

PROCEEDINGS OF

**PERSONNEL COMMITTEE MEETING
CHARTER TOWNSHIP OF WEST BLOOMFIELD
EMPLOYEE LUNCH ROOM
4550 WALNUT LAKE ROAD**

MONDAY, MARCH 27, 2006 --- 4:00 P.M.

CALL TO ORDER

The meeting was called to order at 4:00 p.m. by Trustee Spector.

ROLL CALL

Members Present: Trustee Larry Horn (4:10 p.m.)
Trustee Deborah Macon
Trustee Robert Spector

Members Absent: None

In Attendance: Kent Herbert, Personnel Director
Supervisor David Flaisher
Chief Jim Poppelreiter, Fire Department
Lt. John Himmelspach, Police Department
Marilyn Henry, TPOAM President
Teresa Hebert, TPOAM Vice President
John Candela, Stakor & Associates
Nancy Papet, Stakor & Associates

APPROVAL OF AGENDA

Ms. Macon asked that the following items be added to the agenda under Item #9b: (1) Discussion on Priorities and Planning and (2) Performance Evaluations. She stated that at the March 6th Board meeting, Mr. Horn agreed to have discussion on these items.

Ms. Macon asked that Mr. Herbert provide a brief summary of the Oakland Mediation Services. Mr. Herbert stated that information would be discussed under Item 6b.

Motion by Mr. Spector and supported by Ms. Macon to approve the agenda as amended.

Ayes: Horn, Macon, Spector

Nays: None

Absent: None

Motion carried

APPROVAL OF MINUTES

Motion by Mr. Spector and supported by Ms. Macon to approve the minutes of 02/27/06 as corrected.

Ayes: Horn, Macon, Spector

Nays: None

Absent: None

Motion carried

SET NEXT MEETING DATE

The next meeting was scheduled for Monday, April 24, 2006 at 4:00 p.m.

UNFINISHED BUSINESS

JOB DESCRIPTIONS

Mr. Herbert stated the job descriptions were drafted and then submitted to the department heads who were supposed to review those with their employees. His understanding was the Fire Department did not receive the packet of job descriptions which was sent to Asst. Chief Riggs via inter-office mail. They received the information last Wednesday and found minor deficiencies.

Mr. Horn asked if the Fire Department was satisfied with the job descriptions. Chief Poppelreiter replied, "Yes, including the changes that were made."

Mr. Herbert stated there were changes submitted by the Township Clerk and there were a couple of changes in the Water & Sewer Department job descriptions. The changes have been incorporated in the job descriptions that were provided to the Committee.

JOB DESCRIPTIONS (Continued)

Ms. Henry stated that Mr. Haapala had indicated that the Water & Sewer Department job descriptions were not going to be on the agenda.

Mr. Spector asked if Mr. Haapala would be the individual to provide input regarding the Water & Sewer Department job descriptions. Mr. Herbert replied that the employee or the union could also provide input.

Ms. Hebert commented that Mr. Haapala was not aware that the employees were given an opportunity to review the job descriptions and he did not receive the job descriptions until Wednesday. Since he was out of town, he did not have an opportunity to review those job descriptions with his employees.

Mr. Horn suggested that all the Water & Sewer Department job descriptions be postponed until the next meeting to allow Mr. Haapala an opportunity to review those job descriptions.

Mr. Herbert stated his understanding was that the Water & Sewer Maintenance Supervisor wanted to make a case for a pay adjustment. Mr. Spector questioned whether that issue should be decided upon by the Township Supervisor and Water & Sewer Director. Mr. Herbert stated his understanding is that an employee could petition the Personnel Committee at any time on any issue. However, the department head still provides input.

Mr. Spector expressed concern with employees coming before the Personnel Committee to discuss pay increases. He felt that it was more appropriate to have the issue discussed with the department head and if there was agreement by the department head, then it should be considered by the Personnel Committee.

Mr. Herbert suggested that the Personnel Committee could adopt a policy indicating that they would not consider anything except through collective bargaining or the department head. Mr. Spector agreed that should be done.

Mr. Horn asked whether a policy already existed to address that issue. Mr. Herbert replied, "No."

JOB DESCRIPTIONS (Continued)

Ms. Macon stated that although she understood the concerns, she felt the policy issue should be discussed on a future agenda and that the Committee move forward with respect to the job descriptions.

Chief Poppelreiter referred to the Firefighter job descriptions and iterated the changes he felt needed to be made.

Motion by Ms. Macon and supported by Mr. Spector to recommend approval of the following job descriptions: (items 1 – 8) to include incorporating the minor changes submitted by the Fire Department.

Ayes: Horn, Macon, Spector

Nays: None

Absent: None

Motion carried

COMPLAINT POLICY

Mr. Hebert stated the Complaint Policy was previously presented to the Committee for recommendation to the Township Board and incorporating the policy into the Employee Manual. At that time, Trustee Macon suggested that the Oakland Mediation Services be contacted to make a presentation and that was done last Friday.

Mr. Herbert stated there was no administrative recommendation yet. He stated the information provided referred to mediation rather than arbitration and it was indicated that Oakland Mediation Services was obligated to keep the information confidential.

Mr. Herbert stated that originally, the Complaint Policy was developed to settle disputes that did not involve the collective bargaining agreement. He stated the disputes would be those between employees as well as between employees and their supervisors, particularly concerning policy matters or operational issues.

Mr. Herbert asked that the Township Supervisor provide input regarding the Complaint Policy.

COMPLAINT POLICY (Continued)

Ms. Macon stated she did not have any problem with the Supervisor speaking at the meeting; however, she had concerns with a quorum of the Township Board being present at a Committee meeting. She stated that the Township currently adheres to the policy regarding that issue and did not want to violate the Open Meetings Act.

Mr. Herbert stated that a Township Attorney was not present to provide an opinion relative to that issue. However, he felt that the Supervisor could make comments, since this was a public meeting.

Mr. Spector stated that the Committee was simply asking for the Supervisor's opinion relative to the Complaint Policy and would not be voting on the issue. Therefore, he did not see a problem with hearing his comments.

Ms. Macon stated she was not indicating that she was uncomfortable with hearing comments from the Supervisor. However, she clearly recalled there being a policy relative to a quorum of the Township Board being present at a Committee meeting. Therefore, she wanted the record to reflect that she would excuse herself from the meeting while the Supervisor presented his comments.

Mr. Flaisher stated he did not have any comments at this time because he did not have an opportunity to review the information.

Mr. Herbert suggested that the issue be brought back at the next meeting along with the current proposed Complaint Policy, which does not include mediation services.

Mr. Horn asked what was going to be accomplished with the Complaint Policy. Mr. Herbert replied that the policy would provide an avenue for an individual who has a dispute with their supervisor over an issue. He asked if a policy already existed. Mr. Herbert replied, "No."

Mr. Horn asked whether this issue should be presented to the Township Board to ascertain whether they want the Personnel Committee to have discussions regarding the Complaint Policy.

Mr. Herbert stated that the Committee should hear comments from the Supervisor first and make a determination at that point.

COMPLAINT POLICY (Continued)

Mr. Spector stated his understanding was that complaints were heard at the Personnel Committee level. Mr. Herbert stated that was the case prior to collective bargaining. Mr. Spector stated that the Township had department heads as well as non-union employees. If a complaint involved a union employee, that would be handled by their bargaining unit.

Mr. Herbert stated that the proposed policy did not involve violations of the contract, but rather, any type of dispute not related to collective bargaining issues.

Ms. Macon stated the Mediation Center is a skill based learning center. While all of the other issues that this Committee has dealt with have been more of a technical nature, the work of Oakland Mediation Services is very well respected and they are often able to help parties in a wide variety of situations to come to an amicable solution. She viewed it as an opportunity for the Township Board to experience and learn aspects of that process that could be used as they moved forward in representing the public.

Ms. Macon stated this was not an area that would substitute any fiduciary or governance responsibility in any way. Rather, it would add to the collective skills of the Township Board. She believed this type of approach would be welcomed as one that definitely supported a friendly and respectful atmosphere.

Mr. Herbert stated that Oakland Mediation Services also provides conflict resolution education.

Ms. Macon suggested that the next agenda reflect that a quorum of the Board would be present.

Motion by Mr. Spector to table discussion regarding the Complaint Policy and present the issue to the Township Board to ascertain whether they were in favor of the mediation services and if so, the issue be brought back to the Personnel Committee for further discussion.

COMPLAINT POLICY (Continued)

Ms. Macon felt that it was appropriate for the Personnel Committee to discuss the issue and make a recommendation to the Township Board. Therefore, she suggested that the proper motion would be to postpone the issue to the next meeting.

After further discussion, there was consensus of the Committee that a motion was not necessary and that the issue would simply be brought back to the next meeting.

NEW BUSINESS

RETIREE ELIGIBILITY FOR HEALTH CARE (HERBERT)

Mr. Herbert stated there is an employee who will be retiring this week who expressed concern that if he did not sign up for health care as a retiree immediately upon retirement, he would not be able to do that at a later date.

Mr. Herbert suggested that the Committee make a recommendation to the Township Board to interpret the policy that if an employee left the Township as a retiree and opted out of the health insurance, they would be able to opt back in at a later date.

Mr. Spector asked what was currently being done. Mr. Herbert stated there was nothing in place because that issue has not been raised until now.

Mr. Horn asked if the Committee was in a position to make a recommendation or was it necessary to obtain further information.

Lt. Himmelspach stated that the employee was currently eligible to have insurance for his spouse, but he chooses to opt out because his spouse is still working and has health insurance through her employer. He stated that in the event of the employee's death, his spouse would be eligible for health insurance as long as she was collecting a portion of his pension. Therefore, the question is whether his spouse would be eligible if the employee opted out of the insurance upon retirement.

RETIREE ELIGIBILITY FOR HEALTH CARE (HERBERT) (Continued)

Mr. Herbert stated his understanding is that the spouse would be eligible but expressed concern as to whether the Township wanted the Personnel Department to interpret the policy. Therefore, he felt the Committee could make a recommendation for a resolution to be passed by the entire Township Board.

Ms. Macon stated it appeared there was a request to have clarification of the current policy. Mr. Herbert stated that was correct.

Ms. Henry questioned whether the policy addressed a situation in which an employee opted to retire, but delayed receipt of their pension payments from age 55 to age 60 in order to prevent taking a 28% reduction in their pension, and would that employee still be entitled to their medical benefits.

Mr. Herbert stated that was a different issue and suggested that it be discussed at another meeting.

Mr. Spector stated that if an employee was given a reimbursement if they opted out of the health insurance during the course of their employment. Mr. Herbert replied that the Township paid the employee 30% of the health insurance premium. Mr. Spector asked if the employee received that as taxable income. Mr. Herbert replied, "Yes."

Lt. Himmelspach stated that under the current policy, employees are able to arbitrarily opt in or out of the health insurance provided by the Township.

Ms. Macon asked under what conditions would the spouse or widow of a Township employee be eligible for pension. Mr. Horn asked who interpreted the policy.

Mr. Herbert stated it would be to the Township's advantage to encourage employees to opt out of the health insurance if at all possible. The Township would still be ahead even if the employee opted back in at a later date because the Township would not be paying any premiums during the time frame when the employee opted out of the insurance.

Ms. Macon stated that it appeared there is a cost savings to the Township in allowing an employee to opt out of the health insurance upon retirement.

RETIREE ELIGIBILITY FOR HEALTH CARE (HERBERT) (Continued)

Mr. Spector questioned whether this was an issue that should be discussed as part of collective bargaining. Mr. Herbert replied, "Yes." Mr. Spector questioned why the issue was being discussed in open forum. Mr. Herbert stated that he was simply looking at this issue as an interpretation rather than a policy. Mr. Spector felt the issue should be discussed in closed session.

Lt. Himmelspach felt the issue should be clarified, otherwise it would force employees to take the health insurance. He stated the Township would save 70% in premiums every year. He stated that employees simply wanted to protect their spouse's health insurance in the event of death or the spouse's loss of health insurance by their employer.

Mr. Horn stated that although he agreed with the comments made, he wanted input from legal counsel before moving forward on the issue.

PRESENTATION ON HEALTH CARE TRENDS / POLICIES (STAKOR & ASSOCIATES)

John Candela, Stakor & Associates, stated they were present to provide general discussion regarding health care and employee benefits as well as to address the continuing escalation of costs.

Nancy Papet, Stakor & Associates, stated that originally health care was included in employee benefit packages as a way to attract, recruit or retain employees and the costs were not significant years ago. However, the cost of health care has recently skyrocketed and it is expected to double from 1996 to 2007 from \$1 trillion to \$2.1 trillion.

Ms. Papet stated the prescription for 2006 is projected to be at 13.8% which is a reduction from 2005 of 15.2%, but it is still a large number. She stated the Township has been very diligent in looking at ways to control health care costs by implementing certain programs. She stated the Health Savings Account and Health Care Reimbursement Arrangement were ways to have an employee become a better consumer.

PRESENTATION ON HEALTH CARE TRENDS / POLICIES (STAKOR & ASSOCIATES) (Continued)

Ms. Papet stated the Health Reimbursement Arrangement is an account owned by the employer who contributes a specified dollar amount for each individual or family unit that can be used for things that are defined in the Internal Revenue Code or limited to reimbursing deductibles and co-pays. She stated that any money contributed to the Health Reimbursement Arrangement is employer money and any money left over at the end of the year either goes back to the employer or can be split between the employer and employee and rolled over to the next year.

Ms. Papet stated the Health Savings Account requires a very high deductible. Blue Cross uses a deductible of \$1,200.00 per employee and \$2,500.00 per family. Everything except preventive care is applied towards the deductible. The money in the account can be deposited by the employee and/or the employer. If the employee leaves the employer, they take the money with them.

Ms. Papet stated the idea is not to prevent employees from going to the doctor, but to allow employees to make an informed decision.

Ms. Papet stated there has been some significant savings with the 10/40 prescription program. The costs involve \$10.00 for generic prescriptions and \$40.00 brand name prescriptions.

Mr. Herbert asked about the average cost of brand name drugs. Ms. Papet did not have the answer, but indicated that she has seen significant savings by going with the 10/40 prescription program.

Ms. Papet stated that with respect to dental and vision options, the plan currently includes a passive PPO program through ADN which involves a certain percentage regardless of which dentist the employee goes to. If the dentist participates with ADN, the percentage is on a lower fee schedule.

Ms. Papet stated that options were available and they welcomed the opportunity to continue working with the Township on those options.

PRESENTATION ON HEALTH CARE TRENDS / POLICIES (STAKOR & ASSOCIATES) (Continued)

Mr. Candela stated that it was important for the Committee as well as the full Township Board to understand that there are co-pays, deductibles and a myriad of ways that have to be worked with daily because the costs keep escalating at 10 or 15 percent a year.

Mr. Spector stated that although he understood the concerns, the Township still had to adhere to union contracts and therefore, they might not have the authority to go with some of the suggestions to cost savings for the health and dental insurances.

Mr. Herbert stated the Township would be opening a new round of negotiations soon and since he has began his employment, he was told not to start any significant changes with the General Office Employees, but rather, with the Police and Fire employees. He stated that negotiations would be occurring with that group of employees in the fall and therefore, he wanted to be prepared.

Ms. Macon appreciated having the vital information provided by Stakor & Associates.

Mr. Candela stated they spent a lot of time working with Mr. Herbert on these issues and the employee unions were doing well with the changes. He stated they simply wanted the individuals who were involved in the negotiations to be well informed of the different options.

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Mr. Horn suggested that the closed session be done as the last item on the agenda.

Ms. Hebert stated the employees in attendance were interested in the closed session portion and questioned whether that was an issue typically handled by the full Township Board rather than the Personnel Committee.

Mr. Herbert stated that any combination of the Board had the authority to discuss collective bargaining issues.

Ms. Henry stated it has never been done that way in the past. Mr. Herbert stated that was correct, but that did not mean it was improper.

Ms. Hebert stated that discussing the Complaint Policy in closed session does not allow for input from the employees. Mr. Horn stated that issue would not be discussed in closed session. Ms. Macon stated there was a reference made earlier that the issue would be discussed in closed session.

Ms. Hebert stated the reference was made relative to employees requesting pay increases without first having the issue discussed with their department head. Mr. Horn stated his understanding is that the issue would be discussed in an open session and Mr. Flaisher would be making his comments at that time.

EXECUTIVE SESSION REGARDING COLLECTIVE BARGAINING

This item was moved as the last item on the agenda.

PERFORMANCE MEASURES – REVIEW OF DEPARTMENT STATISCAL REPORTS

Mr. Herbert stated he was asked to provide the Committee with a list of the statistical reports from the previous quarter. He also included a sample from Sterling Heights reflecting some of the measures they have and benchmarks they use for performance measures.

Mr. Herbert was not sure if this was the information Ms. Macon was looking for, but it was certainly a start on major measures related to department performance.

Ms. Macon stated that Mr. Herbert addressed exactly what she was most interested in. She was interested in system measures and not in what individuals were doing. Her interest related directly to previous conversations about priorities and planning. She referred to the Sterling Heights sample and stated that every item on the list represented a strategic choice made by that local unit of government to keep itself in balance. She stated the priorities for West Bloomfield may not be represented by the types of things included in the Sterling Heights sample.

PERFORMANCE MEASURES – REVIEW OF DEPARTMENT STATISCAL REPORTS (Continued)

Ms. Macon stated her interest in the performance measures was that every quarter the Board asks the department heads to provide a great amount of data and they have done so. Yet, the Board has spent very little time applying what they learn to their decision making. Therefore, she was only interested in integrating the information they already receive from the department heads with where the Township should be strategically in the future with a goal towards looking at budgetary issues.

Mr. Spector asked how recent the information from Sterling Heights was. Mr. Herbert stated the information was five years old.

Mr. Spector referred to the information related to employee benefits as a percentage of wages. He stated that Sterling Heights was at 28.2% and West Bloomfield was at 47%. He stated the national average was 27.7%.

Mr. Herbert stated the Sterling Heights figures did not include retiree health care. He stated that retiree health care in and of itself was 20%.

Mr. Spector asked if the information in the report was conducted by Sterling Heights or the Center for Performance Measurement. Mr. Herbert stated that it was done by Sterling Heights. He stated that they might have worked with the Center for Performance Measurement to develop the report because they are a city manager type of community and their city manager was considered to be one of the most professional people.

Mr. Spector asked if this was something the Township could do to determine their performance level. Mr. Herbert replied, "Yes." Mr. Spector asked if the measurement could be done using a local average comparison of other communities. Mr. Herbert stated that it could probably be done.

Ms. Macon stated she was not attempting to compare West Bloomfield to any other system because the needs or the commitment to service delivery were not the same as those in other communities. Rather, she was interested in the Township setting clear requirements or standards.

PERFORMANCE MEASURES – REVIEW OF DEPARTMENT STATISCAL REPORTS (Continued)

Mr. Herbert felt it was also a good idea to use the information from other communities as benchmarks for the Township to see whether they were in line with respect to the labor market.

Mr. Horn asked what the Committee was attempting to accomplish with the information and whether there was interest to move forward with an analysis. Mr. Herbert stated that with respect to budgetary issues, there was interest in determining the priorities before placing dollar amounts on those priorities.

Mr. Horn questioned whether that issue should be discussed at the Personnel Committee level and felt it should actually be discussed with a Budget Committee. Mr. Herbert stated that Township currently did not have a finance subcommittee.

Mr. Spector felt the Township should be compared to other communities to determine whether they were in line with others. He stated that the Public Safety Fund was 2/3 of all revenue monies and there should be some level of performance that could be compared to other communities that were similar to the Township.

Mr. Spector stated the Board was obligated to the taxpayers to get the costs and performance in line. He did not want to jeopardize the quality of service, he simply wanted a determination as to where the Township was at in comparison to other communities.

Mr. Horn stated that although he understood the concerns, he felt the discussion should be done by the Budget Committee rather than the Personnel Committee.

Ms. Macon stated the Personnel Committee has a vested interest in performance of the individuals who work for the Township. She stated the discussion could be done in two parts: (1) to have the individual to whom majority of the staff report to explain the process for personnel evaluations or determine whether there is interest on the Committee in understanding how performance reviews happen and (2) understanding the existing standards and if that is not a role of this Committee, then submit a request to the full Board to have priorities in order to allow the Committee to do their job.

PERFORMANCE MEASURES – REVIEW OF DEPARTMENT STATISCAL REPORTS (Continued)

Mr. Horn felt that Ms. Macon's suggestion was a good idea and asked if there were any comments from those in attendance.

AUDIENCE GENERAL COMMENTS / QUESTIONS

Ms. Henry asked if she could have a copy of the presentation from Stakor & Associates. Mr. Herbert replied, "Yes."

Ms. Hebert asked if there was any information from the Oakland Mediation Services. Mr. Herbert replied, "Yes." Ms. Hebert stated her understanding was that employees would be invited to that presentation. Mr. Herbert stated he did not extend an invitation to employees because it was not a proposal which the administration was prepared to make to the Committee. Therefore, until a decision was made to do so, he did not feel it was appropriate to invite the employees to the presentation.

Ms. Macon encouraged anyone to review the Oakland Mediation Services website and indicated that they were available to everyone for a variety of purposes.

COMMITTEE EMERGING ISSUES / COMMITTEE PROJECTS / FUTURE AGENDA ITEMS

Mr. Herbert stated that representatives from PharmaCare would be at the next meeting to make a short presentation. Mr. Horn asked that the representatives provide more specific information.

ITEMS FOR NEXT AGENDA

Mr. Herbert stated that at the next meeting he would provide information explaining the management system currently in place.

Mr. Hebert stated that the only other item for the next meeting were job descriptions.

EXECUTIVE SESSION REGARDING COLLECTIVE BARGAINING

Motion by Ms. Macon and supported by Mr. Spector to move the meeting into executive session at 5:50 p.m.

Ayes: Horn, Macon, Spector

Nays: None

Absent: None

Motion carried

Motion by Ms. Macon and supported by Mr. Spector to move the meeting back into regular session at 6:25 p.m.

Ayes: Horn, Macon, Spector

Nays: None

Absent: None

Motion carried

ADJOURNMENT

There being no other business, the meeting adjourned at 6:25 p.m.

Larry Horn
Personnel Committee Chair

Transcribed by: Millie Gray, Recording Secretary