

**CITY OF FRANKLIN
PERSONNEL COMMITTEE MEETING
FRANKLIN CITY HALL, COMMON COUNCIL CHAMBERS
9229 W. Loomis Road, Franklin, WI 53132
Monday, October 19, 2026 @ 6:00 p.m.**

AGENDA

- I.** Call to Order, Roll Call, and Pledge of Allegiance
- II.** Citizen Comment Period
- III.** Approval of the Minutes of July 20, 2026
- IV.** 2027 Benefit Renewals – Approval of 2027 Employee Benefit-Related Coverages, Carriers, and Premium Shares, including: Health Insurance, Stop-loss insurance, dental insurance, vision insurance, life insurance, long-term Disability, Flexible Spending, Health Savings Account, and Related Contracts.
- V.** Retiree Health Insurance Fire / Non-Rep Correction
- VI.** Discussion on Performance Reviews (360 reviews)
- VII.** Fire Dept. Union Contract Update
- VIII.** Staffing Report
- IX.** Future Agenda Items
- X.** Next Scheduled Meeting Date: 11/16/26 or 12/21/26
- XI.** Adjournment

Agenda Item # III

**CITY OF FRANKLIN
PERSONNEL COMMITTEE MEETING
FRANKLIN CITY HALL, COMMON COUNCIL CHAMBERS
9229 W. Loomis Road, Franklin, WI 53132
Monday, July 20, 2026 @ 6:00 p.m.**

Minutes

- I. Call to Order, Roll Call, and Pledge of Allegiance: July 20, 2026, Personnel Committee Meeting was called to order at 6:02pm by Chair Budny in the Common Council Chambers at City Hall. Members present were Chair Budny, Alderwoman Eichmann, Alderwoman Kresovic, & Members Richard, Prusko, and Ireland. Also, in attendance was Director of Administration Hersh and Human Resources Administrator Wieting.
- II. Citizen Comment Period: N/A
- III. Approval of the Minutes of May 18, 2026: Motion by Alderwoman Kresovic and seconded by Alderwoman Eichmann to approve the minutes from 5/18/26 as ammended. Motion carried. Ayes: All (Hamza Zuberi absent).
- IV. Sewer and Water Technician Job Description Update: Motion to send updated job description to council by Member Richard and seconded by Alderwoman Kresovic. Ayes: All (Hamza Zuberi absent)
- V. Discussion on Performance Reviews (360 reviews): Keep working on this and bring it back for update.
- VI. Discussion of Current Organization Structure (Org Chart): Keep working on this and bring it back for update.
- VII. Discussion of Duties and Scope of Personnel Committee
- VIII. Staffing Report: HR Administrator Wieting gave staffing update.
- IX. Future Agenda Items: 360 Review, Org Chart
- X. Next Scheduled Meeting Date: September 21st 2026

XI. Adjournment: Motion to adjourn by Member Prusko and seconded by Alderwoman Eichmann. Ayes: All. Adjourned at 8:18pm

Agenda Item # IV



Self-Funded Renewal Projection

USI has reviewed City of Franklin's medical experience reporting from UMR, ServeYou, and Symetra and has made the following observations.

Medical Plan

Underwriting Period:	The mid year projection calculation includes claims from August 2024 through July 2026.
Large Claims:	Large Claims above the pooling point have been removed.
Trend:	For our calculations we used a trend of 8.0% for medical and 11.5% for drugs. We have not built in any additional margin.
Claims Liability:	The current expected claims are \$1,363.02 PEPM. We expect an increase of about 8.57% or \$265,013.
Administrative Expenses:	UMR's current charge for Administrative Expenses is \$40.18 PEPM. We expect an increase of about 3.93% or \$3,577.
Specific Stop Loss:	The premium for the \$110,000 specific stop loss coverage currently is \$389.40 PEPM. Based on USI's estimations we expect an increase of about 48.87% or \$431,619.
Aggregate Stop Loss:	The premium for Aggregate Stop Loss currently is \$11.41 PEPM. We expect an increase of about 8.94% or \$2,313.
Total Fixed Fee's	Overall, the current cost for all administrative expenses is \$461.47 PEPM. We expect an increase of about 41.8% or \$437,509.

Conclusions

The current expected cost of the plan is \$1,824 PEPM.
Based on the above observations, USI believes the initial renewal will result in an increase of about 16.98% or \$702,522.



City of Franklin
Renewal Projection
January 1, 2027 - December 31, 2027 Renewal

Renewal Projection Detail		USI Projected Renewal			
		Medical		Rx	
		Aug 25 - Jul 26	Aug 24 - Jul 25	Aug 25 - Jul 26	Aug 24 - Jul 25
Experience Periods					
A: Actual Paid Claims		\$2,734,465	\$2,386,023	\$1,386,151	\$1,141,651
B: Large Claims Removed		-\$497,894	-\$209,275	-\$249,198	-\$241,011
C: Claims Paid - After Pooling	A + B	\$2,236,571	\$2,176,748	\$1,136,953	\$900,640
Adjustments					
Agg Spec		\$75,000	\$75,000		
D: Total Adjustments		\$75,000	\$75,000		
E: Total <u>after</u> Adjustments	C + D	\$2,311,571	\$2,251,748	\$1,136,953	\$900,640
F: Average Contracts		189	194	189	194
H: Claims Per Employee (PEPM)	E / F / 12	\$1,019.21	\$969.75	\$501.30	\$387.87
I: *Trend Used:		8.00%	8.00%	11.50%	11.50%
J: Trended Months		17	29	17	29
L: Experience Rated Claims / Contract		\$1,136.62	\$1,167.97	\$584.89	\$504.59
M: Experience Period Weighting		80%	20%	80%	20%
N: Projected Claims Blended By Year	L * M	\$1,142.89		\$568.83	
O: Manual Claim Pick (Independent Med/Rx)					
P: Credibility		100%		100%	
Q: Rx Rebates (Annual)			-\$525,823		

Estimated Renewal		Per Employee	Annualized
R: Projected Contracts		189	
S: Projected Claim Cost	N + Q	\$1,479.87	\$3,356,348
Current Claim Costs Based on 189 EE's		\$1,363.02	\$3,091,335
Change from Current		8.57%	\$265,013
Fixed Costs (estimated)			
Administrative Expenses		\$41.76	\$94,705
Specific Stop Loss		\$579.71	\$1,314,788
Aggregate Stop Loss		\$12.43	\$28,191
RX Interface Fee		\$8.40	\$19,051
Interface Fee		\$0.53	\$1,202
Utilization Management		\$3.41	\$7,734
Complex Condition CARE		\$2.10	\$4,763
Ongoing Condition Care		\$4.04	\$9,163
NexusACO Network Fee		\$2.00	\$4,536
T: Total Administrative Fees		\$654.38	\$1,484,133
Projected Total Renewal Cost		\$2,134.25	\$4,840,482
Current Total Budgeted Costs Based on 189 EE's		\$1,824.50	\$4,137,960
Change from Current		16.98%	\$702,522

NOTE: Fixed costs assume an average increase of 42%. The actual renewal will vary.

*The trend used is based on probabilistic data provided by USI Trend Survey respondents and enrollment by carrier.

- We applied an annual Medical and Rx trend of 8.0% and 11.5% respectively, compounded based on Trended Months from line J.



City of Franklin
Proposed Plan Funding - Medical
January 1, 2027 - December 31, 2027 Renewal

Proposed Funding	Current	Initial Renewal	Adjusted Renewal
	Current Plans	No Plan Changes	NexusACO Network
Projected Fixed Costs	\$1,046,625	\$1,484,133	\$1,484,133
Estimated Expected Claims	\$3,091,335	\$3,356,348	\$3,356,348
Plan Design Adjustments			
- Estimated Percent of Savings			-2.43%
Nexus ACO Savings			-\$117,844
Total Cost for Funding	\$4,137,960	\$4,840,482	\$4,722,638
Percent of Funding Variance		16.98%	14.13%
Reduction from Renewal			

Premium Rates	Enrollment	Current Plans	No Plan Changes	NexusACO Network
Plan 1- PPO				
Employee	12	\$1,090.00	\$1,275.05	\$1,244.01
Family	34	\$2,373.00	\$2,775.88	\$2,708.30
Plan 2-HDHP				
Employee	50	\$974.00	\$1,139.36	\$1,111.62
Family	93	\$2,176.00	\$2,545.43	\$2,483.46
Total Estimated Premium				
Monthly Premium	189	\$344,830	\$403,373	\$393,553
Annual Premium		\$4,137,960	\$4,840,482	\$4,722,638
Annual Change from Current			\$702,522	\$584,678
% Change from Current			16.98%	14.13%
Notes: The group moved to NexusACO Network effective 1/1/2027. We are showing Medical claims savings on prior R12 and 5 months of current R12 based on Projected \$166,367.84 savings illustrated on the August 2025 Medical Projection.				



City of Franklin

Self-Funded Renewal Projection - Dental

USI has reviewed City of Franklin's Dental experience reporting from Delta Dental and has made the following observations.

Dental Plan

- Underwriting Period: The mid year projection calculation includes claims from August 2024 through July 2026.
- Trend: For our calculations we used a trend of 4.5% for dental. We have not built in any additional margin.
- Claims Liability: The current expected claims are \$69.35 PEPM. We expect an increase of about 4.08% or \$5,875.
- Total Fixed Fees: Overall, the current cost for all administrative expenses is \$5.00 PEPM. We expect a flat renewal.

Conclusions

The current expected cost of the plan is \$74 PEPM.

Based on the above observations, USI believes the initial renewal will result in an increase of about 3.81% or \$5,875.



City of Franklin
Renewal Projection - Dental
January 1, 2027 - December 31, 2027 Renewal

Time Periods	Aug 25 - Jul 26	Aug 24 - Jul 25	USI Projected Renewal	
Estimated Renewal Projection			Per Employee	Annualized
A: Average Contracts	175	183	173	
B: Average Membership	384	402	381	
C: Actual Paid Dental Claims	\$143,623	\$136,636		
Adjustments				
No Adjustments Applied this Period	\$0	\$0		
D: Total Adjustments	\$0	\$0		
E: Total <u>after</u> Adjustments	C + D	\$143,623	\$136,636	
F: Claims Per Contract (PEPM)	E / A / 12	\$68.49	\$62.31	
G: *Trend Used:	4.50%	4.50%		
H: Trended Months	17	29		
I: Experience Rated Claims / Contract	\$72.90	\$69.30		
J: Experience Period Weighting	80%	20%		
K: Projected Claims Blended By Year			\$72.18	\$149,839
Current Claim Costs Based on 173 EE's			\$69.35	\$143,964
Change from Current			4.08%	\$5,875
Fixed Costs (estimated)				
Administrative Expenses			\$5.00	\$10,380
L: Total Fixed Fees			\$5.00	\$10,380
Projected Total Renewal Cost			\$77.18	\$160,219
Current Total Budgeted Costs Based on 173 EE's			\$74.35	\$154,344
Change from Current			3.81%	\$5,875

NOTE: Fixed costs assume an average increase of 0%. The actual renewal will vary.

*The trend used is based on probabilistic data provided by USI Trend Survey respondents and enrollment by carrier.

- We applied a Dental trend of 4.5% respectively.



City of Franklin
Proposed Plan Funding - Dental
January 1, 2027 - December 31, 2027 Renewal

Proposed Funding	Current	Initial Renewal
	Current Plans	No Plan Changes
Projected Fixed Costs	\$10,380	\$10,380
Estimated Expected Claims	\$143,964	\$149,839
Total Cost for Funding	\$154,344	\$160,219
Percent of Funding Variance		3.81%
Reduction from Renewal		

Premium Rates	Enrollment	Current Plans	No Plan Changes
Plan 1			
Employee	82	\$37.00	\$38.41
Family	91	\$108.00	\$112.11
Total Estimated Premium			
Monthly Premium	173	\$12,862	\$13,352
Annual Premium		\$154,344	\$160,219
Annual Change from Current			\$5,875
% Change from Current			3.81%



City of Franklin
2027 Renewal Summary

Coverage	Carrier Name	Funding Type	Rate Effective Date	Rate Expiration Date	Notes
Medical	UMR (TPA)	Self Funded	1/1/2027	12/31/2027	3rd year of a 3 year rate guarantee in which rates are increasing 3.9%
Prescription Drug (Carve-Out)	Serve You Rx	Self Funded	1/1/2027	12/31/2028	presented a 3 year renewal for 1/1/26 with increased savings each year
Health Reimbursement Arrangement	UMR (TPA)	Self Funded	1/1/2027	12/31/2027	No change
Health Savings Account	Associated Bank	Self Funded	1/1/2027		
Dental	Delta Dental of Wisconsin Inc.	Self Funded	1/1/2026	12/31/2027	no change to admin rates; projection indicate a 3.81% increase to budget needed
Dental	CarePlus Dental	Fully Insured	1/1/2027	12/31/2027	entering year 2 of a 2 year rate guarantee so no change for 2027
Vision	Vision Service Plan	Fully Insured	1/1/2026	12/31/2027	no change; entering 2nd year of a 2 year rate guarantee
Stop Loss	Symetra Life Insurance Company	Fully Insured	1/1/2027		stop loss marketing in process
Life and AD&D	NIS	Fully Insured	1/1/2027	12/31/2030	no change; entering year 2 of a 5 year rate guarantee
Short Term Disability (STD)	NIS	Fully Insured	1/1/2027	12/31/2030	no change; entering year 2 of a 5 year rate guarantee
Long Term Disability (LTD)	NIS	Fully Insured	1/1/2027	12/31/2030	no change; entering year 2 of a 5 year rate guarantee
Virtual clinic	Nice	Fully Insured	1/1/2027	12/31/2027	no change to the rates; offered an extension to lock in pricing

City of Franklin

Spousal Carve-Out

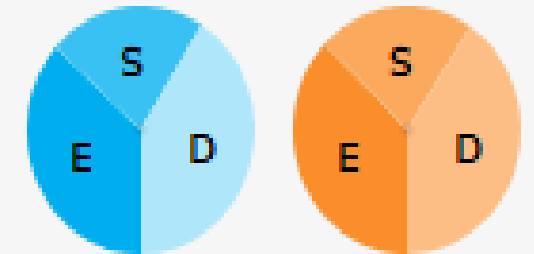
Prepared: October 2026

Relationship Distribution

■ P_2 (Aug '25 to Jul '26) ■ P_1 (Aug '24 to Jul '25) ⋮

RELATIONSHIP DISTRIBUTION

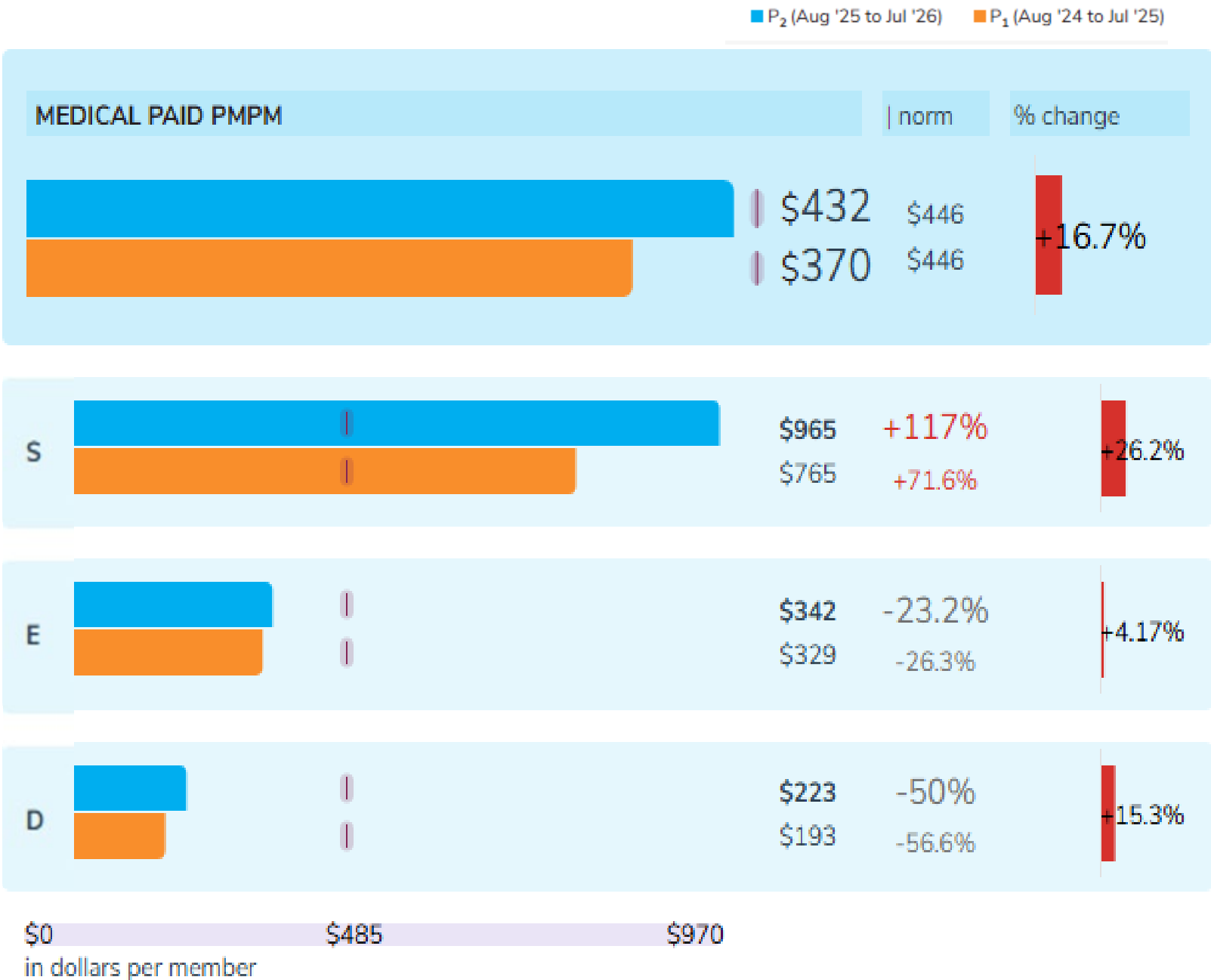
Employee	207/ 218	↓ 5%
Spouse	126/ 130	↓ 3.1%
Dependent	232/ 238	↓ 2.5%



- 126 (22.3%) – Current
- 130 (22.18%) - Prior

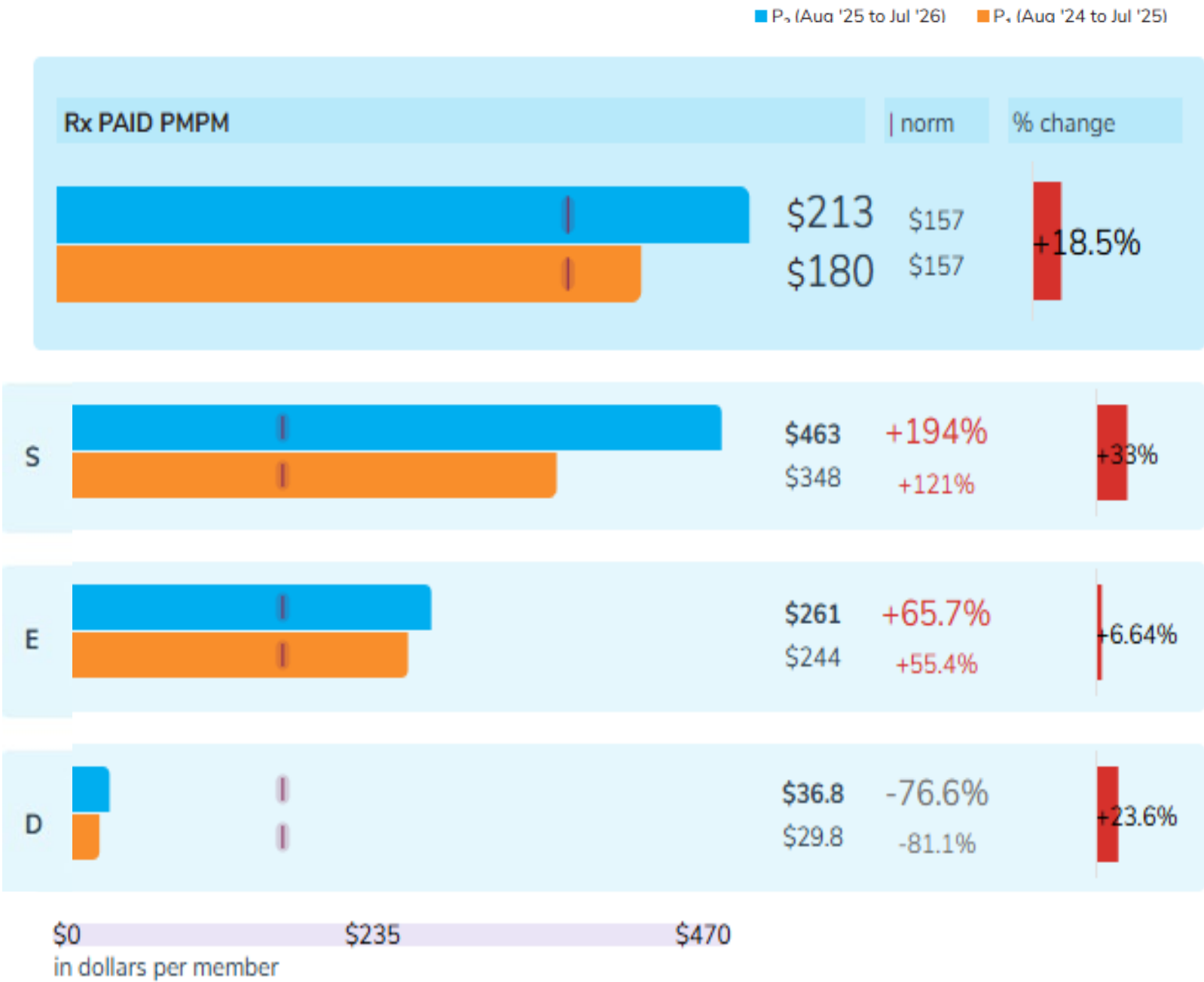
Population Demographics

MEDICAL



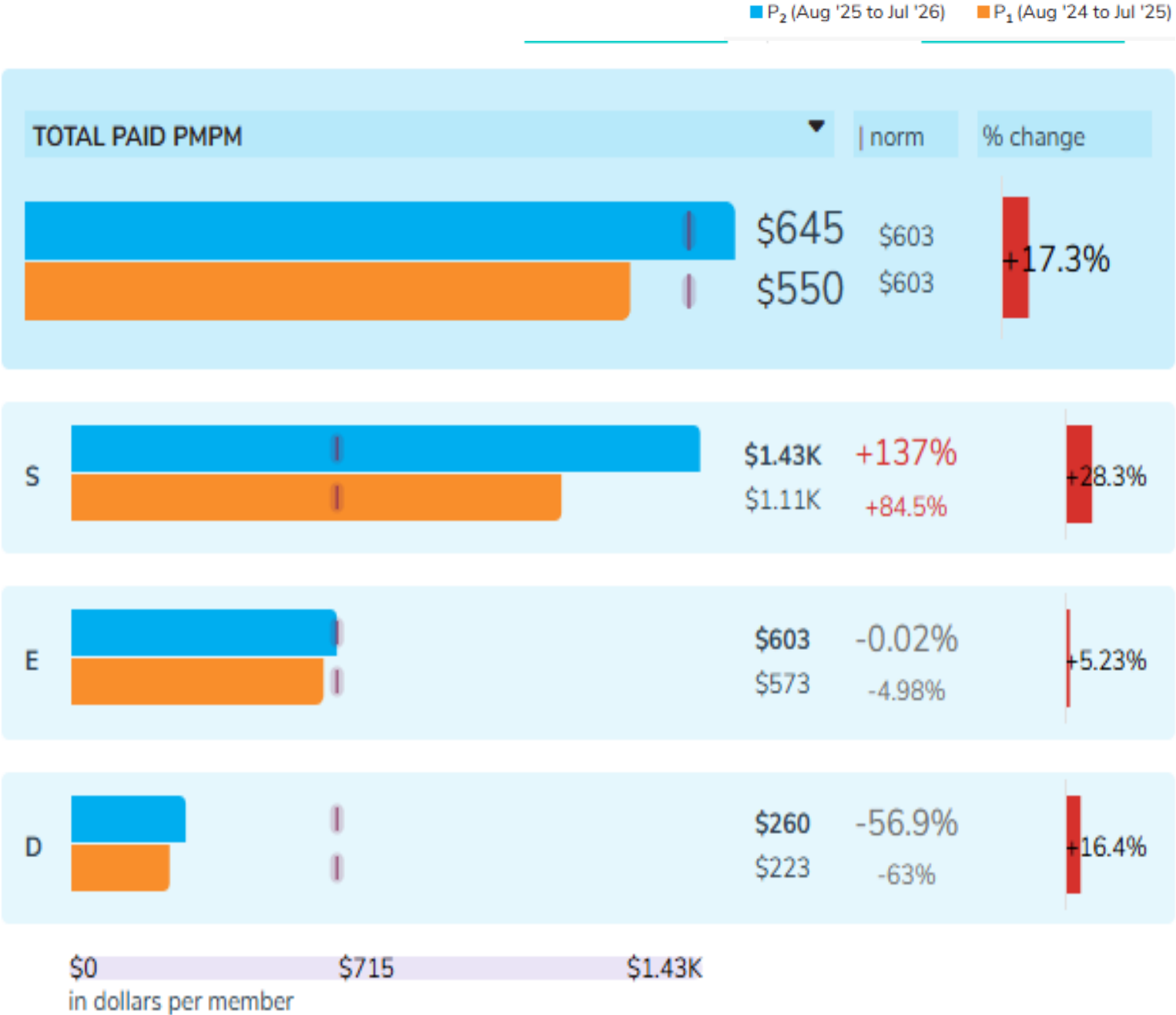
Population Demographics

Rx



Population Demographics

Total



Approximate Spouse Contributions

Family & Single Rate Contribution Difference	Plan	Annual Contributions	% by plan by spouse	Family Enrollment	Diff * % * 12				
161.85	HDHP	\$ 1,942.20	72%	93	\$ 1,398.38				
268.1	PPO	\$ 3,217.20	28%	36	\$ 900.82				
				129	\$ 2,299.20				
			Eliminate 60%	77.4	\$ 177,958.08	Annual Spouse Contributions Loss			

Rolling 12 HCC Info

131 Claims	Spouse Contribution	Elimination of Claims	
Middle 60% of Claims	\$ 177,958.08	\$ 267,648	\$ (89,689.62)
Bottom 60% of Claims	\$ 177,958.08	\$72,492	\$ 105,466.08
Top 60% of Claims	\$ 177,958.08	\$ 1,428,392	\$ (1,250,433.92)
Top 2 HCC	\$ 177,958.08	\$ 220,000	\$ (42,041.92)
*Question: What is the likelihood of those 2 HCC coming off plan?			

Age of HCC on R12 > 40K

Medical Paid	Pharmacy Paid	Total Paid	Pred. Allowed #56 (MED + RX) [B]
\$ 213,597.24	\$ 262,448.15	\$ 476,045.39	\$ 468,907.82
\$ 316,413.67	\$ 422.98	\$ 316,836.65	\$ 287,506.23
\$ 80,302.75	\$ 23,219.87	\$ 103,522.62	\$ 71,278.58
\$ 100,452.49	\$ 32.03	\$ 100,484.52	\$ 119,499.26
\$ 38,564.84	\$ 61,593.71	\$ 100,158.55	\$ 103,234.35
\$ 31,169.88	\$ 56,890.37	\$ 88,060.25	\$ 55,874.75
\$ 12,013.70	\$ 52,461.00	\$ 64,474.70	\$ 57,883.95
\$ 24,332.73	\$ 35,348.23	\$ 59,680.96	\$ 69,556.41
\$ 6,053.21	\$ 42,279.04	\$ 48,332.25	\$ 70,991.55
\$ 45,755.16	\$ 40.93	\$ 45,796.09	\$ 39,035.79
\$ 40,409.22	\$ 5,176.93	\$ 45,586.15	\$ 40,279.57

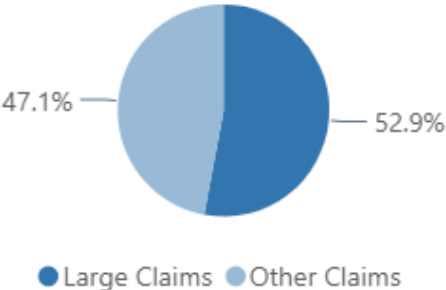
High-Cost Claimants -2026 thru September

USI Large Claims Summary All High-Cost Claimants

City of Franklin
UMR / BenefitFirst

Paid January-2026 through September-2026

Large Claimants as a % of Total Claims



Pooling Category	Amount	% of Total
Over 100% SSL	\$918,753	35.3%
75% to 100% SSL	\$268,230	10.3%
50% to 75% SSL	\$190,728	7.3%
Other Claims	\$1,226,306	47.1%
Total	\$2,604,017	100.0%

4

Claimants over SSL

\$403,753

SSL Excess

\$75,000

Aggregating Specific

Spouse	Total All Amount	Claims > SSL
1	\$68,969	\$0
2	\$372,521	\$262,521
3	\$201,632	\$91,632
4	\$90,929	\$0
5	\$87,355	\$0
6	\$193,979	\$83,979
Total	\$1,432,183	\$478,753

Savings from HCC Spouses

City of Franklin HCC thru September 2026				
	Claim Amount	Net of ISL	Net of Agg Spec (aka Reimbursement)	Actual Cost to ER
	\$372,521	\$262,521	\$187,521	\$185,000
	\$201,632	\$91,632	\$91,632	\$110,000
	\$193,979	\$83,979	\$83,979	\$110,000
	\$90,929			\$90,929
	\$87,355			\$87,355
	\$68,969			\$98,969
Total	\$1,015,385	\$438,132	\$363,132	\$682,253

Payroll Contributions



Benefits Benchmark Study

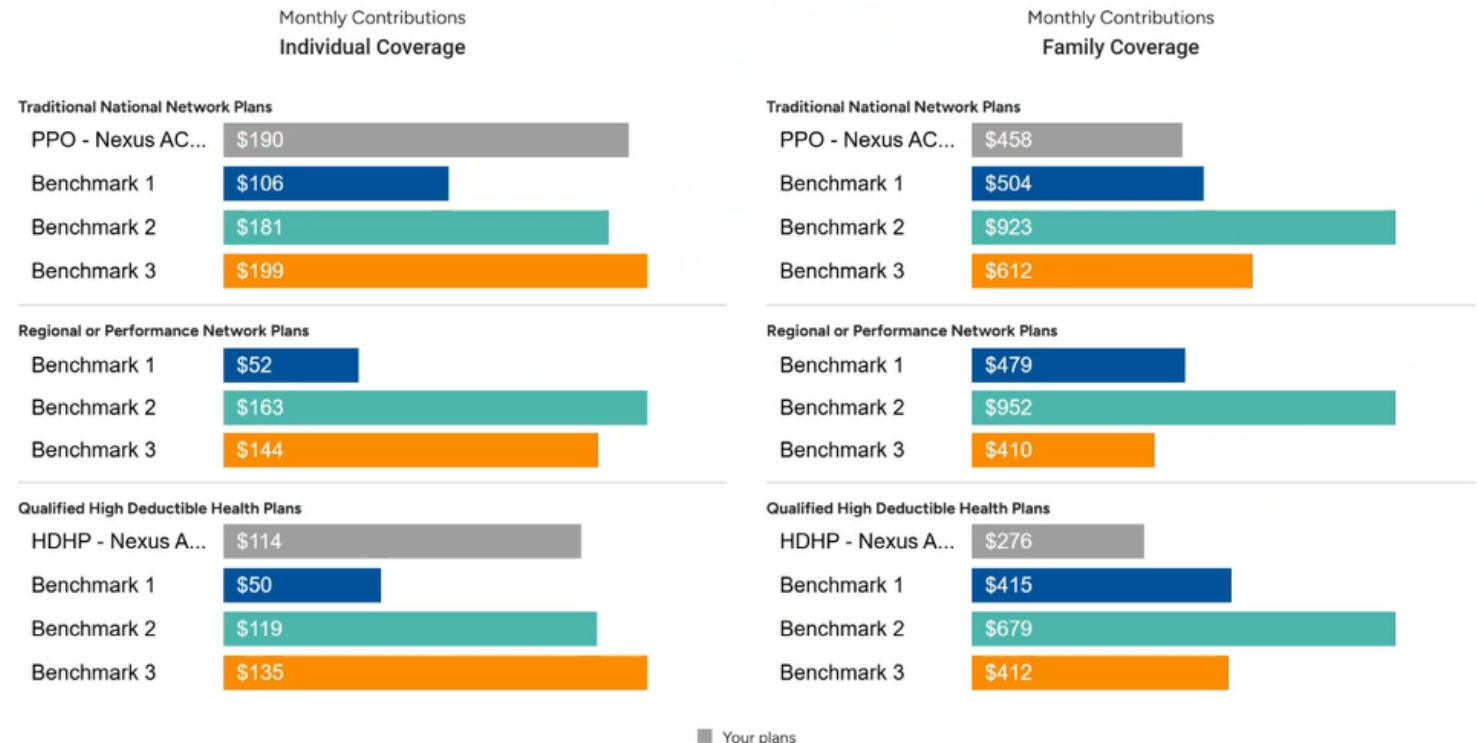
City of Franklin

Survey Year 2026

Employee Payroll Contributions

Payroll Contributions by Plan Type

Payroll contributions are the most visible component of a medical plan. They heavily influence the employees' perception of the benefit and can drive enrollment decisions.



Items to consider?



What is the likelihood of the high-cost claimants coming off the plan



Mitigate Risk of future New Hires



Does the loss of contributions and healthy bodies make this move worthwhile



Setting expectations (i.e. rules for mid-year spousal loss of coverage)



Spousal surcharge (if not already in place)



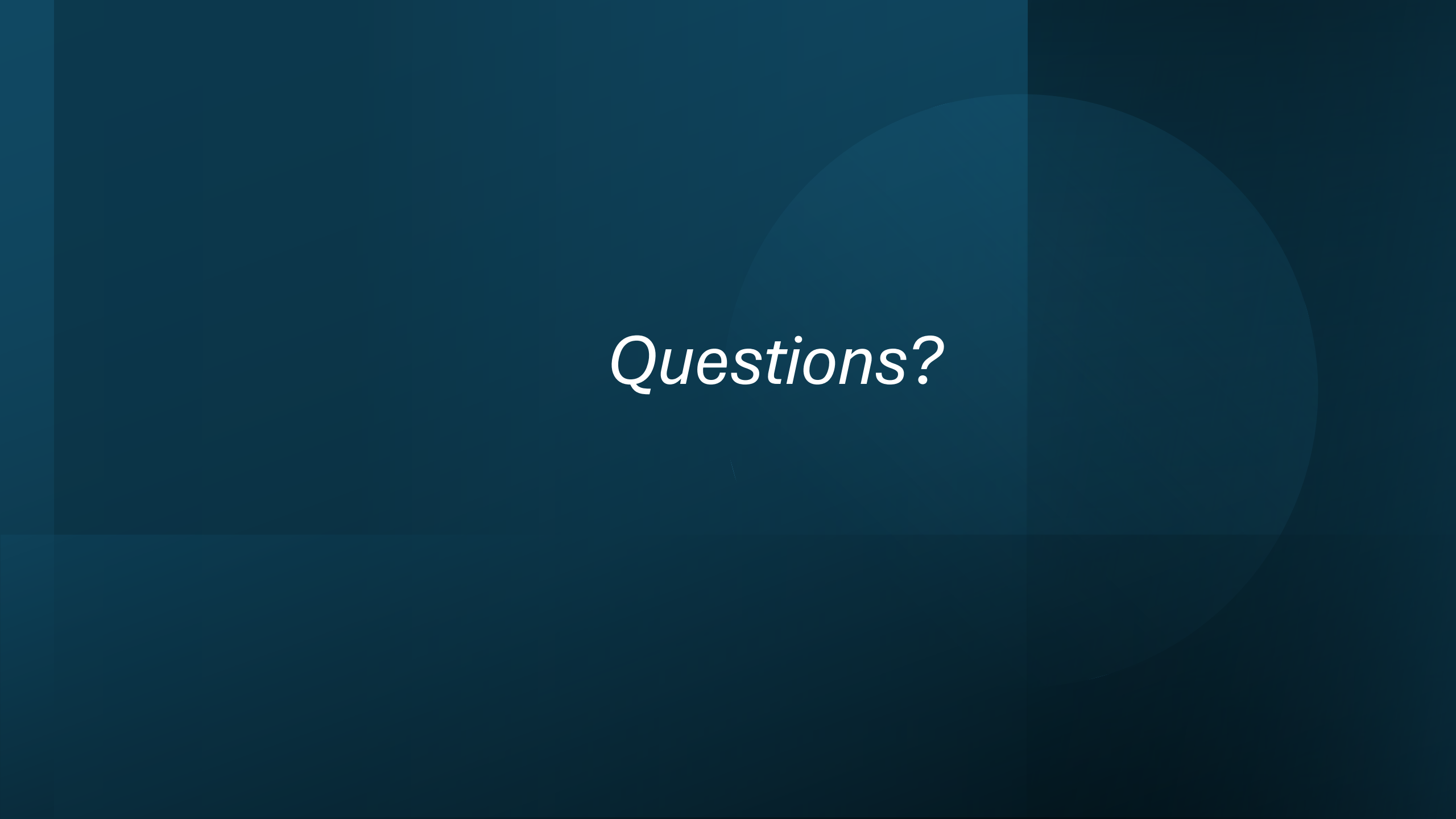
What does this mean for HSA contributions



Employee satisfaction



Recruitment & Retention



Questions?

APPROVAL	REQUEST FOR COUNCIL ACTION	MEETING DATE 10/20/2026
REPORTS & RECOMMENDATIONS	APPROVAL OF THE 2027 EMPLOYEE BENEFIT PROGRAM RENEWALS AND EMPLOYEE CONTRIBUTIONS	ITEM NUMBER District: Citywide

BACKGROUND

The City's employee benefit program renews effective January 1, 2027. Administration and Human Resources recommend continuation of the City's medical and prescription, dental, vision, life and disability, Nice Healthcare, health spending account, and related benefit arrangements, subject to the terms summarized below. The Personnel Committee will review the proposed 2027 benefit program on October 19, 2026. Any recommendation of the Committee will be reported to the Common Council for consideration on October 20, 2026.

RECOMMENDATION DETAILS

1. Medical Insurance and Prescription Benefits

Continue UMR administration of the PPO and HDHP medical plans using the NexusACO network and Serve You Rx prescription benefits. UMR administrative expenses are projected at \$41.76 per employee per month, up approximately 3.93% from \$40.18. Serve You Rx is in the second year of the three-year renewal arrangement effective January 1, 2026.

USI, the City's insurance broker, projected a 16.98% increase for the initial medical renewal. Continued use of the NexusACO network is projected to reduce annual funding by approximately \$117,844, resulting in an adjusted projected medical increase of 14.13%. The proposed monthly funding rates below are total plan funding rates and are not employee payroll deductions.

Medical plan	Current monthly rate	Proposed 2027 rate
PPO single	\$1,090.00	\$1,244.01
PPO family	\$2,373.00	\$2,708.30
HDHP single	\$974.00	\$1,111.62
HDHP family	\$2,176.00	\$2,483.46

Stop-loss coverage: USI's projection assumes continuation of the \$110,000 specific deductible and estimates specific stop-loss costs at \$579.71 per employee per month (\$1,314,788 annually), up 48.87%, and aggregate stop-loss at \$12.43 per employee per month (\$28,191 annually), up 8.94%. These amounts are projections and are not final carrier quotes.

Plan design: Retain the PPO in-network deductibles of \$1,500 single / \$4,500 family. Retain HDHP in-network deductibles of \$3,000 single / \$6,000 family, including the \$3,500 embedded individual deductible within family coverage, as reflected in the 2027 renewal and rate materials; 2027 Renewal Summary; and the September 18 medical projection through July 2026.

Health Reimbursement Arrangement (HRA): Continue City funding up to \$1,250 single / \$2,500 family after the employee reaches \$1,750 single / \$3,500 family in eligible in-network deductible and coinsurance expenses. The employee access points increase by \$50 single / \$100 family for 2027. Unused HRA funds do not roll over.

Health Savings Account (HSA): Continue annual City contributions of \$750 single / \$1,500 family for eligible HDHP participants, deposited monthly at \$62.50 / \$125.00.

Nice Healthcare: Continue coverage for eligible enrolled employees and family members at no employee cost. The 2027 renewal reflects no rate change.

Flexible Spending Accounts: Continue EBC administration with no rate change. Employee election amounts shall be administered in accordance with the 2027 benefit plan documents and applicable federal limits.

2. Dental Insurance

Continue the self-funded Delta Dental plan. Projected annual funding increases from \$154,344 to \$160,219, an increase of \$5,875 or 3.81%. Administrative costs remain \$5.00 per employee per month. Proposed total monthly funding rates are \$38.41 single and \$112.11 family, compared with \$37.00 and \$108.00 currently.

Continue CarePlus Dental HMO with no rate change through December 31, 2027. Total monthly premiums remain \$29.49 single and \$86.85 family.

3. Vision Insurance

Continue VSP with no rate change through December 31, 2027. Monthly employee contributions remain \$6.85 employee only, \$10.95 employee and spouse, \$11.18 employee and children, and \$18.03 family.

4. Life and Disability Insurance

Continue NIS Life and AD&D, Short-Term Disability, and Long-Term Disability arrangements with no rate change under the current guarantee through December 31, 2030. Retain existing eligibility and benefit schedules. Voluntary LTD remains employee-paid at \$0.308 per \$100 of monthly salary, with a 60% benefit up to \$6,000 monthly after a 90-day waiting period, as reflected in the benefit materials.

5. Employee Contributions

Approve the proposed monthly medical employee contributions reflected below. Wellness-discounted rates require completion of the applicable wellness program requirements.

Medical coverage	With wellness discount	Without wellness discount
HDHP single	\$113.75	\$157.58
HDHP family	\$275.60	\$373.52
PPO single	\$189.90	\$238.95
PPO family	\$458.00	\$564.79

Monthly dental contributions remain unchanged: \$0 for employee-only coverage and management family coverage; non-management family contributions remain \$71.00 for Delta Dental and \$57.36 for CarePlus.

FISCAL IMPACT

Projected 2027 medical funding is \$4,722,638, compared with \$4,137,960 currently, an increase of \$584,678 or 14.13%. Projected Delta Dental funding is \$160,219, compared with \$154,344 currently, an increase of \$5,875 or 3.81%. Combined projected medical and Delta Dental funding is \$4,882,857, compared with \$4,292,304 currently, an increase of \$590,553 or approximately 13.76%. These are gross plan funding amounts before employee contributions and are not the City's net expense. The medical projection assumes 189 contracts; the Delta Dental projection assumes 173 contracts.

PERSONNEL COMMITTEE ACTION REQUESTED

Motion to recommend Common Council approval of the 2027 employee benefit program renewals, plan designs, employee contributions, and City HSA and HRA funding as outlined, effective January 1, 2027, and authorization for the Director of Administration to finalize and implement the renewals and related agreements.

COUNCIL ACTION REQUESTED

Motion to approve the 2027 employee benefit program renewals, plan designs, employee contributions, and City HSA and HRA funding as outlined, effective January 1, 2027; and authorize the Director of Administration to finalize and implement the renewals, including stop-loss coverage, and execute related agreements and documents consistent with the approved benefit program and budget.

Agenda Item # V

APPROVAL	REQUEST FOR COUNCIL ACTION	MEETING DATE 10/12/25
REPORTS & RECOMMENDATIONS	Retiree Health Insurance Eligibility Change (Non-Represented Employees)	ITEM NUMBER G. 12.

DESCRIPTION / BACKGROUND
The City currently requires 20 years of service and age 62 for non-represented employees (excluding Fire and Police Command Staff, Police Sergeants, and Public Works employees) to qualify for retiree health insurance. Public Works employees currently require 20 years of service and are aged 60.

Recent Police and Fire collective bargaining agreements reduced the service requirement for retiree health insurance eligibility to 15 years. To maintain parity for non-represented employees and support retention and recruitment, staff recommends aligning the service requirement for retiree health insurance.

RECOMMENDATION
Amend the Employee Handbook to:

- Change the retiree health insurance eligibility requirement for non-represented full-time employees (excluding Fire and Police Command Staff, Police Sergeants, and Public Works employees) from 20 years of credited service to 15 years, with a minimum retirement age of 62.
- Change the requirement for Public Works/Sewer & Water employees to 15 years of credited service with a minimum retirement age of 60.
- Apply changes to retirements occurring on or after January 1, 2026.
- Direct Human Resources to update written materials and employee communications.
- Direct Finance to incorporate the change in the City's next GASB 75/OPEB valuation and reporting.

FISCAL IMPACT
Minimal immediate fiscal impact is anticipated. Incremental long-term OPEB liability will be quantified in the next actuarial valuation update. No budget amendment is requested at this time.

Staff Report
This recommendation provides consistency across employee groups and addresses equity considerations. Eight (8) employees are currently projected to benefit from the change over the coming years. Adoption of this amendment aligns the City's policies, supports retention, and simplifies administration.

COUNCIL ACTION REQUESTED

Motion to amend the Employee Handbook to change retiree health insurance eligibility for non-represented full-time employees (excluding Fire and Police Command Staff, Police Sergeants, and Public Works employees) to require 15 years of credited City service, with a minimum retirement age of 62; to update the Public Works/Sewer & Water provision to 15 years of credited service at age 60; to make these changes effective January 1, 2026; and to direct Human Resources and Finance to implement necessary updates.

HR – DZ; DOA – KH

APPROVAL	REQUEST FOR COUNCIL ACTION	MEETING DATE 10/20/2026
REPORTS & RECOMMENDATIONS	RETIREE HEALTH INSURANCE ELIGIBILITY CORRECTION (NON-REPRESENTED FIRE DEPARTMENT EMPLOYEES)	ITEM NUMBER District: Citywide

BACKGROUND

As part of the City's prior action to reduce the years-of-service requirement for retiree health insurance eligibility from 20 years to 15 years for non-represented employees, the separate Employee Handbook provision applicable to non-represented Fire Department employees covered under the Fire Department Command Staff provision was inadvertently not updated. The Fire Chief recently brought this oversight to Administration's attention. As a result, the Fire Department provision still requires 20 years of service, even though the intended policy change was to establish a consistent 15-year City service requirement across employee groups.

RECOMMENDATION

- Amend only the Fire Department Command and Nonrepresented staff retiree health insurance provision in the Employee Handbook to reduce the required full-time service with the City from 20 years to 15 years.
- All other eligibility requirements and benefit terms applicable to non-represented Fire Department employees, including the applicable retirement age and the City's premium contribution, remain unchanged.
- Apply the correction to retirements occurring on or after January 1, 2026, consistent with the effective date of the prior retiree health insurance eligibility changes.
- Direct Human Resources to update the Employee Handbook and related employee communications, and direct Finance to incorporate the correction in the City's next GASB 75/OPEB valuation and reporting.

FISCAL IMPACT

Limited immediate fiscal impact is anticipated. Any incremental long-term OPEB liability associated with this correction will be reflected in the City's next actuarial valuation. No budget amendment is requested at this time.

STAFF REPORT

This action is a correction to the prior retiree health insurance eligibility change, not a new benefit design. It remedies the inadvertent omission of the non-represented Fire Department provision and establishes the intended 15-year City service requirement consistently across employee groups.

COUNCIL ACTION REQUESTED

Motion to amend the Employee Handbook provision applicable to non-represented Fire Department employees covered under the Fire Department Command Staff retiree health insurance provision to reduce the required full-time City service for eligibility from 20 years to 15 years, effective for retirements occurring on or after January 1, 2026; to retain all other existing eligibility and benefit terms; and to direct Human Resources and Finance to implement the necessary updates.

Agenda Item # VI

Role	What They Do
HR	Creates the same review questions for all employees and manages the ADP cycle.
Employee	Completes a self-assessment using the standard questions.
Contributor / Coworker	Provides short written feedback only; no formal rating.
Reviewer / Manager	Reviews the employee self-assessment and coworker feedback, then completes the formal manager assessment.
Employee	Receives the completed manager review and acknowledges it.

2026 Performance Review Cycle

Review Cycle: 2026 Review

Evaluation Period: January 1, 2026 – December 31, 2026

Cut-Off Date: December 31, 2026

Target Completion Date: January 31, 2027

Review Timeline

Milestone	Due Date	Reminder Schedule
Distribute Reviews	January 1, 2027	Review cycle begins
Employee Self-Assessment	January 15, 2027	January 8, January 11, January 13, then daily until due
Contributor Feedback	January 18, 2027	January 10, January 14, January 16, then daily until due
Reviewer / Manager Assessment	January 22, 2027	January 19, January 20, January 21
Release Review to Employee	January 26, 2027	January 24 and January 25
Employee Acknowledgement	January 29, 2027	January 28
Review Cycle Complete	January 31, 2027	Final completion deadline

Review Process

1. Review Distribution – January 1

HR launches the annual performance review cycle and distributes the standardized review form to employees and managers.

2. Employee Self-Assessment – Due January 15

Employees complete a self-assessment reflecting on their performance, accomplishments, and opportunities for growth during the review period.

3. Contributor Feedback – Due January 18

Selected coworkers or other contributors provide written feedback based on their experience working with the employee. Contributor feedback is intended to provide additional perspective and is not a formal performance rating.

4. Manager Assessment – Due January 22

The employee's manager reviews the self-assessment and contributor feedback before completing the formal manager evaluation.

5. Release Review – Due January 26

The completed performance review is finalized and released to the employee.

6. Employee Acknowledgement – Due January 29

The employee reviews and acknowledges receipt of the completed evaluation. Acknowledgement confirms receipt and does not necessarily indicate agreement with the evaluation.

7. Review Cycle Complete – January 31

All performance review

Review Process

1. Review Distributed

HR launches the annual review cycle and distributes the standardized review form.

2. Employee Self-Assessment

Employees complete the same performance questions and provide their own assessment of their performance during 2026.

3. Contributor Feedback

Selected coworkers may provide additional written feedback based on their experience working with the employee. Contributor feedback is intended to provide additional perspective rather than serve as a formal performance rating.

4. Manager Assessment

The employee's manager reviews the employee's self-assessment and any contributor feedback before completing the manager's assessment.

5. Review Released

Once the manager's review is complete, the final review is released to the employee.

6. Employee Acknowledgement

The employee reviews and acknowledges receipt of the completed performance evaluation.

7. Cycle Complete

All reviews should be completed and acknowledged by January 31, 2027.

Agenda Item # VIII

Staffing Report - Personnel Committee 10/19/2026

# of Positions	Position Title	Vacancy Date	Vacancy Reason	Employee Group	Status
1	Dispatcher/Clerk	9/28/2026	Resignation	Non-Rep	Posted
1	Public Health Nurse	46247	Resignation	Non-Rep	Posted
1	Director of Health and Human Services	9/6/2026	Resignation	Non-Rep	Interview Process
1	Light Equipment Operator	7/1/2025	Promotion	Non-Rep	Unfunded until November 2026
2	Police Patrol Officer	3/1/2026	Open Applications	Police Union	Interview Process