

<b>APPROVAL</b>	<b>REQUEST FOR COUNCIL ACTION</b>	<b>MEETING DATE</b> November 18, 2014
<b>REPORTS AND RECOMMENDATIONS</b>	An Ordinance to Create Chapter 170 of the Municipal Code, "Escort Services", Pursuant to the Municipal Authority Provided Under Wis. Stat. § 66.0107(2) (Ald. Evans)	<b>ITEM NUMBER</b> 25.10.

The Police Department has indicated that an ordinance regulating and licensing escorts and escort services would be a beneficial tool for deterring and minimizing illegal activities associated with escorts and escort services, and will help prevent prostitution and other associated crimes.

The subject matter was referred to staff at the November 3, 2014 Common Council meeting. Attached is a redraft of the proposed ordinance, which deletes the references to certified massage therapists and bodyworkers (which subject matter is addressed in the next item upon this agenda).

**COUNCIL ACTION REQUESTED**

A motion to adopt An Ordinance to Create Chapter 170 of the Municipal Code, "Escort Services", Pursuant to the Municipal Authority Provided Under Wis. Stat. § 66.0107(2).

ORDINANCE NO. 2014-\_\_\_\_

AN ORDINANCE TO CREATE CHAPTER 170 OF THE MUNICIPAL CODE, "ESCORT SERVICES", PURSUANT TO THE MUNICIPAL AUTHORITY PROVIDED UNDER WIS. STAT. § 66.0107(2).

WHEREAS, Wis. Stat. § 66.0107(2) provides "...nothing in this section may be construed to preclude cities, villages and towns from prohibiting conduct which is the same as or similar to that prohibited by chs. 941 to 948"; and the Wisconsin Statutes relating to prostitution and related behavior are set forth in Chapter 944 of the Wisconsin Statutes; and

WHEREAS, the Police Department has indicated that an ordinance regulating and licensing escorts and escort services is a beneficial tool for deterring and minimizing illegal activities associated with escorts and escort services, and will help prevent prostitution and other associated crimes; and

WHEREAS, the Common Council having found and determined that such ordinance as recommended is necessary to protect the public health, safety and welfare.

NOW, THEREFORE, the Mayor and Common Council of the City of Franklin, Wisconsin, do ordain as follows:

SECTION 1: Chapter 170 of the Municipal Code of the City of Franklin is hereby created to read as follows:  
"Chapter 170: Escort Services."

SECTION 2: §170-1. of the Municipal Code of the City of Franklin is hereby created to read as follows:  
"§170-1. Definitions.

As used in this chapter, the following terms shall be defined as indicated:

'Escort' means any person who, for a fee, commission, salary, hire, profit, payment or other monetary consideration accompanies or offers to accompany another person to or about social affairs, places of entertainment or places of amusement or consorts with another person about any public place or within any private quarters.

'Escort service' means a service provided by any person who, for a fee, commission, salary, hire, profit, payment or other monetary consideration, furnishes or offers to furnish names of persons, or who introduces, furnishes or arranges for persons who may accompany other persons to or about social affairs, places of entertainment or

places of amusement, or who may consort with others about any public place or within any private quarters.

‘Person’ means any natural person, partnership, corporation or other organization operating, conducting, maintaining or owning any escort service.”

SECTION 3: §170-2. of the Municipal Code of the City of Franklin is hereby created to read as follows:

“§170-2. Exemptions.

This chapter does not apply to businesses, agencies and persons licensed by the State of Wisconsin or the City of Franklin pursuant to a specific statute or ordinance, and employees employed by a business so licensed, and which perform an escort or an escort service function as a service merely incidental to the primary function of such profession, employment or business and which do not hold themselves out to the public as an escort or an escort service.”

SECTION 4: §170-3. of the Municipal Code of the City of Franklin is hereby created to read as follows:

“§170-3. License required.

A. No person may engage in, conduct or carry on the operation or maintenance of an escort service without first obtaining a valid escort service license issued under this chapter.

B. A license may be issued only for one escort service located at a fixed and certain place. Any person desiring to operate more than one escort service must have a license for each escort service.

C. All escort services existing in the City at the time of the adoption of this chapter must submit an application for a license within sixty (60) days of the adoption of this chapter.”

SECTION 5: §170-4. of the Municipal Code of the City of Franklin is hereby created to read as follows:

“§170-4. Escort service license application.

A. Any person desiring to obtain an escort service license shall pay the required fee of two hundred fifty dollars (\$250) to defray the costs of administration and investigation of the application.

B. Any person desiring an escort service license shall file a written application with the City Clerk on a form provided by the Clerk’s Office. The information provided to the City Clerk shall be provided under oath.

(1) Corporations. If the applicant is a corporation, the name of the corporation shall be set forth exactly as set forth in its articles of incorporation, together with the date and state of incorporation, the

name, aliases, and business address of each of its officers, directors, or shareholders having a significant responsibility for management of the business. The application shall also be verified by an officer of the corporation.

(2) Partnership. If the applicant is a partnership, the applicant shall set forth the name of the partnership and the name, aliases, business address of each of the partners, including limited partners, having a significant responsibility for management of the business and shall be verified by each partner. If one or more of the partners is a corporation, the provisions of this section pertaining to a corporate applicant shall apply to the corporate partner.

(3) Others. If the applicant is neither a corporation nor a partnership, the application shall set forth the true full name, aliases and business address of the applicant and shall be verified by the applicant. The applicant shall also include any other name by which the applicant has been known during the previous five (5) years.

C. The applicant also shall set forth the proposed place of business of the escort service by business address, including suite number, and not by post office box, and shall contain a description of the nature and scope of the proposed business operation. In addition, the following information shall be furnished concerning the applicant if an individual; concerning each officer, director and shareholder, having a significant responsibility for management of the business, if the business is a corporation; concerning each partner, including limited partners having a significant responsibility for management of the business, if the applicant is a partnership.

(1) Written proof that the individual is at least eighteen (18) years of age.

(2) The business, occupation or employment history for three (3) years immediately preceding the date of application, including, but not limited to, whether such person previously operated under any permit or license in another City in this or another state and whether any such permit or license had ever been suspended or revoked;

(3) All convictions in any state or federal court within the past five (5) years, including municipal ordinance violations, exclusive of traffic convictions and the jurisdiction in which the convictions occurred.

(4) The names of persons who will have custody of the business records at the business locations;

(5) The name and address of the person who will be the agent for service of process.

(6) A copy of the deed, lease or other document pursuant to which the applicant occupies the premises.

D. The City Clerk shall notify the Police Chief, the Fire Chief and the Building Commissioner or its designee of any escort service license application and these officials shall inspect or cause to be inspected each such application and the premises to determine whether the applicant and the premises sought to be licensed comply with the regulations, ordinances and laws applicable thereto. These officials shall furnish to the License Committee, in writing, the information derived from such investigation and a statement as to whether the applicant and the premises meet the requirements of the departments for whom the officer is certifying within ten (10) days of receipt of notice from the City Clerk. No license shall be renewed without a re-inspection of the premises.

E. Within thirty (30) days of receiving an application for a license, the Common Council shall grant or deny a license to the applicant upon a recommendation of the License Committee. The City Clerk shall notify the applicant whether the application is granted or denied.

F. Whenever an application is denied, the City Clerk shall advise the applicant, in writing, of the reasons for such action. If the applicant requests a hearing within ten (10) days of receipt of notification of denial, a public hearing shall be held within ten (10) days thereafter before the Common Council or its designee.

G. Failure or refusal of the applicant to give any information relevant to the application, failure or refusal to appear at any reasonable time and place for examination under oath regarding the application or refusal to submit to or cooperate with regard to any information required by this section shall constitute an admission by the applicant that he is ineligible for such license and shall be grounds for denial.”

SECTION 6: §170-5. of the Municipal Code of the City of Franklin is hereby created to read as follows:

“§170-5. Escort service license; issuance standards.

The Common Council shall issue an escort service license if, upon recommendation by the License Committee, it finds that:

- A. The required fee has been paid;
- B. The application conforms in all respects to this chapter;
- C. The applicant has not knowingly made a material misstatement in the application;
- D. The applicant has fully cooperated in the investigation of his application;
- E. The escort service, as proposed by the applicant, complies with all applicable laws, including, but not limited to, the City’s building and zoning codes;

F. The applicant has not had an escort service license or permit or other similar license or permit revoked or suspended in this state or any other state within three (3) years prior to the date of application;

G. The applicant, if a corporation, is licensed to do business and is in good standing in the state;

H. All individual applicants, all shareholders, directors and officers having significant responsibility for management of the business, if the application is a corporation, or all partners, including limited partners having significant responsibility for management of the business, if the applicant is a partnership, are at least eighteen (18) years of age; and

I. The applicant, if an individual, any shareholders, officers, agents and directors of a corporation having a significant responsibility for management, if the business of the applicant is a corporation, any of the partners, if the applicant is a partnership, has not within five (5) years prior to the date of application been convicted of a felony or of any ordinance or misdemeanor involving moral turpitude, prostitution or any crime of a sexual nature, subject to the provisions of § 111.335, Wis. Stats.”

SECTION 7: §170-6. of the Municipal Code of the City of Franklin is hereby created to read as follows:  
“§170-6. Display of escort service license.  
The escort service license shall be displayed in a conspicuous public place in the escort service’s place of business.”

SECTION 8: §170-7. of the Municipal Code of the City of Franklin is hereby created to read as follows:  
“§170-7. Escort license required for employees.  
A. No person may work or perform services as an escort in the City, either individually or while working for an escort service, unless the person has first obtained a valid escort license issued under this chapter.  
B. All persons working or performing services as an escort in the City at the time of the passage of this section shall submit an application for a license within sixty (60) days of the adoption of this section.  
C. This section shall not apply to persons who are on the premises used as an escort service exclusively for the repair or maintenance of the premises or equipment on the premises or for the delivery of goods to the premises.”

SECTION 9: §170-8. of the Municipal Code of the City of Franklin is hereby created to read as follows:  
“§170-8. Escort license application.

A. Any person desiring to obtain an escort license shall pay the required fee of two hundred fifty dollars (\$250) to defray the costs of administration and investigation of the application.

B. Any person desiring an escort license shall file a written application with the City Clerk on a form to be provided by the City Clerk's Office. The information provided to the City Clerk shall be provided under oath. Any applicant for an escort license shall furnish all information required by §170-4, above.

C. Applications for an escort license shall be referred to the Police Chief who shall cause an investigation to be made of the applicant and report the findings of the investigation to the License Committee of the Common Council within ten (10) days of receipt of notice from the City Clerk.

D. Within thirty (30) days of receiving an application for an escort license, the Common Council shall grant or deny a license to the applicant upon a recommendation of the License Committee. The City Clerk shall notify the applicant whether the application is granted or denied.

E. Whenever an application is denied, the City Clerk shall advise the applicant, in writing, of the reasons for such action. If the applicant requests a hearing within ten (10) days of receipt of notification of denial, a public hearing shall be held within ten (10) days thereafter before the Common Council or its designee.

F. Failure or refusal of the applicant to give any information relevant to the application, failure or refusal to appear at any reasonable time and place for examination under oath regarding the application or refusal to submit to or cooperate with regard to any information required by this section shall constitute an admission by the applicant that he is ineligible for such license and shall be grounds for denial."

SECTION 10: §170-9. of the Municipal Code of the City of Franklin is hereby created to read as follows:

"§170-9. Escort license; issuance standards.

The Common Council shall issue an escort license if, upon recommendation by the Licensing Committee, it finds that:

- A. The required fee has been paid;
- B. The application conforms in all respects to this chapter;
- C. The applicant has not knowingly made a material misstatement in the application;
- D. The applicant has fully cooperated in the investigation of his application;

E. The applicant has not had an escort license or permit or other similar license or permit revoked or suspended in this state or any other state within three (3) years prior to the date of application;

F. The applicant is at least eighteen (18) years of age; and

G. All applicants, if an individual, all shareholders, officers, agents and directors of a corporation having a significant responsibility for management, if the business of the applicant is a corporation or all partners including limited partners, if the applicant is a partnership, has not within five (5) years prior to the date of application been convicted of a felony or of any ordinance or misdemeanor involving moral turpitude, prostitution or of any crime of a sexual nature, subject to the provisions of § 111.335, Wis. Stats.”

SECTION 11: §170-10. of the Municipal Code of the City of Franklin is hereby created to read as follows:

“§170-10. Display of escort license.

A. The City Clerk shall issue an escort license on which there shall be the applicant’s true first name, surname and middle initial, if any; the picture of the applicant; and the license number and the expiration date of the license. The license shall be in such form as to avoid alteration.

B. The certificate shall be carried on the person of the escort and shall be exhibited to any person, including law enforcement personnel, requesting to see it at any time while the person is engaged in acting as an escort.”

SECTION 12: §170-11. of the Municipal Code of the City of Franklin is hereby created to read as follows:

“§170-11. Restrictions on corporate licenses.

Any corporation holding an escort service license under this chapter shall report to the City Clerk, in writing, within fifteen (15) days of the event described herein, any of the following:

A. Any change of officers of the corporation.

B. Any change in the membership of the board of directors of the corporation.”

SECTION 13: §170-12. of the Municipal Code of the City of Franklin is hereby created to read as follows:

“§170-12. Sale or transfer of interest in escort service.

Upon the sale or transfer of any interest in an escort service, the license shall be void. Any person desiring to continue to operate an escort service following sale or transfer shall apply for a license. No license may be transferred to any other person.”

SECTION 14: §170-13. of the Municipal Code of the City of Franklin is hereby created to read as follows:  
“§170-13. Responsibilities of licensees.  
A. Every act or omission by an employee constituting a violation of the provisions of this chapter shall be deemed the act or omission of the escort service operator if such act or omission occurs either with the authorization, knowledge or approval of the operator, or as a result of the operator’s negligent failure to supervise the employee’s conduct. The operator shall be punishable for such act or omission in the same manner as if the operator committed the act or caused the omission.  
B. Every act or omission by an escort, regardless of whether the escorts are employees, agents or independent contractors, shall be deemed the act or omission of the escort service operator if such act or omission occurs either with the authorization, knowledge or approval of the operator, or as a result of the operator’s negligent failure to supervise the escort’s conduct. The operator shall be punishable for such act or omission in the same manner as if the operator caused such act or omission.  
C. No escort service operator may allow or permit any person to work as an escort for such escort service unless the person so employed has a valid escort license issued by the City.  
D. No escort may work for any escort service operator unless the escort service operator has a valid escort service license issued by the City.  
E. No escort service may conduct any business without maintaining on its premises a daily register containing the name of each escort currently employed or otherwise working for the escort service on the date in question, a duplicate of the escort license certified required under §170-7, above, and the actual hours of employment of each escort for each day. The daily register shall be available during all business hours for inspection by law enforcement personnel.  
F. No person licensed as an escort or escort service may in any manner advertise its services as licensed by the City.  
G. No person shall escort or agree to escort a person under the age of eighteen (18) years.”

SECTION 15: §170-14. of the Municipal Code of the City of Franklin is hereby created to read as follows:  
“§170-14. License renewal.  
A. Every license issued pursuant to this section expires annually on December 31 and must be renewed by January 1. All applications for the renewal of escort license issued by the City shall be filed with the City Clerk’s Office on a form to be provided by the City Clerk no later than sixty (60) days prior to the expiration of the license. The renewal

application shall contain such information and data, given under oath or affirmation, as is required for an application for a new license. Applications to renew licenses shall be processed by the City in the same fashion as new applicants.

B. A license renewal fee of two hundred fifty dollars (\$250) shall be submitted with the renewal application. In addition to the renewal fee, a late penalty of one hundred dollars (\$100.00) shall be assessed against any applicant who files for renewal less than sixty (60) days before the license expires. If the application for renewal is denied, one-half of the total fees collected shall be returned.”

SECTION 16:

§170-15. of the Municipal Code of the City of Franklin is hereby created to read as follows:

“§170-15. Suspension or revocation of license.

A. Any escort service or escort license may be suspended for not more than ninety (90) days or revoked by the Common Council for any of the following reasons:

- (1) Any of the grounds that would warrant the denial of the original application for the license;
- (2) Discovery that false or misleading information or data was given on any application or material facts were omitted from any application;
- (3) The operator or any employee of the operator or any escort employed by the operator violates any provision of this section or any rules or regulations adopted by the Common Council pursuant to this chapter; provided, however, that in the case of a first offense by an operator where the conduct was solely that of an employee or escort, the penalty shall not exceed a suspension of thirty (30) days if the Common Council shall find that the operator had no actual or constructive knowledge of such violation and could not, by the exercise of due diligence, have had such actual or constructive knowledge;
- (4) The license becomes ineligible to obtain a license or permit; or
- (5) Any cost or fee required to be paid by this chapter is not paid.

B. An escort service or escort license may be suspended or revoked after notice and hearing before the Common Council to determine if grounds for such suspension or revocation exist. Notice of the hearing shall be in writing and may be served by certified mail addressed to the licensee at the current address of the licensee on file with the City Clerk’s Office. The notice shall be served at least ten (10) days prior to the date of hearing. The notice shall state the grounds of the complaint against the licensee and shall designate the time and place where the hearing will be held. At the hearing, the licensee shall be entitled to be represented by counsel, may call witnesses in his or her behalf and may cross-examine witnesses called to support the charges brought against

the licensee. If the Common Council finds the charges sufficient, the license may be suspended, revoked or not renewed. The licensee shall be provided a written transcript of the hearing at this or her expense. The Common Council shall provide the licensee with a copy of the written determination within five (5) days of completion of the hearing. Judicial review of the Common Council's determination shall be governed by § 68.13, Wis. Stats. If the licensee makes a timely appeal, no suspension, revocation or nonrenewal shall be effective until a final judicial determination is rendered.

C. Any operator whose license is revoked shall not be eligible to receive license for one year from the date of revocation. No location or premises for which a license has been issued shall be used as an escort service for six (6) months from the date of revocation of the license."

SECTION 18: §170-17. of the Municipal Code of the City of Franklin is hereby created to read as follows:

"§170-17. Penalties.

Any person who violates any provision of this chapter shall, upon conviction, be subject to a forfeiture of not less than five hundred dollars (\$500) and not more than two thousand dollars (\$2,000)."

SECTION 19: The terms and provisions of this ordinance are severable. Should any term or provision of this ordinance be found to be invalid by a court of competent jurisdiction, the remaining terms and provisions shall remain in full force and effect.

SECTION 20: All ordinances and parts of ordinances in contravention to this ordinance are hereby repealed.

SECTION 21: This ordinance shall take effect and be in force from and after its passage and publication.

Introduced at a regular meeting of the Common Council of the City of Franklin this \_\_\_\_\_ day of \_\_\_\_\_, 2014, by Alderman \_\_\_\_\_.

Passed and adopted at a regular meeting of the Common Council of the City of Franklin this \_\_\_\_\_ day of \_\_\_\_\_, 2014.

APPROVED:

\_\_\_\_\_  
Stephen R. Olson, Mayor

ORDINANCE NO. 2014-\_\_\_\_\_

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ATTEST:

\_\_\_\_\_  
Sandra L. Wesolowski, City Clerk

AYES \_\_\_\_\_ NOES \_\_\_\_\_ ABSENT \_\_\_\_\_

<b>APPROVAL</b>	<b>REQUEST FOR COUNCIL ACTION</b>	<b>MEETING DATE</b> November 18, 2014
<b>REPORTS AND RECOMMENDATIONS</b>	An Ordinance to Create §169-5. of the Municipal Code, “Certified Massage Therapists and Bodyworkers”, Pursuant to the Municipal Authority Provided Under Wis. Stat. § 66.0107(2) (Ald. Evans)	<b>ITEM NUMBER</b>  M. 22.

The Police Department has indicated that an ordinance requiring massage therapists and bodyworkers to carry and/or clearly display their certification would be a beneficial tool for deterring businesses that may claim to provide massage services but instead engage in illicit activities.

The subject matter was referred to staff at the November 3, 2014 Common Council meeting. Attached is a redraft of the proposed ordinance, which creates a separate ordinance for “Certified Massage Therapists and Bodyworkers.”

**COUNCIL ACTION REQUESTED**

A motion to adopt An Ordinance to Create §169-5. of the Municipal Code, “Certified Massage Therapists and Bodyworkers”, Pursuant to the Municipal Authority Provided Under Wis. Stat. § 66.0107(2).

ORDINANCE NO. 2014-\_\_\_\_\_

AN ORDINANCE TO CREATE §169-5. OF THE MUNICIPAL CODE, "CERTIFIED MASSAGE THERAPISTS AND BODYWORKERS", PURSUANT TO THE MUNICIPAL AUTHORITY PROVIDED UNDER WIS. STAT. § 66.0107(2)

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WHEREAS, the City of Franklin does not currently address or regulate the operation of massage therapists and bodyworkers; and

WHEREAS, the Police Department has indicated that an ordinance requiring massage therapists and bodyworkers to carry and/or clearly display their certification would be a beneficial tool for deterring businesses that may claim to provide massage services but instead engage in illicit activities; and

WHEREAS, municipalities have the power to prohibit criminal conduct pursuant to Wis. Stat. § 66.0107(2), which in relevant part provides "...nothing in this section may be construed to preclude cities, villages and towns from prohibiting conduct which is the same as or similar to that prohibited by chs. 941 to 948"; and

WHEREAS, the City also desires to allow certified massage therapists and bodyworkers to practice their profession; and

WHEREAS, the Common Council having found and determined that such ordinance as recommended is necessary to deter and minimize illicit operations and protect the public health, safety and welfare.

NOW, THEREFORE, the Mayor and Common Council of the City of Franklin, Wisconsin, do ordain as follows:

SECTION 1: §169-5. of the Municipal Code of the City of Franklin, Wisconsin, is hereby created to read as follows:

"§169-5. Certified Massage Therapists and Bodyworkers.

A. Display of certificate. Massage therapists and bodyworkers certified by the State of Wisconsin must display a certification in a conspicuous space within the massage business so that the same may be readily seen by persons entering the premises. Every massage therapist performing off-site massage therapy shall carry his or her certificate issued by the State of Wisconsin with him or her.

B. Inspection. As a condition of the certificate, the person holding the certificate must permit City employees, without notice, to inspect the premises at any time during business hours.

C. Penalties. Any person who violates any provision of this section shall, upon conviction, be subject to a forfeiture of not less than one hundred dollars (\$100) and not more than one thousand dollars (\$1,000).”

SECTION 2: The terms and provisions of this ordinance are severable. Should any term or provision of this ordinance be found to be invalid by a court of competent jurisdiction, the remaining terms and provisions shall remain in full force and effect.

SECTION 3: All ordinances and parts of ordinances in contravention to this ordinance are hereby repealed.

SECTION 4: This ordinance shall take effect and be in force from and after its passage and publication.

Introduced at a regular meeting of the Common Council of the City of Franklin this \_\_\_\_\_ day of \_\_\_\_\_, 2014, by Alderman \_\_\_\_\_.

Passed and adopted at a regular meeting of the Common Council of the City of Franklin this \_\_\_\_\_ day of \_\_\_\_\_, 2014.

APPROVED:

\_\_\_\_\_  
Stephen R. Olson, Mayor

ATTEST:

\_\_\_\_\_  
Sandra L. Wesolowski, City Clerk

AYES \_\_\_\_\_ NOES \_\_\_\_\_ ABSENT \_\_\_\_\_

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<b>APPROVAL</b>	<b>REQUEST FOR COUNCIL ACTION</b>	<b>MEETING DATE</b> November 18, 2014
<b>REPORTS AND RECOMMENDATIONS</b>	Recommendation to Amend Municipal Ordinance to Add a Fine (\$50.00) for Noncompliance of a Written Order by the Registered Sanitarian	<b>ITEM NUMBER</b> H.12.

The Board of Health recommended an amendment of §138.27. of the Municipal Code to add a fine of \$50.00 for noncompliance of a written order by the registered sanitarian. This recommendation was introduced by the Health Department as Item Number G.2. at the Common Council meeting held on November 3, 2014. Specifically, Item Number G.2. recommended amending §138-27B(3)(a). to read as follows: “The issuance of a citation or fine.” [*note: proposed changes appear in underlined text*]

The Legal Services Department has reviewed Item Number G.2. and has found that the recommended addition of a “fine” is redundant since §138.27B(3)(a) provides for “[t]he issuance of a citation.” The Legal Services Department has discussed the matter with the Health Department and have both come to a mutual understanding on this matter. As a result, the Health Department has agreed to withdraw Item Number G.2. “Recommendation to Amend Municipal Ordinance to Add a Fine (\$50.00) for Noncompliance of a Written Order by the Registered Sanitarian.”

**COUNCIL ACTION REQUESTED**

No action necessary.

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APPROVAL	REQUEST FOR COUNCIL ACTION	MTG. DATE
Reports & Recommendations	<b>SUBJECT:</b> Ordinance to amend Section 245.5(D)(4) of the Municipal Code to establish no parking from 5:00 am to 3:00 pm except weekends and holidays on both sides of S. 31st Street from the intersection of W. Drexel Avenue to W. Minnesota Avenue.	11/18/14  ITEM NO.  15.13.

**BACKGROUND**

In February 2014, Council adopted Ordinance No. 2014-2133 to establish no parking on the east side of S. 31st Street (7500 block south) from 50 feet north to 200 feet south of drive to Northwestern Mutual to include “except on weekends and holidays.”

The Board of Public Works at their November 11, 2014 meeting considered a complaint regarding the extent of on-street parking on S. 31st Street in the vicinity of the Northwestern Mutual driveway. Engineering staff discussed issues and solutions with Northwestern Mutual representatives, Franklin Police Department, the complainant, and an adjacent home owner. The Board of Public Works, based on staff recommendation, voted to change the parking signage to read “No Parking 5 a.m. to 3 p.m. Except Weekends and Holidays,” limits being from W. Drexel Avenue to W. Minnesota Avenue.

**ANALYSIS**

There are currently 130 +/- cars that park on S. 31st Street during the work day. Northwestern Mutual recognizes why this is not desirable and has no objections to restricting on-street parking. Fire hydrants, residential drives, and mail boxes are all on the west side. Residents desire use of on-street parking for their guests in the evenings, holidays, and weekends. City Public Works needs access to plow snow prior to 7:00 am.

Parking signage to read “No Parking 5am-3pm Except Weekends and Holidays” from W. Drexel Ave to W. Minnesota Ave would meet the needs of the residents, Northwestern Mutual, the Franklin Police Department, and the Franklin Public Works Department. The existing parking restrictions as adopted in Ordinance 2014-2133 would be modified to match the new signage.

**OPTIONS**

Approve or deny recommendation.

**FISCAL NOTE**

The cost of the installing approximately 20 signs to establish this change would be taken from DPW operational budget.

**RECOMMENDATION**

Motion to adopt Ordinance No. 2014 - \_\_\_\_\_, ordinance to amend Section 245.5(D)(4) of the Municipal Code to establish no parking from 5:00 am to 3:00 pm except weekends and holidays on both sides of S. 31st Street from the intersection of W. Drexel Avenue to the south to W. Minnesota Avenue to the north.

STATE OF WISCONSIN : CITY OF FRANKLIN : MILWAUKEE COUNTY

ORDINANCE NO. 2014-\_\_\_\_\_

ORDINANCE TO AMEND SECTION 245.5(D)(4) OF THE MUNICIPAL CODE  
TO ESTABLISH NO PARKING ON BOTH SIDES OF S. 31<sup>ST</sup> STREET  
FROM W. DREXEL AVENUE TO W. MINNESOTA AVENUE  
TO "NO PARKING 5 AM to 3 PM EXCEPT WEEKENDS AND HOLIDAYS"

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WHEREAS, the Board of Public Works at their November 11, 2014 meeting, having considered parties affected, has recommended to change the parking signage on S. 31st Street read "No Parking 5 am to 3 pm Except Weekends and Holidays" on S. 31st Street from W. Drexel Ave. to W. Minnesota Ave.

NOW, THEREFORE, the Mayor and Common Council of the City of Franklin do ordain as follows:

SECTION I. Section 245.5(D)(4) of the Municipal Code of the City of Franklin is hereby amended as follows:

DELETE: S. 31<sup>st</sup> Street (7500 block South), East, From 50 feet north to 200 feet south of drive to Northwestern Mutual, except on weekends and holidays"

ADD: "S. 31<sup>st</sup> Street, Both, From the north right-of-way line of W. Drexel Avenue to the southern right-of-way line of W. Minnesota Avenue from 5:00 am to 3:00 pm except weekends and holidays."

INTRODUCED at a regular meeting of the Common Council of the City of Franklin this \_\_\_\_\_ day of \_\_\_\_\_, 2014, by Alderman \_\_\_\_\_.

PASSED AND ADOPTED by the Common Council of the City of Franklin on the \_\_\_\_\_ day of \_\_\_\_\_, 2014.

APPROVED:

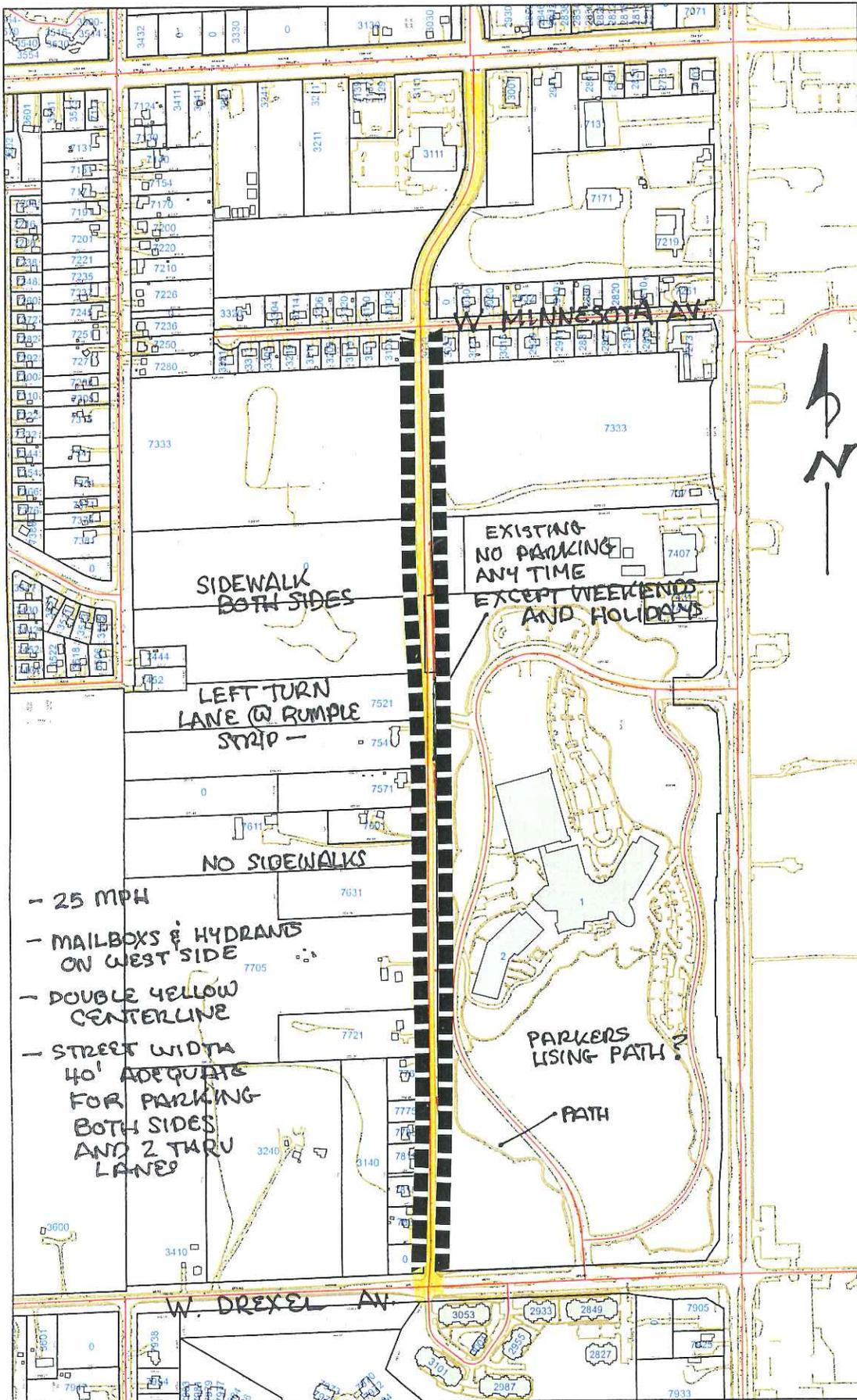
\_\_\_\_\_  
Stephen R. Olson, Mayor

ATTEST:

\_\_\_\_\_  
Sandra L. Wesolowski, City Clerk

AYES \_\_\_\_\_ NOES \_\_\_\_\_ ABSENT \_\_\_\_\_

# ON STREET PARKING S. 31st STREET DREXEL AVENUE TO RAWSON AVENUE



■■■ NO PARKING 5:00 AM TO 3:00PM, EXCEPT WEEKENDS AND HOLIDAYS

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APPROVAL	REQUEST FOR COUNCIL ACTION	MTG. DATE
Reports & Recommendations	<b>SUBJECT:</b> Resolution granting Wisconsin Electric Power Company a Distribution Easement for relocation of services at 5550 W. Airways Avenue	11/18/14  ITEM NO. 15.14.

**BACKGROUND**

The construction of the Water and Wastewater Building at 5550 W. Airways Avenue will require the relocation of existing electric and gas facilities. The fee for this relocation was previously approved. It is now necessary to grant We Energies a distribution easement for electric and gas service.

**ANALYSIS**

By granting this easement and relocating electric and gas service, the existing 8 foot Primco utility easement will be vacated by the City.

**OPTIONS**

Approve or request additional information.

**FISCAL NOTE**

There is no fiscal impact related to this grant of easement.

**RECOMMENDATION**

Motion to grant to Wisconsin Electric Power Company a Distribution Easement for relocation of services at 5550 W. Airways Avenue.

This authorization is subject to review and approval of the City Attorney.

RJR/sg

STATE OF WISCONSIN : CITY OF FRANKLIN : MILWAUKEE COUNTY

RESOLUTION NO. 2014- \_\_\_\_\_

A RESOLUTION GRANTING WISCONSIN ELECTRIC POWER COMPANY A  
DISTRIBUTION EASEMENT FOR THE RELOCATION OF SERVICES  
AT 5550 W. AIRWAYS AVENUE

WHEREAS, it was necessary to relocate electric and gas services to construct the Water and Wastewater Building located at 5550 W. Airways Avenue; and

WHEREAS, it is necessary to place these relocated services in a distribution easement; and

WHEREAS, We Energies has submitted a distribution easement electric and gas document for the purposes of installation, maintenance, repair and replacement of these facilities; and

WHEREAS, City staff approves of this document.

NOW, THEREFORE BE IT RESOLVED by the Mayor and Common Council of the City of Franklin that the Mayor and City Clerk are hereby authorized and directed to execute the easement accepting it on behalf of the City. This easement document being subject to review and approved by the City Attorney.

BE IT FURTHER RESOLVED that the City Clerk is directed to record a said easement with the Register of Deeds for Milwaukee County.

Introduced at a regular meeting of the Common Council of the City of Franklin on the \_\_\_\_\_ day of \_\_\_\_\_, 2014 by Alderman \_\_\_\_\_.

Passed and adopted by the Common Council of the City of Franklin on the \_\_\_\_\_ day of \_\_\_\_\_, 2014.

APPROVED:

\_\_\_\_\_  
Stephen R. Olson, Mayor

ATTEST:

\_\_\_\_\_  
Sandra L. Wesolowski, City Clerk

AYES \_\_\_\_\_  
NOES \_\_\_\_\_  
ABSENT \_\_\_\_\_

RJR/sg

**DISTRIBUTION EASEMENT  
ELECTRIC AND GAS**

Document Number

WR NO.        **3599212 & 3599221**

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, **CITY OF FRANKLIN, a municipal corporation**, hereinafter referred to as "Grantor", owner of land, hereby grants and warrants to **WISCONSIN ELECTRIC POWER COMPANY, a Wisconsin corporation doing business as We Energies**, hereinafter referred to as "Grantee", a permanent easement upon, within, beneath, over and across a part of Grantor's land hereinafter referred to as "easement area".

The easement area is described as strips of land of various widths being a part of **Parcel 1 of Certified Survey Map No. 5511 and Parcel 2 of Certified Survey Map No. 6167**, all in the **Northwest 1/4 of Section 26, Township 5 North, Range 21 East**, City of Franklin, Milwaukee County, Wisconsin.

The location of the easement area with respect to Grantor's land is as shown on the attached drawing, marked Exhibit "A", and made a part of this document.

RETURN TO:  
We Energies  
PROPERTY RIGHTS & INFORMATION GROUP  
231 W. MICHIGAN STREET, ROOM A252  
PO BOX 2046  
MILWAUKEE, WI 53201-2046

899-9990-068  
(Parcel Identification Number)

1. **Purpose:** The purpose of this easement is to install, operate, maintain repair, replace and extend underground utility facilities, conduit and cables, electric pad-mounted transformers, manhole, electric pad-mounted vacuum fault interrupter, concrete slabs, power pedestals, riser equipment, terminals and markers, together with all necessary and appurtenant equipment under and above ground, as well as pipeline or pipelines with valves, tieovers, main laterals and service laterals, together with all necessary and appurtenant equipment under and above ground, including cathodic protection apparatus used for corrosion control, as deemed necessary by Grantee, for the transmission and distribution of electric energy, signals, television and telecommunications services; natural gas and all by-products thereof, or any liquids, gases, or substances which can or may be transported or distributed through a pipeline, including the customary growth and replacement thereof. Trees, bushes, branches and roots may be trimmed or removed so as not to interfere with Grantee's use of the easement area.
2. **Access:** Grantee or its agents shall have the right to enter and use Grantor's land with full right of ingress and egress over and across the easement area and adjacent lands of Grantor for the purpose of exercising its rights in the easement area.
3. **Buildings or Other Structures:** Grantor agrees that no structures will be erected in the easement area or in such close proximity to Grantee's facilities as to create a violation of all applicable State of Wisconsin electric and gas codes or any amendments thereto.
4. **Elevation:** Grantor agrees that the elevation of the ground surface existing as of the date of the initial installation of Grantee's facilities within the easement area will not be altered by more than 4 inches without the written consent of Grantee.
5. **Restoration:** Grantee agrees to restore or cause to have restored Grantor's land, as nearly as is reasonably possible, to the condition existing prior to such entry by Grantee or its agents. This restoration, however, does not apply to the initial installation of said facilities or any trees, bushes, branches or roots which may interfere with Grantee's use of the easement area.
6. **Exercise of Rights:** It is agreed that the complete exercise of the rights herein conveyed may be gradual and not fully exercised until some time in the future, and that none of the rights herein granted shall be lost by non-use.
7. **Binding on Future Parties:** This grant of easement shall be binding upon and inure to the benefit of the heirs, successors and assigns of all parties hereto.

**Grantor:**

**CITY OF FRANKLIN, a municipal corporation**

By \_\_\_\_\_

(Print name and title): \_\_\_\_\_

By \_\_\_\_\_

(Print name and title): \_\_\_\_\_

Personally came before me in \_\_\_\_\_ County, Wisconsin on \_\_\_\_\_, \_\_\_\_\_,  
the above named \_\_\_\_\_, the \_\_\_\_\_  
and \_\_\_\_\_, the \_\_\_\_\_  
of the CITY OF FRANKLIN, a municipal corporation, for the municipal corporation, by its authority, and pursuant to  
Resolution File

No. \_\_\_\_\_ adopted by its \_\_\_\_\_ on \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
Notary Public Signature, State of Wisconsin

\_\_\_\_\_  
Notary Public Name (Typed or Printed)

(NOTARY STAMP/SEAL)

My commission expires \_\_\_\_\_

This instrument was drafted by Tonya Peters on behalf of Wisconsin Electric Power Company, PO Box 2046, Milwaukee, Wisconsin 53201-2046.

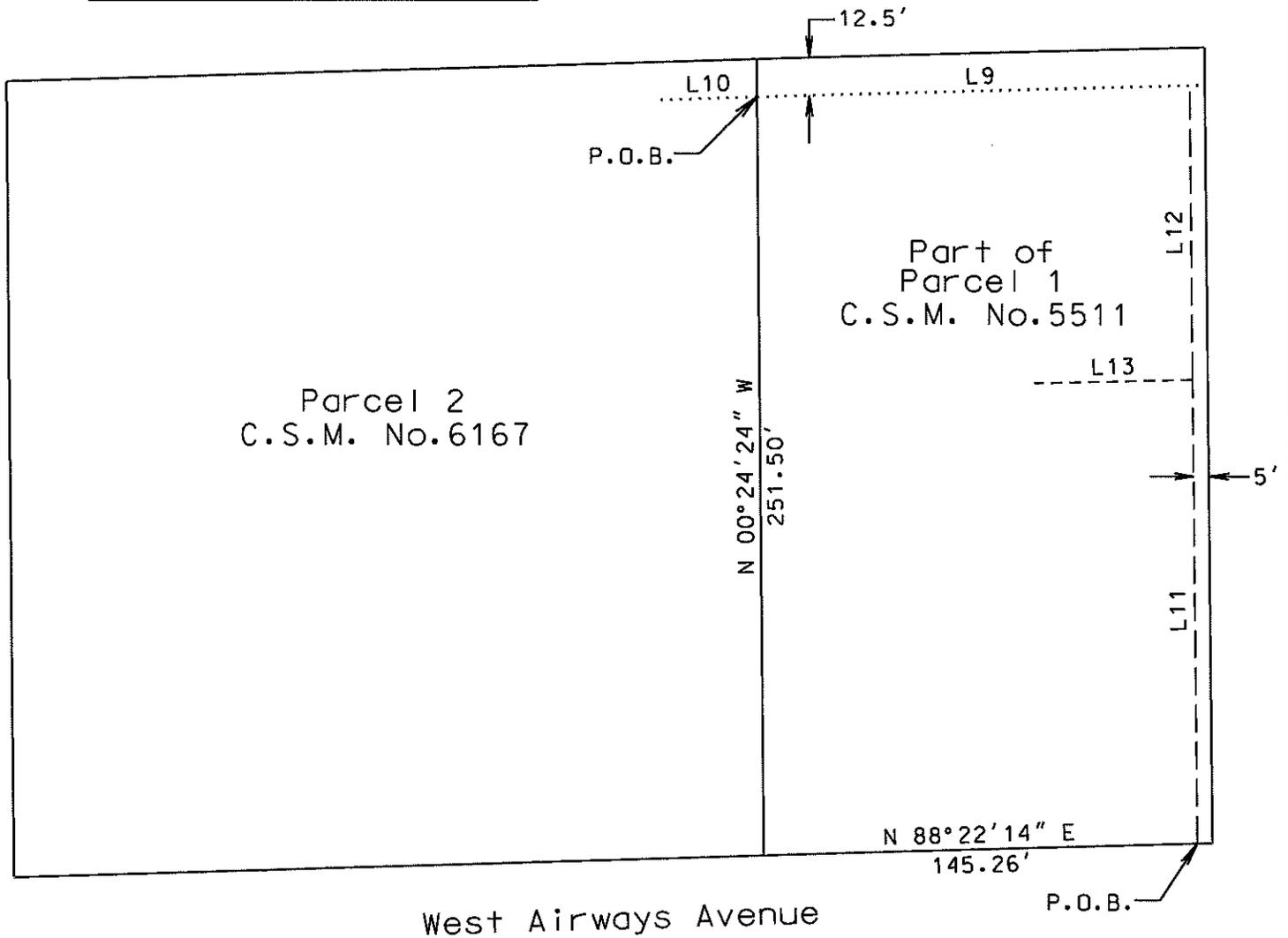


C/L 25' wide We-Energies Esmt.		
NUMBER	BEARING	DISTANCE
L9	N 88°22'14" E	149.79'
L10	S 88°22'14" W	32.00'

C/L 12' wide We-Energies Esmt.		
NUMBER	BEARING	DISTANCE
L13	S 88°35'07" W	53.00'

C/L 10' wide We-Energies Esmt.		
NUMBER	BEARING	DISTANCE
L11	N 00°30'30" W	153.95'
L12	N 00°30'30" W	97.54'

----- = C/L 12' wide We-Energies Easement  
 - - - - - = C/L 10' wide We-Energies Easement  
 ..... = C/L 25' wide We-Energies Easement



## EXHIBIT "A"



N.W. 1/4 Sec. 26-5-21  
 City of Franklin  
 Milwaukee County, WI

DRAWN BY: T. Turner
DATE: 11/7/14
WR NUMBER: 3599212 & 3599221
REVISIONS: 3601870

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<p><b>APPROVAL</b></p> 	<p><b>REQUEST FOR COUNCIL ACTION</b></p>	<p><b>MEETING DATE</b></p> <p><b>11/18/2014</b></p>
<p><b>REPORTS &amp; RECOMMENDATIONS</b></p>	<p><b>Continuation of Temporary Assignment Pay for the Assistant City Engineer during the Transition Period of the City Engineer</b></p>	<p><b>ITEM NUMBER</b></p> <p>15.</p>

At the meeting of 6/3/2014, the Common Council approved the following motion:

“Alderman Schmidt moved to approve temporary or interim assignment pay of \$400 per pay period to the Assistant City Engineer while he is assigned the interim duties and responsibilities of the position of City Engineer/Director of Public Works during the period of the vacancy in said position. Seconded by Alderman D. Mayer. All voted Aye; motion carried.”

Glen Morrow was hired as City Engineer effective October 31, 2014. As such, the temporary assignment pay was discontinued; however, in retrospect, it appears that a short-term phasing out of the pay adjustment is reasonably warranted. In the short term and for efficiency purposes, Ron Romeis will continue to need to be point on some issues that come before the Common Council and the various boards that the City Engineer serves, as well as internal departmental matters. For a number of issues that are “in the works”, it will be more efficient for Ron to simply complete the matter instead of transitioning it to Glen. This will enable Glen to address the learning curve that comes with any new job and to begin to pick up the point position on new issues coming forward. This transitional need was evidenced at the Common Council meetings the week following Glen’s appointment where Ron was called on to address each of the Engineering related items. For efficiency, this need will probably continue for some time.

The Mayor recommends that some continued financial consideration for this added role is not inconsistent with the Temporary or Interim Assignment Pay Policy that was adopted by the Common Council. The policy requires that the Common Council approve temporary assignment pay in instances of “application to a department head or ‘Officer’ (as defined in municipal ordinances) or to the duties of a department head...”. That would apply in this instance.

Although it is hard to pinpoint a specific time frame or degree of work Ron will continue to perform at the higher level, the Director of Administration suggests that a reasonable and appropriate continuation of the temporary pay for the Assistant City Engineer to act in this enhanced role during a transition period would be half the initial approved rate for approximately 2 months. As such, the rate would be \$200 per pay period, with the authorization, for administrative ease, continuing through December 26th, 2014. The recommendation anticipates that the continuation picks up on the original October 31st date.

Sufficient appropriations exist within the personnel services portion of the Engineering budget.

### **COUNCIL ACTION REQUESTED**

Motion to approve temporary assignment pay of \$200 per pay period to the Assistant City Engineer while he is performing interim transitional duties and responsibilities within Engineering and Public Works for the period October 31, 2014 through December 26, 2014.

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<p><b>APPROVAL</b></p> <p><i>mwd JH</i></p>	<p><b>REQUEST FOR COUNCIL ACTION</b></p>	<p><b>MEETING DATE</b></p> <p><b>11/18/2014</b></p>
<p><b>REPORTS &amp; RECOMMENDATIONS</b></p>	<p><b>Selection of the Third Party Administrator; Pharmacy Benefit Manager; Health Plan Network and related plan design; Stop Loss, Life and Accidental Death and Dismemberment, and Long-Term Disability Insurance Carriers and Retention of the Insurance Consultant, Following a Presentation on Rates</b></p>	<p><b>ITEM NUMBER</b></p> <p><i>M. 16.</i></p>

The City of Franklin has a self-insured medical, prescription, and dental insurance plan. Claims are processed by our Third Party Administrator (TPA), and we have a current pharmacy benefit management coordinator. To guarantee against catastrophic losses we carry a stop loss policy for claims by individual and, as of last year, for a guaranteed maximum amount of claims. Diversified serves as our consultant/broker for negotiating these agreements as part of the stop-loss renewal process. The administrators receive administrative and service fees through the policies, which fees represent part of the total cost of claims, except for Diversified whose service is no longer based on claims volume.

Last year all of the health services were bid out and Humana became our network provider, stop loss insurance provider, TPA, and pharmacy provider. It has been a very good claims year. We signed on with Humana last year anticipating at least a couple years with them if all was going smoothly. Although administrative fees were fixed for three years, expected and maximum claims and stop loss rates were subject to renewal negotiations. Most of the preliminary work has been completed and that review is being considered by the Personnel Committee at their meeting of November 17, 2014. Their recommendation will be reported to the Aldermen at the Common Council meeting on November 18th.

Following is a brief summary that addresses what I anticipate will be my recommendation and the conclusion of the Personnel Committee. The significant savings we anticipated with Humana did come to fruition in 2014. This establishes a lower base that positions us well for 2015. As noted above, the network itself was not rebid, which does give Humana a competitive edge but also enables them to be more competitive as they are involved at multiple levels. Most alternative stop loss providers declined to provide a bid as they determined they could not be competitive. One, QBE, provided a competitive stop loss bid approximately \$80,000 lower. QBE's total expected cost, however, was \$162,339 higher. QBE also increased the basis for maximum claims from 120% to 125%, so their guaranteed maximum cost was \$338,557 higher. The potential savings on stop loss do not appear to be worth accepting a significantly higher risk for claims cost. This is particularly true given the lower numbers from an historical perspective are harder to repeat. Naturally QBE's cost to ensure their maximum claims amount was lower (\$12,087) because they had dramatically increased the allowable claims number and, thereby, dramatically reduced their risk. This slight savings is already in the total estimated maximum cost discussed and doesn't change the anticipated conclusion.

Additional information will be provided (or confirmed) following continued review and consideration by the Personnel Committee. It is anticipated that Humana, or a corporate division, will be recommended to continue to provide the health plan network, stop loss insurance (including a guaranteed claims maximum), third party administrator services, and pharmacy manager services.

Life/AD&D Insurance: Through this year we have been under a rate guarantee with our current provider, MetLife Insurance Company. MetLife and one competitor have both quoted an approximate 10% increase. Our broker continues to work on other options and additional information may be available Tuesday evening.

Voluntary Long-term Disability: The long-term disability insurance program is a voluntary program that is entirely employee funded for those electing to participate. Unfortunately, the quotes received are experiencing dramatic increases of 30% to 40%. Diversified is continuing to work on these rates or get lower quotes. Hartford, for example, a past provider to the City, has a quote pending. It is possible that the issue will not be resolved for Tuesday evening, but for open enrollment purposes we probably cannot wait until the first December meeting. As such, it is possible that I will recommend that I be granted the authority to select the bid that is most advantageous to the employees selecting this voluntary benefit. That would provide Diversified some additional time during the week to work for better quotes.

Broker Services: I recommend that Diversified remain our consultant/broker as we move into 2015. They have proposed retaining their current rates which had already been stable since 2011. They have been very knowledgeable and helpful throughout the process of rewriting our health plan and during the annual renewals. There is a separate item on the agenda relative to these services, but until the services are otherwise bid out, I recommend staying with Diversified due to their competitive rates and strong performance as evidenced by our good rates.

Tom Jocz with Diversified Insurance Services will be in attendance at the November 17th Personnel Committee meeting to present the recommended proposed rates/providers and answer any questions.

### **COUNCIL ACTION REQUESTED**

A suggested motion will be provided following consideration and recommendation by the Personnel Committee. It will be provided to you at the Common Council meeting.

<b>APPROVAL</b> 	<b>REQUEST FOR COUNCIL ACTION</b>	<b>MEETING DATE</b>  <b>11/18/2014</b>
<b>REPORTS &amp; RECOMMENDATIONS</b>	<b>Report on status of bidding out insurance broker services</b>	<b>ITEM NUMBER</b> 

On 12/3/13 the Common Council approved the following motion:

“to approve that the City adopt a practice of bidding out insurance broker services every 3 years starting at a point as determined by the Common Council (and that the Director of Administration is hereby directed to initially implement the practice in 2014, unless otherwise postponed by the Common Council following its consideration of a report on workload, projects, and outstanding Common Council directives).”

The attached memo provides the background information as to why broker services were not bid out in 2014. It additionally addresses issues of potential savings, comparable communities, and health insurance premium and claims trends.

The memo concludes that circumstances warranted not bidding out the service this year and that the City is not negatively impacted by this action.

### **COUNCIL ACTION REQUESTED**

Move that implementing the practice of bidding out the insurance broker services every 3 years shall be postponed until 2015 and that a status report shall be provided to the Common Council at or prior to the first meeting of July, 2015.

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## MEMORANDUM

Date: November 12, 2014  
To: Mayor and Aldermen  
From: Mark W. Luberda   
Director of Administration  
RE: Update on Bidding Out Broker Services

On 12/3/13 the Common Council approved the following motion:

“to approve that the City adopt a practice of bidding out insurance broker services every 3 years starting at a point as determined by the Common Council (and that the Director of Administration is hereby directed to initially implement the practice in 2014, unless otherwise postponed by the Common Council following its consideration of a report on workload, projects, and outstanding Common Council directives).”

The time has come for insurance renewals again; the broker services, however, were not bid out. Workload and priorities forced that result. Obviously, staff's number one priority is accomplishing the directives of the Common Council. In doing so, we are also forced to focus on priorities and potential impacts. Bidding of the broker services did not occur largely due to other Common Council directives and other, unanticipated bid processes that did get accomplished for the year. I recognize that the motion approved last year contemplated that the report would be provided in advance of the current timeline so that the Council could confirm the priorities as addressed. As such, I apologize that this report is only being presented at this time. Nonetheless, I believe it is clear that an evaluation of the overall circumstances, as discussed below, would have led the Common Council to the same conclusion.

For 2014, it was initially contemplated that the classification and compensation study would be bid out in the early part of the year. The minor league baseball stadium project, which I estimate took nearly 200 hours of my time, pushed that far back. As such, the point at which bidding out of broker services would have occurred, I instead bid out the classification and compensation study, as well as completed an RFP for a consultant to fill Jack's vacancy and completed that hiring process. Those projects, particularly the classification and compensation RFP and review, involved over another 120 hours of work. All of this occurred while significant work was being done on the new economic development initiatives. There simply was not time to add another RFP process into this year.

The process to bid out such a service is involved because of the need to develop a clear scope of services. Communities use brokers in different ways, and obviously, what a community pays is based upon the services they demand. Franklin's broker is historically very engaged in traditional broker services as well as assistance down to the employee level. They attend employee meetings, prepare some draft documents for distribution, and have a team (called Team Red) of staff who assist employees directly with problematic claims. For example, Team Red has recorded 1,104 contact tickets with City staff. Many of those are with Dana and I on general administration, plan renewal discussions, plan design issues, etc., but many are questions from employees on benefits, claim resolution, help with providers, etc. 90 contacts on bill coding issues alone were addressed in the first 6 months of this year.

In short, Diversified provides a higher level of service than simply bidding out and negotiating insurances, so a defined scope of services would need to be worked out and thorough background and performance check would need to be done. Any such bid process is a substantial project if done correctly.

The scope addresses the issue of “you get what you pay for.” To that end, the City converted Diversified from a percentage fee to a lower, flat monthly fee for their services a number of years ago as stop loss costs were rising. Our fee has been fixed at that level, \$4,408.33 per month or \$52,899.96 per year, since 2011. Compared to 2010 claims levels, which was the point at which the determination was made, their payment was less than 1.7% of claims, which is a very favorable rate. Very similar results occurred for 2012 and 2013, while 2011 and, likely, 2014 will be closer to 2%, which is not a bad thing because that means claims are down.

I did meet with one other insurance broker recently who noted that standard commission is approximately 3% or more. They offered to negotiate a lower fee as we are self insured, but indicated 3% was, otherwise, standard. I contacted some peer communities to put this into perspective. Oak Creek is paying \$25,000 for broker services, but has a separate contract for a “patient advocate vendor.” At less than .5%, I would need to investigate the scope of services, because their claims, at 5.6 million, are about twice our expected level for this year. Brookfield is paying \$112,000, or about 2.9%. Shorewood is also at 3%. Germantown is paying a fee equal to 10% of their stop loss premium. Compared to Brookfield’s 12% of stop loss, Germantown’s fee is probably around 2.75%, but they are also paying an additional flat fee of \$2.63 per employee per month; so the total fee is likely in the 3% range. Wauwatosa does not generally use their broker for the employee contacts to the extent we do, and as such has a fee of only \$32,000, a rate similar to Oak Creek’s. Their total claims are \$1million more than Oak Creek’s. Wauwatosa and a number of the communities indicated that they have been with their brokers for a long time because those stable relationships have been beneficial.

Given the broader service we get, the 2% or less we have paid is clearly not unreasonable. If we bid it out and saved as much as 15%, bringing the rate back under 1.7% of expected 2014 claims, the savings would be under \$8,000. (I would be surprised if the savings were that great given that we are already at or under 2%.) Given the important work that occurred this year, as discussed above, I would not have recommended forgoing any of those other projects to bid out broker services for this potential savings. This is particularly true since we are in a year where we did not expect to change health networks given last year’s re-bidding and our move to Humana with a three-year fixed contract on administrative fees.

It is worth noting that some communities I contacted didn’t know their fees and were only concerned about the final monthly premiums. This point was emphasized a few times, “Why do I care what they make if I’m getting the best rate?” The following communities, not self insured, fell into that example, or also provided premiums.

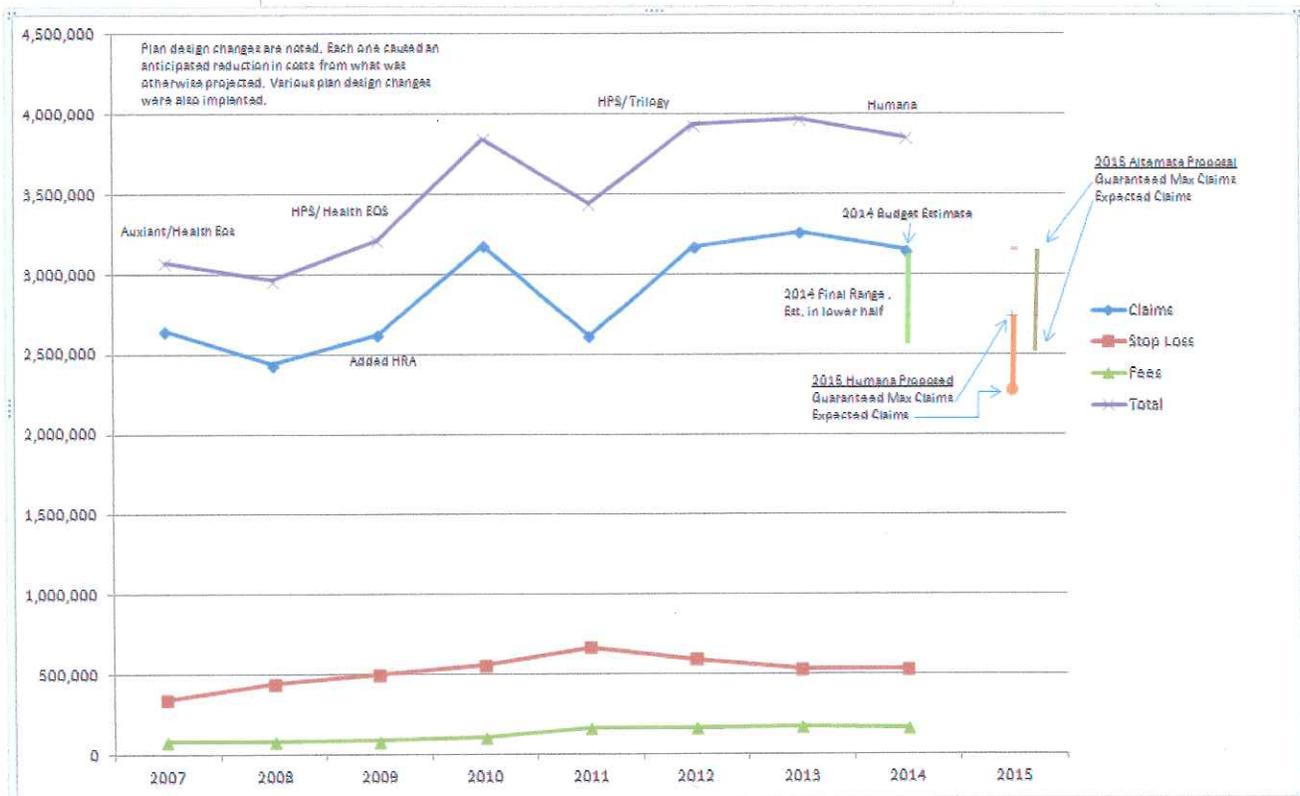
	Single	Family
Muskego	\$794.13	\$2,371.42
Greenfield	\$612.35	\$1,769.
South Milwaukee	\$692.80	\$1,724.50 (State Plan, Mequon is also in the state plan)
Franklin	\$676.80	\$1,636.80

These communities’ point of view suggests performance is really the measure, and compared to these communities, our broker has served us well. In fact, our broker has been instrumental in negotiating favorable rates when we renewed, in identifying new networks when appropriate, and in managing our benefit levels to maintain costs. Our premium history shows this.

	Medical	
	Single	Family
2005	520.00	1,200.00
2006	600.00	1,380.00
2007	696.00	1,584.00
2008	732.00	1,716.00
2009	754.00	1,768.00
2010	732.00	1,716.00
2011	750.00	1,812.50
2012	750.00	1,812.50
2013	705.00	1,705.00
2014	676.80	1,636.80

So, from a perspective of performance, I have worked, with our broker, to manage medical costs such that our premiums have been declining. Our premiums have dropped to below 2006 levels. The attached table that tracks claims activities shows that as claims have risen we have taken steps to impact costs. Granted, costs are always variable and dependent upon the medical conditions of your covered individuals; nonetheless, insurance company track these items overtime and our trend is better than average. From 2007 through 2013 the average rate of increase is only 3.5%, and claims have gone down for 2014 more than expected. 2015 claims are expected to go down as well. Initially Humana proposed an 8.01% increase in our total expected cost. Diversified negotiated this down to 3.65%. Although most stop loss carriers elected not to participate anticipating they could not be competitive, QBE submitted a proposal with a total expected cost approximately \$162,000 higher and guaranteed total maximum cost almost \$340,000 higher. That provides another perspective of what our claims history and current covered lives would require in costs and what impact Diversified has had on the process and our potential costs. Compared to the savings in claims expenditures, \$8,000 in broker costs is nominal.

### HEALTH INSURANCE CLAIMS AND COSTS



As one side note, the actuary we use to analyze our pension trust has been reducing those costs the last couple of years because of our claims history. He noted to the Finance Director that no other client of his is experiencing the health insurance cost constraints that we are. Whereas the industry has seen a 26% premium growth from 2009 to 2014, our premiums have gone down and our costs have returned to those levels through plan management and brokered contracts.

**Conclusion:** I recognize the importance of periodically bidding out professional services. That is important when costs have changed a lot over time or appear not to be competitive. It is particularly important if the provider's performance is in question, or the provider is not performing as well as the market place. None of those examples apply to this instance. Diversified has performed well and their costs are more than competitive. Their size gives us multiple people to contact when needed and has proven to be beneficial in their negotiations on our behalf. Given the priorities for the year and the limited potential savings involved, other tasks took precedence and opportunity to bid out the service never arose during the year.

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<p><b>APPROVAL</b></p> <p><i>mmw 2/11</i></p>	<p><b>REQUEST FOR COUNCIL ACTION</b></p>	<p><b>MEETING DATE</b></p> <p><b>11/18/2014</b></p>
<p><b>REPORTS &amp; RECOMMENDATIONS</b></p>	<p><b>A Resolution to Address the 2014 and 2015 Non-Represented Employee General Wage Adjustments, Including a 1% Increase Retroactive to July 2014, as Funded in the Adopted Budget, and Holding in Abeyance any 2015 General Wage Adjustments, and to further Address the Employee Cost Share of Monthly Health Insurance Premiums</b></p>	<p><b>ITEM NUMBER</b></p> <p><i>15.18.</i></p>

This resolution addresses three purposes. First, it addresses a budgeted 2014 general wage increase that was not yet addressed or authorized by the Common Council. Second, it addresses implementation of the 2015 general wage adjustment as anticipated within the 2015 budget as proposed and as impacted by the pending classification and compensation study. Third, it addresses the employee cost share of monthly health insurance premiums for 2015.

First - 2014 General Wage Increases: At their meeting of 11/19/13, the Common Council adopted a resolution addressing the 2014 Non-Represented Wage Increase, which specified that the budgeted January wage increase "is being held in abeyance pending the results of a classification and compensation study...". As further anticipated by the resolution, when the classification and compensation study was delayed, the Common Council, on June 3, 2014, authorized "a 1% general wage adjustment for non-represented employees effective beginning with the payroll period with a pay date of July 11, 2014."

Staff and the Personnel Committee have completed their review of the proposals for the classification and compensation study and a contract is being prepared for the Common Council's consideration. The contract, however, if approved soon will still require four to six months for completion. With a completion date in 2015, it is no longer necessary to retain all of the additional wage appropriations established in the 2014 budget for the purpose of implementing the results of the study. In short, although the anticipated July general wage adjustment was ultimately approved, additional 2014 appropriations for non-represented employees were budgeted.

Staff recommends awarding a second 2014 1% general wage adjustment for non-represented employees effective, in general terms, beginning with the payroll period with a pay date of July 11, 2014. The 2014 budget anticipated these expenditures would occur, and the current year-end estimate shows ample dollars on hand to match the appropriation. Additionally, the 2015 budget anticipated in the base wages that each of the budgeted 2014 1% general wage adjustments would actually occur in 2014. As such, there is no negative 2015 budget impact in granting this general wage adjustment at this time.

The anticipated salary cost of the adjustment as proposed is \$38,625 with an additional \$5,650 in benefits and required payroll costs. As the budgeted but unauthorized increase was 1% for a full year, an additional \$44,300 will remain unspent in 2014. These resources will then fall to the General Fund fund balance, and, in 2015, staff will recommend a budget modification to carry these appropriations forward to 2015 for further use in implementing the results of the classification and compensation study.

For administrative ease, given that staff is in the middle of changing payroll systems and data from both systems is required, the resolution provides for a short-cut method which would very closely approximate a 1% general wage adjustment during the identified period. As such, the actual wage increase would be an individualized, fixed-dollar adjustment approximating a 1% general wage adjustment beginning with a payroll period with a pay date of July 11, 2014, and the Director of Administration, with advice from the Human Resources Coordinator and Finance Director, could review special circumstances for corrections to achieve the broader intent.

Second, as noted above, the 2014 wage adjustments were held in abeyance pending the results of a classification and compensation study...". 2015 finds the City in a similar circumstance as 2014: the classification and compensation study is not yet completed. The big difference, however, is that the bid process has been concluded and staff is finalizing a contract for the Common Council's consideration. As such, I recommend the same action taken in 2014 be authorized for 2015. Namely, that the general wage increases anticipated by the budget be held in abeyance pending completion of the classification and compensation study. This enables the general wage adjustment appropriations of the 2015 budget to be used to fund the implementation of the study. As noted above, these would be supplemented by a portion of the 2014 appropriation, if subsequently authorized by the Common Council.

The actions suggested herein do not provide for a special wage adjustment for Police and Fire command staff until completion of the classification and compensation study, since commencement of the study is immediately pending.

Note that the Library Board has passed a motion recommending that the Common Council's actions to address wage adjustments for non-represented employees should apply to their staff as well.

Funding Note: As noted above, sufficient funding exists in both the 2014 and 2015 budget to address the recommended general wage adjustment.

Employee Cost Share of Monthly Health Insurance Premiums: A recommendation on the employee cost share of monthly health insurance premiums for 2015 will be provided at the 11/18/2014 Common Council meeting.

### **COUNCIL ACTION REQUESTED**

Motion to adopt Resolution No. 2014-\_\_\_\_, A Resolution to Address the 2014 and 2015 Non-Represented Employee General Wage Adjustments, Including a 1% Increase Retroactive to July 2014, as Funded in the Adopted Budget, and Holding in Abeyance any 2015 General Wage Adjustments, and to further Address the Employee Cost Share of Monthly Health Insurance Premiums.

STATE OF WISCONSIN: CITY OF FRANKLIN: MILWAUKEE COUNTY

RESOLUTION NO. 2014-\_\_\_\_\_

A RESOLUTION TO ADDRESS THE 2014 AND 2015 NON-REPRESENTED  
EMPLOYEE GENERAL WAGE ADJUSTMENTS, INCLUDING A 1% INCREASE  
RETROACTIVE TO JULY 2014, AS FUNDED IN THE ADOPTED BUDGET, AND  
HOLDING IN ABEYANCE ANY 2015 GENERAL WAGE ADJUSTMENTS, AND TO  
FURTHER ADDRESS THE EMPLOYEE COST SHARE OF  
MONTHLY HEALTH INSURANCE PREMIUMS

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WHEREAS, the 2014 budget as adopted anticipated a January 2014 and July 2014 general wage adjustment of one percent (1%) for non-represented employees and the 2015 budget anticipated two such one-percent wage adjustments during 2015 and anticipated employee health insurance premium contributions of \_\_\_\_% for those employees participating in the health risk assessment and \_\_\_\_% for those employees not participating in the health risk assessment; and

WHEREAS, the 2014 wage adjustments were held in abeyance pending “the results of a classification and compensation study” with only the July 1% general wage adjustment having been awarded; and

WHEREAS, delay in the implementation of the classification and compensation study has resulted in that study likely being scheduled for 2015 which frees up 2014 general wage adjustment appropriations for authorization and suggests such 2015 appropriations should similarly be held in abeyance pending the results of a classification and compensation study.

WHEREAS, the Compensation Plan Addendum – Salary Structures, as previously adopted, sets forth the current wage rates and employee health insurance premium contribution rates, and

WHEREAS, it is important to inform employees of intended salary structure adjustments so that current employees and any new employees remain fully informed of the conditions of their employment.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Common Council of the City of Franklin that the Director of Administration is hereby directed to inform non-represented general employees that the 2015 budget as adopted provides sufficient funding for a total wage increase of 1.5%, which was established anticipating a January and July general wage increase of 1%; but that said January increase is being held in abeyance pending the results of a classification and compensation study, with such appropriations intended to be used to implement the results of the study, subject to further Common Council approvals.

BE IT FURTHER RESOLVED, that the Mayor and Common Council of the City of Franklin hereby approves a 1% general wage adjustment for non-represented employees effective beginning with a payroll period with a pay date of July 11, 2014, with any retroactive portion thereof to be awarded as an individual, fixed-dollar general wage adjustment approximating the 1% adjustment in the manner described herein; that the adjustment amounts shall be calculated by the Finance Department, under oversight by the Director of Administration, in an accurate but approximate manner not requiring a pay-period by pay-period review (with the Director of Administration authorized to provide deviations to address special circumstances in order to achieve the broader intent of this resolution); and that the Director of Administration is hereby directed to prepare and implement amendments to the current Employee Handbook Compensation Plan Addendum, in a form and format as he shall determine is appropriate.

BE IT FURTHER RESOLVED by the Mayor and Common Council of the City of Franklin that the Director of Administration is hereby directed to prepare and implement an amendment to the "Compensation Plan Addendum," dated \_\_\_\_\_, amending Section "VI. Employee Share of Monthly Health Insurance Premium" for the purpose of eliminating information effective 1/1/14 and incorporating a like paragraph effective 1/1/15 with monthly health insurance premium shares of \_\_\_\_% for Health Risk Assessment participants and \_\_\_\_% for non-participants.

Introduced at a regular meeting of the Common Council of the City of Franklin this 18th day of November, 2014, by Alderman \_\_\_\_\_.

Passed and adopted by the Common Council of the City of Franklin this 18th day of November, 2014.

APPROVED:

ATTEST:

\_\_\_\_\_  
Stephen R. Olson, Mayor

\_\_\_\_\_  
Sandra L. Wesolowski, Director of Clerk Services

AYES \_\_\_\_ NOES \_\_\_\_ ABSENT \_\_\_\_

<b>APPROVAL</b>	<b>REQUEST FOR COUNCIL ACTION</b>	<b>MEETING DATE 11/18/2014</b>
<b>LICENSES AND PERMITS</b>	<b>MISCELLANEOUS LICENSES</b>	<b>ITEM NUMBER H.1.</b>

See attached list from meeting of November 18, 2014.

**COUNCIL ACTION REQUESTED**



**City of Franklin**

9229 W. Loomis Road  
Franklin, WI 53132-9728

414-425-7500

**License Committee**

**Agenda\***

**Aldermen's Room**

**November 18, 2014 – 6:00 pm**

<b>1.</b>	<b>Call to Order &amp; Roll Call</b>	<b>Time:</b>		
<b>2.</b>	<b>Applicant Interviews &amp; Decisions</b>			
<b>License Applications Reviewed</b>		<b>Recommendations</b>		
<b>Type/ Time</b>	<b>Applicant Information</b>	<b>Approve</b>	<b>Hold</b>	<b>Deny</b>
<b>Operator - New 2014-15</b>	<b>Brengosz, Wendy L</b> 411 N Greenfield Ave Waukesha, WI 53186 Michaelangelo's Pizza			
<b>Operator - New 2014-15</b>	<b>Toor, Harpreet K</b> 9520 W Woelfel Rd Franklin, WI 53132 27 <sup>th</sup> Street Mobil			
<b>Operator - New 2014-15</b>	<b>Varma, Seema</b> 3200 E Carrolton Dr Oak Creek, WI 53154 27 <sup>th</sup> Street Mobil			
<b>3.</b>	<b>Adjournment</b>	<b>Time</b>		

\*Notice is given that a majority of the Common Council may attend this meeting to gather information about an agenda item over which they have decision-making responsibility. This may constitute a meeting of the Common Council per State ex rel. Badke v. Greendale Village Board, even though the Common Council will not take formal action at this meeting.

<b>APPROVAL</b> <i>Paul</i>	<b>REQUEST FOR COUNCIL ACTION</b>	<b>MEETING DATE</b> <b>11/18/14</b>
<b>Bills</b>	<b>Vouchers and Payroll Approval</b>	<b>ITEM NUMBER</b> <b>I. 1</b>

Attached is a list of vouchers dated October 31, 2014 through November 13, 2014 Nos. 154295 through Nos. 154472 in the amount of \$ 1,216,562.00. Included in this listing is EFT's Nos. 2734 through Nos. 2744, Library vouchers in the amount of \$ 8,132.94 and BFC Construction (Check #154307) in the amount of \$114,008.50 that was approved at the Common Council meeting dated November 3, 2014.

The net payroll dated November 14, 2014 is \$ 337,364.27, previously estimated at \$ 342,000.00. Payroll deductions for November 14, 2014 are \$ 185,880.96, previously estimated at \$ 205,000.00.

The estimated payroll for November 28, 2014 is \$ 336,000.00 with estimated deductions of \$ 350,000.00.

There were no Property Tax refunds.

**COUNCIL ACTION REQUESTED**

Motion approving net general checking account City vouchers in the range of Nos. 154295 through Nos. 154472 in the amount of \$ 1,216,562.00 dated October 31, 2014 through November 13, 2014.

Motion approving the net payroll dated November 14, 2014 in the amount of \$ 337,364.27 and payments of the various payroll deductions in the amount of \$185,880.96, plus any City matching payments, where required.

Motion approving the net payroll dated November 28, 2014 estimated at \$ 336,000.00 and payments of the various payroll deductions estimated at \$ 350,000.00, plus any City matching payments, where required.