sick	NA	NA	NA	Sick, Injury, pers.	NA	NA	TBD	Only 3 currently offer
B. Schedule	48 hours for all	NA	NA	NA	5 Casual Days	NA	NA	TBD	
C. Limits of Carry Over	Payout >264 hrs	NA	NA	NA	20 hrs. annual	NA	NA	TBD	2 pay out annually
<b>IX. Compensatory</b>									
A. Granted	Yes, Super. Approves	Yes	Yes	Yes, mandatory	Yes	Yes	Yes	No	12-Yes, 2 No
B. Maximum Allowed	80 hours, > paid	NA	40 hrs. rolling	unlimited	unlimited	60 hrs. rolling	80-102 hrs.	NA	Variety-Carryover
C. Time Frame for Use	Calendar Year	90 days	after 40 hrs.	Not Available	Calendar Year	40 hrs. carry-over	Calendar Year	NA	Variety of Expiration
<b>X. Uniform &amp; Vision Bens.</b>									
A. Groups Provided	PWD, Pks. Seasonal	Public Lands		Street, Parks, Sanit.	PWD	PWD	PWD	Street, Utility, Park	PWD,Utility, Parks
B. \$ Uniforms/Boots	\$375	\$75-Boots		\$450	\$150-Boots	\$100-Boots	Provides Clothes	\$195	Wide Range
C. Safety Glasses Reimb.	Yes, Select Vendors	No	Yes	No	No	No	No	Yes	6-Yes, 8-No

## **SECTION IV: NARRATIVE COMPARING HOWARD EMPLOYEE BENEFITS TO PEER GROUPS**

### Methodology and Summary:

For this portion of the study PAA sent out a questionnaire returned by the same 14 peer municipalities asking for information and data about the five insurance and six employee leave programs currently provided by the Village to see how the cost and scopes of these programs matched with Howard's. In addition, we looked at the Advantage Fox Valley Private and Non-Profit Sector 2012 survey of employee benefits to see if cost savings trends can be transferred to Howard. Most of the differences, and in some cases, innovations revealed, pertain to the way that health insurance policies are being administered and services are being provided to employee clients by the plans chosen by both sets of employers surveyed. The survey revealed that among the 14 municipalities surveyed there are four different types of employee coverage and some public and private employers are quickly experimenting with both "high deductible" and Preferred Provider Network options to try to manage rapidly rising premium costs in the 21<sup>st</sup> Century.

On the other hand, we found only small differences among plans and less opportunity for savings with the dental, life, short term disability and income continuation plans being offered around the State. In regards to the way Howard administers its four employee leave programs (e.g. vacation, sick leave, personal days, and compensatory time), there are opportunities to stream-line administration and dramatically reduce future liability by continuing to move toward a simplified Paid Time Off (PTO) strategy in lieu of separate programs for each.

### Medical Insurance Review

The Public Sector survey of similar sized communities in metropolitan areas of Wisconsin showed that there are at least four types of employee health plans being provided. These are:

A. Traditional Employee Choice Plans (TEC)—

This was once the standard health insurance plan which allowed the employee a complete choice of any general practitioner, clinic, specialist and hospital within a region as long as the provider agreed to pre-negotiated rates set mostly by the insurance carrier. This is the policy currently in place in Howard through Central States Teamsters and administered by Blue Cross/Blue Shield of Illinois. Only Suamico offers a true traditional plan although Allouez and Bellevue offer a traditional plan as one of two employee health plans offered.

B. Preferred Provider Networks (PPN)—

Under this type of plan a large clinic or medical practice teams with one or two area hospitals and signs agreements to provide employees covered by the plan services at set rates among its Network of providers. Employees can choose medical professionals, specialists or hospitals outside the "Network," but they, not the employer, are responsible for additional fees that can range from 10-25% over usual and customary charges paid when choosing providers and hospitals inside the approved network. Eight responders have a PPN plan as this is the most popular delivery model among the peer group.

C. Health Maintenance Organizations (HMO)—

With the HMO model, the employer and the insurance administrator provide an array of regional clinic-hospital plans (often 5-8) from which the employee may choose. Each option will have a different premium. Each HMO is a stand-alone, and employees cannot go to providers outside of it without a written referral from the HMO, nor can they change their designated HMO option except once a year. Generally, an employer pays the premium for each employee up to 100 or sometimes 105% of the lowest premium charged by the cheapest HMO within its region or service area as determined by the State of Wisconsin review commission. Any premiums charged by other HMOs in the plan over and above the low standard plan are the responsibility of the employee, unless the employer contributes to an employee Health Savings Account to cover such costs. Five of those surveyed offer their employees between two and eight HMO options from which to enroll once each calendar year. Sometimes each HMO will offer 2-3 options (low-medium-high service) within the HMO; each having its own premiums and out-of-pocket charges.

D. Blended Traditional & PPN or HMO Option—

Some employers now offer one traditional free choice, set premiums plan combined with one or several Preferred Provider Network or HMO options. Both the PPN and the HMOs are easier to use in conjunction with a high co-pay or high deductible plan since most traditional plans charge only one premium for all categories of service and may not offer a high deductible alternative, particularly for small municipal employers under 100 employees.

It is extremely difficult to compare these four approaches from strictly a premium charged perspective and especially hard to factor in additional employer/employee out-of-pocket costs such as deductibles, prescription charges and co-pays for even basic services. That is why we have focused our analysis of data on the more traditional, high end option offered, most equivalent to Howard's plan and its premiums charged just to the employer and to an employee who has selected either a single plan or a family option under each program. We also have attempted to simplify the comparison of premiums by using only monthly premiums charged, listing the total to both parties, the charge to the employee, and the charge to the employer (See Benefits Comparison Chart for 14 Peer Communities on page 1 of this section).

Additions in recent years such as Employee + 1, Employee + Children, and high deductible, high co-pay options have further complicated "an apples-to-apples" comparison in the attached chart. In the changing world of medical insurance, the private sector is the leader in also offering employees with grown children or so-called "empty nesters," those with domestic partners (both straight and gay), and single parents with children special reduced plans that fall between the premiums charged to either single employees or those with large conventional families, which include both spouses and children.

***How does Howard's present plan specifically compare to other Public employers surveyed?***

The current Howard plan is a basic, traditional plan contracted through Central States Teamsters Healthcare CS), and plan administration is through Illinois Blue Cross-Blue Shield, headquartered in Des Plaines, Illinois. The plan features complete and unrestricted employee choice of service providers such as physicians, specialists, nurse practitioners, in-home providers, and hospitals. Providers are reimbursed directly by Illinois Blue Cross-Blue Shield at actual patient costs up to pre-determined schedules of usual and customary charges. There appears to be little or no employer/employee experience rating or underwriting (unlike in some traditional plans and PPNs). Also there are no customary separate premiums (i.e. lower) for single employees or those with just a spouse (E + SP), or children (E + C). All premiums charged to both employer and employees are based on one monthly premium which is closer in price to a family premium in other peer community plans. The plan does contain additional charges to employees for medical office co-pays (\$20 each) and prescription drugs (\$25). Deductibles of \$200-\$400 are applied for some procedures or surgery. The maximum annual Out-of-Pocket paid by the employee is \$1,000 for single coverage, and up to \$2,000 for Family. The plan is also unique in that it covers through one combined premium Howard employees' and their dependents' annual dental costs up to \$1,500 per person each year and reimburses the Village for short term disability payments for up to \$300-350 per week to cover 25% of each employees average daily pay for periods as long as 180 days when workers compensation is not a factor.

For calendar year 2013, the total weekly premium for each of the Village's 32 participants in the plan is a set \$309.70. This equates to a total charge of \$1,342.23 a month and an annual charge of \$16,107 per year. Each participant in the Central States health plan pays 10% of the plan's premium which works out to about \$134 a month and \$1,609 per year through direct bi-weekly payroll deduction. The monthly and annual charge for the Village of Howard as an employer for each of its 32 participants (four employees have opted out in 2013) is currently \$1,207.83 per month and \$14,494. This means the Village's share of the costs for health insurance, dental insurance and limited short term employee disability supplement is about \$463,808.

Meanwhile the average employer in the survey paid \$468.56 for single employees monthly and \$5,622.72 annually. They also paid \$1,222 monthly for the family plans and \$14,658 annually. Complicating the comparison is that four of these municipalities also have been able to negotiate Employee + 1 coverage with reduced monthly and annual premiums of \$887 and \$10,644 respectively. The average monthly and annual dental premiums that are rolled into Howard's plan, but that are paid by the 13 municipal employers in addition to health premiums, amount to an additional average of \$601 single and \$1,225 family annually.

The closest comparable plan in the PAA survey belonged to the Village of Suamico which has nearly identical coverage through a contract with the Teamsters Central States plan administered by Illinois Blue Cross-Blue Shield. The only apparent difference is that Suamico's plan provides \$40,000 dollars of life insurance coverage for each employee and the Village's share is included in the health insurance premium, whereas Howard is paying for separate coverage through the State of Wisconsin's Employee Trust Fund for coverage equal to one times each employee's annual wages or salary. The Suamico

monthly premium is also slightly (-3.8%) lower at \$1,290 per month for each employee or \$15,840 per year. Suamico's responsibility is \$1,161 per participant and \$13,932 annually.

The Howard-Central States (CS) Plan premiums and employee costs can be compared to the mean or average of the 12 (of 14) responding peer communities who offer a "traditional" option wherein the employer still pays 80-90% of the premium (the average employee contribution is 11.73%) and the employee has relatively low annual copays and deductibles under the plans coverage (\$750+Single per year and \$1,500+Family). For those comparable plans, the average monthly premium for a single employee is \$557.31 or \$6,688 annually. The total premium for employees with a family plan was \$1,416.69 or \$17,000 annual, a little less than \$900 more than Howard's unified premiums which of course, include dental and partial short term disability coverage.

#### Private Sector Comparisons for Coverage and Costs

PAA also has provided a sheet (Please see chart on page five of this section) summarizing some of the most common features and costs connected to employee benefits provided to both hourly and salaried employees. These numbers come directly from the Private Sector and Non-Profit organizations and companies in the Fox Valley survey conducted by Advantage and the Brown County Chamber of Commerce in 2012. The ones related to health insurance benefits are somewhat applicable to Howard's plan, both now and in the future. For example in 2012 over 300 firms responded to the Health Care section questions, and 98.4% offered some level of paid health insurance to hourly workers, and 97.6% offered it to their salaried workers. Of those responding over 73% reported that they not only provided comprehensive medical plans for hourly employees, but they also paid at least 60% of the premium for each participant. Additionally, 38.6% of employers paid 80-100% or more of the premiums for single health plans for hourly employees and 33.6% paid 80-100 percent for family premiums. For salaried employees the results were similar, but slightly higher at 75% at 60% premium level or above and 39% of single plans were paid at 80-100% by employer. Family plans were paid at this level by 34% of the 211 companies/organizations responding.

A comparative statistic regarding employer payments of premiums can be seen by the monthly premiums paid by the majority of Fox Valley firms surveyed. Most employers (53.6%) paid in the range of \$300-500 monthly towards a single plan, and 26.8% paid \$500-700, making a total of nearly 81% in these two categories for both hourly and salaried employees. In the area of family plans, both the percentage of employers offering coverage and the monthly premiums rose considerably. Over 97% of those contributing to an employee plan either paid \$900-1099 per month (21.1 %) or \$1,100 and above (76.5%). The current Howard employer premium cost is \$1,208 a month and the public per group average for family plan was \$1,222 a month.

PAA was equally interested in whether private sector firms were offering more cutting-edge and cost-efficient options than their public sector counterparts. The survey indicates that the trend of offering at least one High Deductible/High Co-Pay (HDHC) option with subsequent lower premiums for employees combined with either a subsidized Health Savings Account or a Health Reimbursement Account, has

been taking hold first in the private sector in the Valley. For example, of 127 firms or organizations responding, 63.5% said they do have the HDHC option, while 36.2% do not offer it. Of the approximately 81 firms who offer exclusively or give that option to their employees, 43.3% combine it with a Health Savings Account (H.S.A.) to which an average 90% of firms added at their expense at least \$1,000-2,000 a year to match employees' tax free contributions. Both employer and employee annual contributions can be used to pay down employee's annual out-of-pocket charges which averaged about \$2,119 (S) to \$3,993 in our public sector survey. Another 11.8% of firms couple the HDHC option with contributions of \$1,000 to \$3,000 to a Health Reimbursement Account (HRA) to offset future employee premiums for private or company health insurance coverage. 70.6% of those firms make an employer contribution annually. The primary difference between an H.S.A. and the H.R.A. is that the former is portable and funds not used by the employee in the account can then be taken with them when they go to a new employer or retire. They usually are controlled by the employee and a third party, independent investment company or bank. The HRA funds are generally controlled by the employer and can only be accessed for paying employee out-of-pocket health or dental costs while the employee is employed by the same organization.

#### Recommendations on Successor Village Health Insurance Plan

The current Howard-Teamsters Central States Plan expires when both Teamsters' contracts expire on either January 14, 2014 or March 28, 2014, depending on the status of re-certification of the two Village Teamsters bargaining units. Administrator Evert and Director of Administrative Services Haltom have expressed an interest in pursuing at least one traditional employee choice option to replace it based on perceived advantages. A few private health care companies do offer these plans, as well as the Wisconsin Education Association (WEAC or Public Teachers Union), and of course there is always renewal through the Teamsters Central States (CS).

PAA recognizes the following advantages of a traditional, one premium plan. It includes not only comprehensive medical insurance for all Village employees at a currently reasonable rate not based on prior claims history, which has been known to fluctuate greatly for small employers (100 or fewer). The CS plan also permits Howard employees freedom of choice in selecting and changing medical providers, a rarity in modern times that appeals to all employees and their families. The Central States plan also provides a competitive dental plan for all employees within the health insurance plans rate structure, whereas other plans most likely will not. Switching plans could add \$601 a year in premiums average for single employee dental plans, and \$1,357 for ones with families. The current CS plan provides the Village reimbursement for up to an \$8,600 per injured or ill employee for short term disability cases. This is a valuable add-on that reduces Village costs for non-work related costs through its own self-funded plan. However, it should be pointed out that half of the 14 external peers do not choose to provide such disability coverage for employees.

The disadvantages of the current Teamsters-Blue Cross-Blue Shield contract mostly center on the one-size fits all monthly premium of \$1,342 charged against each Howard participant. The public sector survey shows that most peers spend about 1/3 the cost of family premiums for those single employees they insure. It is believed that Howard currently has two single employees for whom plans with a single

option might save on average about \$10,000 per year (or \$20,000 total) combined for the employer and the employee. In addition, the current plan does not offer an Employee + 1, or an Employee + children premium option. The premiums for these plans appear to come in at an average of 65-70% the cost of a full family premium in the four peer communities that have negotiated such plans. In the private sector, employers have found the E + 1 option typically comes in at \$2,400-3,000 a year below their family premiums. It is not currently known how many Howard employees would opt for the E + 1 type of coverage if available. However Chris Haltom estimates that perhaps 5 employees might be interested in such an option, and PAA estimates that including such in a future traditional plan could save the Village \$23,000 annually in premiums (Based on 68% X's \$14,494 CS full premium cost X's 5 employees).

*Another cost consideration for a future Howard plan is if a bidder(s) would be interested in offering a traditional plan option that can be coupled with the generally lower priced (for both employee and employer) High Deductible/High Co-Pay plan option that is popular with the majority of private sector firms in the area. This could be an HMO, PPN, or a Traditional health plan which contains this option.*

**PAA recommends that Howard actively rebid its employee health insurance contract this fall, prior to either expiration dates of the current agreement among a variety of plan providers in the greater Fox Valley to find the most cost-effective combination of options available. The biggest concern about the market of Howard's plan is the size and diversity of its employee census. Employers under 50 will be required to offer certain plan features by 2016 under the Federal Affordable Health Care Act, and already the scope of services and coverage offered in all plans is changing dramatically with the new landscape created by the Act. However, the good news is that Howard's plan already surpasses most if not all federal requirements for services offered and funding. It is assumed that any successor plans will be in compliance with all new federal requirements.**

**In addition Wisconsin Acts 10 and Acts 32 have made it unlawful for any public employer to bargain with a public employee union to create a health care plan provision in a new contract in which the employer agrees to pay in excess of 88% of the total costs of all premiums. In other words, the average premium paid by all employees for all offered options taken must equal or exceed 12%. Among the 12 responders in the public survey who do not participate in the State ETF-HMO plan, the average employee premium paid for their traditional or high end plans is 11.73%. The highest percentage currently paid by employees is 20%, with several communities charging 15% of premiums. Most of these also provide a much lower premium (0-5%) for employees who voluntarily choose a High Deductible/High Co-Pay plan with caps on the employee's annual Out-of-Pocket expenses. PAA recommends that a new plan, if it is indeed going to have a Traditional option with unlimited choice of providers, require an employee premium of 15-20% to allow Howard to offer lower premium options and still meet the overall State test requiring 12% plus employee contributions to all plan premiums.**

**With these caveats in mind, Village staff soon should begin drafting health insurance bidding specifications and soliciting bids for the following types of plans and options:**

- 1.) A Plan or Plans from each of four types HMO, Traditional Third Party Administrator, PPN, or combinations thereof (a Blended Plan with 1 Traditional Insurance Option)**

- 2.) High Deductible/High Co-pay, with lower premiums for employees who choose such as an option (See Below)
- 3.) A Health Savings Account option tied to Item 2.), under which employees can add their own contribution through payroll deduction and accounts invested by a third party administrator (Note: Green Area Banks have started offering these plans). Another option to encourage these types of plans is to have the Village contribute up to half of each employee's H.S.A on a bi-weekly match up to 100% as long as the employee stays with the program and the HD/HC health option.
- 4.) Negotiate with plan administrators to add Employee + Spouse and/or Employee + Children components
- 5.) Provide Single Employee coverage plans at reduced premiums
- 6.) Under HMO(s), consider 2-3 plans with multiple options under each, in which the Employer pays for only 100-110 % of the lowest HMO option with the employee picking up any premium exceeding the lowest acceptable one.

Another consideration regarding the offering of continued municipal plan insurance to retirees, is that the Village may wish to discontinue this practice once the existing union contracts expires and the Affordable Health Plan takes full effect in October 2014. The current Central States plan allows employees with 10 years or more of Village experience to remain in the plan. The village has encouraged this for union members only by allowing them to convert unused sick leave pay-outs at retirement into premiums. We understand that there are 5-6 former Howard employees enrolled in the plan now. Presently, seven peer communities (50%) have similar language that allows employees to stay indefinitely on village plans after final separation. Unfortunately, this is both an unfunded liability to the municipalities and a future negative in encouraging providers to bid competitively on the villages' plans because of potential rising claims by older, retired workers. The liability issue is more pressing because in 2013 the Wisconsin legislature passed a law requiring all public employers to "pre-fund" the value of any long term municipal contributions to retiree's health insurance programs in current year budgets, by setting aside reserve funds as determined by independent actuaries hired by the municipality.

PAA's recommendation would be to exclude retirees entirely from participation in any future employee health care plans, and instead, steer them towards the new federal health insurance exchange policies that will be available through the private sector this fall. Any prior or future accrued vacation or Paid Time Off pay owed can be then used by the individual to pay for private plan coverage.

#### Analysis of Other Howard Insurance Benefits

The Howard Dental Insurance Plan is difficult to compare from a price standpoint because usage is not reported by Central States, and premiums for the service are buried in those of the Health Insurance plan. On the surface, it seems to be a good deal for both the employer and the employee. The employee has the choice of any area dentist and specialist. The annual maximum for anyone participant in the family for appliances such as inserts, cavity fillings, or crowns is \$1,500, which is \$175 higher than

the public survey's average of \$1,325. In addition there is no co-pay to the patient for routine exams or fillings. Similar plans charge premiums of \$55.53 and \$113.13 for family per month. The study shows that eight peer municipalities charge their employees an average of 10.3% of the premium. However, five of the peers have no charge to employees just like Howard's. The most common administrator of public dental plans is Delta Dental (9 of 14 responding).

A scan of the Private sector community shows that, while nearly 94% of employers offer a dental plan for both hourly and salaried employees, those that contribute towards premiums most often pay only 40 percent of the premiums, leaving the employee to pay 60%. This is a major difference between the two sectors.

All 14 of the public organizations surveyed provided some sort of term life insurance to fulltime employees. Just as Howard does, 10 of the other 14 purchase 1 times an employee's annual wages from the State ETF endorsed carrier, Minnesota Mutual Life. Employees then may elect to purchase up to 4 times additional salary at their own expense.

Any vision insurance is generally rolled into each Health Insurance plan, or offered at 100% charged to the employee.

Analysis of Howard Vacation, Sick Leave, Personal Days, Holidays, and Compensatory Time Policies

Based on the survey of similar policies in place in the 14 other peer communities listed in chart on page 1-4 of this section, Howard is in the main stream of its peer group, well within the average in granting all of the above items. The only exception is in regards to Sick Leave policy; where in 2011 the Board authorized administration to gradually replace the prior one based on a typical full-time employee is allowed to earn 8 hours or one day a month and to accumulate up to 96 hours a year in either used or unused leave time. One set of Union employees are still under the old sick live provisions until December 31, 2013, and a limited number will receive final payout for accrued, but unused sick time upon retirement. The new Paid Time Off (PTO) approach regarding sick days has changed to six days or 48 hours, which the employee can use for any purpose without having to provide written medical excuses if challenged. However, compared to recent movements in the Fox Valley employer group as measured in the Advantage survey of last year, Howard has only taken a small and measured step towards a complete conversion of all major leave to a Paid Time OFF system (PTO). The Advantage study confirms that with 136 Employers responding, 61.5% or 84 had implemented some sort of Paid Time Off system replacing one or more of their former stand-alone leave systems. When asked how many of the 84 included which of the major categories in the PTO Bank for each hourly or salaried employees, the responses by percentage were:

	<u>Vacation</u>	<u>Sick Days</u>	<u>Holidays</u>	<u>Personal Days</u>
<b><i>%Hourly Employees</i></b>	<b>91.5</b>	<b>68.3</b>	<b>40.2</b>	<b>70.7</b>

<b>%Salaried Employees</b>	<b>91.4</b>	<b>72.8</b>	<b>40.7</b>	<b>69.1</b>
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The arguments for a consolidated PTO structure are as follows:

\*A Paid-Time-Off policy eliminates keeping four separate books and often conflicting levels of accrued leave and subsequent short and long term carry-over. This relieves administrative staff and pay-roll from significant oversight duties and regulation of employee usage and, perhaps violations, of leave benefits.

\*Most private and public employers have reduced total leave time available while they have done this consolidation. This reduces frivolous use of leave time and increases general employee productivity.

\*A move to PTO is often coupled with a reduction in long term accrued liability for unused sick leave and vacation which must be carried on the books for years until the employee randomly retires or voluntarily terminates his or her employment. Studies have shown that employees use only about 50% of leave time annually when they believe they can be paid out for the balance at the end of their tenure. It is not unusual in some communities to have employees receiving lump sum payouts equal to or exceeding their final annual salary from these accounts that are often under or unfunded by the public employer.

While the survey shows that the private and non-profit sector has trended towards a PTO system for such employee benefits as vacation time, sick days and personal days, it also shows a very low number who have included paid seasonal holidays in their PTO policies. The reason for this might be that most firms, as well as public employers, would prefer to have the majority of their employees take holidays off on the day that they occur on the calendar because less business is conducted on those days anyway. This argument does not pertain to Floating or unrestricted Holiday time, which could be considered for inclusion in a PTO plan.

Of the 14 public sector entities we surveyed, only Bellevue has gone further than Howard, by rolling Vacation, Sick Days, and Personal Days into one generic PTO plan, with no delineation. (Please see the note on Bellevue's schedule at the bottom of this page). Suamico has reduced its former 12 sick days a year into five "Casual Days" that can be used as an employee chooses in addition to vacation days and 2 personal days. Village of Weston has Board approval to go to a PTO system in January of 2014, but the plan and schedule have not been determined to date.

#### **PAA Recommendations on Paid Time Off Policy**

**With the expiration of both current union agreements on December 31, 2013, it is a favorable time to review the advantages of incorporating vacation, personal and any floating holidays into a unified PTO allocation combined with the current six annual days already provided in lieu of sick time. Under Act 10, employee leave time is no longer a negotiable item even if a union is re-certified.**

PAA would recommend that Howard Administration review the attached Bellevue policy (see Appendix C) as a model for how such a plan might be structured and the employee policies governing it. Bellevue's schedule grants an employee between 13-33 days of PTO a year from start of employment up to 30 years plus of service to the organization. It covers every type of time off, except paid seasonal holidays (8).

Bellevue also has granted employees with 3 years or more service varying amounts of prior accrued vacation and sick leave carryover to "smooth out" the transition period to a policy where very limited PTO time can be carried over from year to year, or accumulated for a long term pay-out. This phased carry-over may be applied to off-set loss of full pay during periods of short term disability. PAA's recommendation is that since PTO can be used for any purpose with advance notice to the employee's supervisor, there should not be a need for carry over or long term accumulation in excess of 5 days or 40 hours a calendar year except for specifically defined use, such as the previously mentioned disability pay.

# VILLAGE OF HOWARD EMPLOYEE BENEFITS QUESTIONNAIRE

*Prepared by Public Administration Associates, LLC June 2013*

Your Municipality \_\_\_\_\_ Your Name & Title \_\_\_\_\_ Phone # \_\_\_\_\_

## Section I: Current Employee Benefit Coverage & Contributions

### A. Health Insurance

1. What company administers your health insurance plan?
2. What percentage of the premium is paid by the employee?
3. What is the monthly premium total (employee and employer) for single, family, and 1 + 1 (if available) coverage?
4. How would you best describe the plan (circle one or more)
  - a. Preferred Provider Network
  - b. Health Maintenance Organization
  - c. Employee has unrestricted choice of providers and hospitals
  - d. Other (please explain)
5. Does your plan offer employees a high deductible option with Health Saving Account or HRA to pay for deductibles or co-pays?
6. If your plan offers a high deductible or co/pay plan, what are the annual out-of pocket limits for single or families?
7. Does your municipality contribute towards an employee directed HSA or HRA savings account? How much in 2013?
8. Does your board/council pay incentives to single or family plan employees who voluntarily drop their coverage in any year? What are the payments?
9. Any comments about unique features of your municipality's health insurance plan?

### B. Dental Insurance

1. What are the monthly premiums for your current plan for single or family?
2. Who is your coverage through?
3. What percentage does the employee pay?
4. What is the annual \$ limit on plan coverage for major work such as crowns, bridges, and braces?

### C. Life Insurance

1. Who is your current carrier?
2. What is the maximum coverage for term insurance for each employee?
3. What percentage of the premium is the employee responsible for?

### D. Short Term Disability

1. Who is your current carrier?
2. What is the waiting period before an employee can claim Short Term Disability?

3. What percentage of the premium is employee responsibility?
4. Does your municipality participate in the State Income Continuation Insurance plan?
5. If "NO" to the above do you provide private ICI coverage?

## Section II: Days Off from Employment Policies

### A. Vacation Leave Policy

1. What is your current vacation leave schedule?
2. What is the maximum hours/days granted any employee?
3. What are the most unused days that can be carried forward to the following year?
4. Is there any long term vacation accrual or must all carryover be spent in the following year?
5. Is there a payout to those who retire or terminate for unused vacation days?

### B. Sick Leave

1. What is the earning policy for sick days for employees
2. What are the maximum unused days/hours that can be carried into the next year?
3. Any long term accrual permitted?
4. Are retirees offered municipal plan coverage?
5. Can unused sick leave be converted to premiums for retiree health insurance
6. Is there any cash payment for unused sick days?

### C. Personal Days

1. How many given per year?

### D. Paid Time Off

1. If your local government has converted to a PTO plan, is it based on years of service?
2. What is the schedule for earning it? (Please attach to response if available)
3. Any limits on PTO carry over (annually or long term)?

### E. Compensatory Time

1. Does your community allow comp time in lieu of overtime?
2. Must it be used within two weeks, a month, or six months from time earned?

## Section III: Uniform and Equipment Allowances

- A. What classifications of municipal employees receive clothing and shoe allowances?
- B. How much is each employee paid and/or reimbursed for work uniforms or boots on an annual basis?
- C. Does your municipality reimburse employees for prescription safety glasses?

*Thank you very much for completing all the information necessary to make this Study a success!*