

**April 4, 2023 Ad Hoc Meeting - Employee Benefits and Wage Review Ad Hoc Committee**

**Ad Hoc Meeting – Employee Benefits and Wage Review – April 4, 2023 AT 12:00 P.M.**

Members Present:

Mark Jantzer, Scott Burlingame, Stephan Podrygula, Lisa Jundt, Derek Hackett, Travis Seifert, Harold Stewart, Kevin Ternes, Margie Zietz

Members Absent:

Laurie Davis, Terri Phillion, Dallas Varty

Also Present:

Mikayla McWilliams (City Clerk)

The meeting was called to order by Chairman Mark Jantzer at 12:01 pm. Alderman Jantzer mentioned the committee got information from Alderman Podrygula about the study of employees returning to work after being out for a long period of time, Harold Stewart sent out updated charts on accruals, and the City Clerk compiled a list of recommendations made by the committee.

Alderman Jantzer read the current recommendations:

1. Recommend the City of Minot go out for RFP for a new EAP provider. (1/24/2023)
2. Recommend the City of Minot have an employee wellness program. (1/24/2023)
3. Recommend HR develop a package that includes Option 1 for a short-term disability plan. (2/14/2023)
4. Recommend Brown & Brown look into a high deductible plan at the renewal in July of 2023. (2/14/2023)
5. Recommend the City of Minot move toward fully paying for healthcare. (2/14/2023)
6. Recommend HR to work with consultant to rebid healthcare at appropriate intervals. (2/14/2023)
7. Recommend the City of Minot compare at the 60th percentile on the next wage study instead of the 50th percentile. (3/28/2023)
8. Recommend the City of Minot complete a comprehensive wage study every 3 years. (3/28/2023)

Alderman Jantzer wanted the committee to make any recommendations but also have the option to clarify any of the current recommendations.

**#7. Recommend the City of Minot compare at the 60<sup>th</sup> percentile on the next comprehensive wage study along with the 50<sup>th</sup> percentile.**

Lisa Jundt mentioned the city currently compares with the 50<sup>th</sup> percentile but if the city starts to also look at the 60<sup>th</sup> percentile it will make the wages be more competitive but will cost the city more money. Harold Stewart mentioned it will make the City of Minot more aggressive in wages but looking at both percentile ranges in the next wage study will allow the city to see the cost difference.

**#3. Recommend HR Develop a package that include Option 1 for a short-term disability plan and structure the plan as a fringe benefit for employees so employees are not subject to taxes on the claim payout portion.**

Harold Stewart wanted to add the portion on structuring the STD policy to be a fringe benefit for employees so they are not taxed on the claim payouts.

**#4. Recommend Brown & Brown to look into a high deductible plan as an employee option at the renewal in July of 2023 and at least equal monetary value in a health savings account to the low deductible plan.**

Derek Hackett wanted the benefits package for either plan to be equal monetarily to each other.

**#5. Recommend the City of Minot move toward fully paying for healthcare premiums for employees who participate in an employee wellness program and reach certain milestones in the program.**

Harold Stewart spoke about how difficult it would be to take away the ability to pay for full healthcare premiums for the employees if the city is unable to afford in years to come.

Derek Hackett mentioned it might be appropriate to investigate if employees can start to participate in paying Social Security. Lisa Jundt gave some background and the Social Security law came into effect in the 1980's. The SS Replacement Plan

developed was voted on by all city employees. Every employee would have to participate and there would not be equity for some especially the employees in the old pension. Social Security can be paid into by an employee on their own. The new retirement plans are structured where the employer match is going directly to the employee and the old pension has the match go into a fund.

Harold motioned for City Council consider commissioning a study by a consultant to be done on the City of Minot Retirement Benefits. Alderman Podrygula seconded and the motion carried with a unanimous vote in favor of the motion.

Alderman Podrygula discusses that Social Security could be considered more of a safety net for city employees. It is a very complex topic but it is worth looking into the city's current process and benefits. Margie mentioned she was an employee at the time of the vote and is experiencing issues with it now. Alderman Jantzer said it is difficult to predict the future and not often can you find full perfection in retirement plans.

Harold Stewart mentioned that he has already met with each shift at the Fire Department, the Street Department, and Sanitation Department. There is potential to change the access point to which an employee is allowed to use the frozen sick bank. The option Harold proposed was that once an employee has used 7 days of PTO and employee could access their frozen sick leave. Harold plans to abstain from the voting. Kevin Ternes inquired how the Fire Dept. and PD were feeling about the changes. Travis mentioned the employees are getting used to it but they are unsure what the benefit is for recruitment and retention.

Margie Zietz mentioned the committee diversity is difficult. She will not be voting for PTO. Derek agreed the committee probably could have used more employee representation. The employees he has talked to have shown intrigue with PTO. There is a benefit to freedom with PTO and he mentioned that if there is no PTO there is still a recommendation from the management team to cap the sick leave at 480 hours. He has noticed some concern with the certainty of short term disability insurance being offered in the future. Another benefit is being able to capitalize monetarily on the time an employee earns.

Kevin Ternes asked if there are other cities in the state on a PTO plan. The City of Minot would be breaking ground with this PTO plan and would give us the competitive advantage by giving time a monetary value. Kevin was concerned there isn't enough support and that maybe the city was too early on this topic. Margie stated she is also concerned with employees managing their PTO.

Alderman Burlingame was concerned this might be a morale issue but he does see the competitiveness of this plan because of the value of flexibility with your time and the STD policy is the security for the PTO option. Alderman Podrygula reiterates the strong safety net of the STD policy. There is a lot to be said about the freedom to use the time earned and having the employee in charge of managing their time. There is access to the frozen sick leave banks for current employees and management can use this as a tool for recruitment and retention.

Margie stated supervisors are currently giving time off to employees and employees have the freedom now with the current plan. Employees are also offered a STD policy through AFLAC to purchase on their own. Harold Stewart has observed that maybe the long-term employees are the ones that are more resistant to the PTO option. If PTO is not recommended, the conversation about changing to PTO only gets harder in the future. Harold also stated the management team had a majority of support for within the group for the PTO recommendations and they are looking towards the future. It will never be easy to make the shift to a different system.

Lisa Jundt motioned the City of Minot move to a PTO system to include all the updated management recommendations, including the new recommendation on the sick leave bank to allow access to the frozen sick leave banks of current employees if the employee has used 7 days of PTO in the calendar year. Derek Hackett seconded and the motion carried with a vote: ayes: Burlingame, Hackett, Jantzer, Jundt, Podrygula; nays: Seifert, Ternes, Zietz; abstain: Stewart.

The committee had a small discussion on if the recommendations should be prioritized for council. It was decided it would be too difficult to prioritize because every member might have a different perspective on the priorities of the recommendations. There are a few more issues the committee might need to have recommendations on so it was decided to keep the next meeting.

The next meeting will be Monday, April 10, 2023 at 12:00 pm. There being no further business, the meeting adjourned at 1:14 pm.