



# ADMINISTRATION AND COMPENSATION OVERSIGHT COMMITTEE MEETING AGENDA

Thursday, October 2, 2014 at 3:00 pm  
Fire Station – Large Meeting Room  
2258 Mill Road

For additional information check: [www.sisterbaywi.gov](http://www.sisterbaywi.gov)

*In order for everyone to hear the discussion please, turn off your cell phone. Thank you.*

### Call Meeting to Order

### Roll Call

|   |                             |  |   |                                   |  |
|---|-----------------------------|--|---|-----------------------------------|--|
| 1 | Dave Lienau                 |  | 4 | Kathy Enquist                     |  |
| 2 | Pat Duffy                   |  |   |                                   |  |
| 3 | Joann Clove, Citizen Member |  |   | Finance Director – Juliana Neuman |  |
|   |                             |  |   | Administrator – Zeke Jackson      |  |

### Approval of the Agenda

### Approval of minutes as attached

### Comments and Correspondence

### Discussion Items

1. Discussion on wage rates for 2015. Consider a motion to recommend to the Board for action.
2. Update on Health Insurance renewal and HRA component.
3. Discussion on the PTO policy draft. Consider a motion to recommend to the Board for action.
4. Discussion on a policy for retention of current benefits for existing staff. Consider a motion to recommend to the Board for action.
5. Consider a motion to convene into Closed Session pursuant to Wisconsin State Statutes 19.85(1)(c) to discuss personnel and employee benefits.
6. Consider a motion to reconvene into Open Session.
7. Consider a motion to take action, if required.
8. Discussion on Personnel Policy Manual. Consider a motion to take action if appropriate.
9. Matters to be placed on a future agenda or referred to a Committee, Official or Employee.

### Adjournment

### Public Notice

Questions regarding the nature of the agenda items or more detail on the agenda items listed above scheduled to be considered by the governmental body listed above can be directed to Village Administrator Zeke Jackson, at 920-854-4118 or at [zeke.jackson@sisterbaywi.gov](mailto:zeke.jackson@sisterbaywi.gov).

It is possible that members of and possibly a quorum of members of other governmental bodies of the municipality may be in attendance at the above-stated meeting to gather information; no action will be taken by any governmental body at the above-stated meeting other than the governmental body specifically referred to above in this notice. Upon reasonable notice, a good faith effort will be made to accommodate the needs of disabled individuals through sign language interpreters or other auxiliary aid at no cost to the individual to participate in public meetings. Due to the difficulty in finding interpreters, requests should be made as far in advance as possible preferably a minimum of 48 hours. For additional information or to request this service, contact the Sister Bay Village Administrator at 854-4118, (FAX) 854-9637, or by writing to the Village Administrator at the Village Administration Building, 2383 Maple Drive, P.O.B. 769, Sister Bay, WI 54234. Copies of reports and other supporting documentation are available for review at the Village Administration Building during operating hours. (8 a.m. – 4 p.m. weekdays).

|   |                                  |                                      |
|---|----------------------------------|--------------------------------------|
| I hereby certify that I have posted a copy of this agenda at the following locations: |                                  |                                      |
| <input type="checkbox"/> Administration Building                                      | <input type="checkbox"/> Library | <input type="checkbox"/> Post Office |
| Name _____  |                                  | Date _____                           |



1 Jackson spoke to the difficulties involved in performing employee evaluations. Clove countered with  
 2 the thought that employees should be worth taking the time and effort to evaluate, and Jackson said  
 3 that he didn't disagree.

4 *Lienau moved and Clove seconded that there should be no "aging" of the payscale for 2015. All voted*  
 5 *Aye.*

6  
 7 Duffy voiced support for the idea that at least part of any pay increase be based on performance.  
 8 Lienau then asked whether an employee who is already at the top of the pay scale could receive an  
 9 increase for performance. Duffy thought yes, but as a bonus since the pay is already at the max.  
 10 Discussion followed about splitting the annual COLA increase into two parts by per cent.

11  
 12 Jackson commented that the actual dollar amount for any merit increase, given the basis in COLA,  
 13 will be at most \$125. He asked whether that is worth the effort that would go into measuring  
 14 performance. Clove replied that the process is valuable for employee development. Jackson suggested  
 15 that merit increases be paid out at Christmas time, rather than as regular wage increases. Committee  
 16 members liked the idea of making merit pay highly visible, with distribution of checks at the annual  
 17 holiday staff party, for example. Evaluations would occur on October of each year. After the first year  
 18 at 75%/25%, the COLA split would be determined by the Personnel Committee each year.

19 *Clove moved and Duffy seconded that the annual COLA increase be divided, with 75% awarded to all*  
 20 *employees who are not already at the maximum rate of pay for their position, and an additional 25%*  
 21 *awarded to some for excellence, with checks to be distributed at year-end. All voted Aye.*

22  
 23 **3. Discussion on creating a PTO policy. Consider a motion to recommend to the Board for**  
 24 **Action.**

25 Clove presented a draft policy for discussion. She had combined holidays, vacation, sick leave and  
 26 personal days into one PTO total, with time to be accrued according to a schedule of completed  
 27 service. At least two weeks must be used each year, and at least one full week must be scheduled in  
 28 advance. A maximum of two weeks of current leave time accrual could be carried over by existing  
 29 employees, with various additional provisions for dealing with accrual balances. Thereafter, a  
 30 maximum of two weeks of any leave time total (PTO plus Comp Time) could be carried over, with  
 31 any balance to be paid out.

32  
 33 Lienau asked which employees will feel hurt by this plan. Neuman said she thinks that employees will  
 34 have a strong reaction to not having holidays in their current form. She added that there is an  
 35 advantage to having everyone taking the same day off on holidays, so that an entire department is  
 36 closed, rather than having more days during the year when someone might be absent from work.  
 37 Jackson agreed. Clove replied that her suggestion to include holidays in PTO was driven by  
 38 consideration of holidays like Memorial Day and Labor Day, when Parks employees are needed.  
 39 Jackson concurred with Neuman that the traditional six holidays should be removed from the policy.

40  
 41 There was also discussion about the requirement that at least one week of PTO be taken at a stretch  
 42 rather than as separate days. Jackson said that we need clarity about our goals: 1) do we want more  
 43 days worked, 2) are we trying to encourage employees to take vacations, or 3) do we want better  
 44 coordination of absences?

45  
 46 Jackson has asked Kelly Hendee from Door County Human Resources to come to our next meeting to  
 47 discuss PTO. Clove will type her recommendations for distribution. Lienau thanked Clove for her  
 48 good work.

49  
 50 **4. Matters to be placed on a future agenda or referred to a Committee, Official or Employee**  
 51 **--Clove requested job descriptions for all positions.**

- 1 --Develop a policy on exempt vs. non-exempt positions.
- 2 --Are Health Care benefits required? What if employees had to use the Marketplace?
- 3 --Health insurance rates and HRA costs to be discussed when available. A higher deductible and an
- 4 HSA policy should be considered.
- 5 --Details on whether to retain current benefits for existing employees to be developed at a later date.
- 6 --The next meeting will be held on Wednesday, September 10<sup>th</sup> at 2:00 PM with Kelly Hendee to
- 7 discuss the PTO policy and to draft recommendations to the Board. A Closed Session agenda item
- 8 should be included.

9

**Adjournment**

*At 6:15 PM Duffy moved and Clove seconded that the meeting be adjourned. Motion carried.*

12

Respectfully Submitted,

13



14

Juliana Neuman  
Finance Director

15

16

17

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Name: h:\files\active\agendas\finance\2014\2014\_08\08132014 admin\comp minutes - approved version.docx Created: 5/21/2013 9:14 AM Printed: 9/10/2014 1:25 PM Author: Juliana Neuman Last Saved By: Juliana Neuman

19

**ADMINISTRATION AND COMPENSATION  
COMMITTEE MEETING MINUTES  
WEDNESDAY, SEPTEMBER 10, 2014  
(APPROVAL PENDING)**

The September 10, 2014 meeting of the Village of Sister Bay Administration and Compensation Committee was called to order at 2:10 PM by Chairman Dave Lienau.

**Present:** Chairman Lienau, Committee Members Pat Duffy and Joanne Clove, Village Administrator Zeke Jackson and Finance Director Juliana Neuman

**Also Present:** Kelly Hendee of Door County Human Resources

**Approval of the Agenda**

*Duffy moved and Clove seconded. Motion carried—all Ayes.*

**Approval of the Minutes**

*None provided.*

**Comments, correspondence and concerns from the public**

None.

**Discussion Items**

**1. Presentation by Kelly Hendee of Door County on policies for existing employees as well as PTO policies and practices.**

Hendee explained that the County had transitioned to a PTO policy in 2006. Sick leave, personal days and vacation were rolled into the Paid Time Off program. Holidays remained separate. Hendee finds the PTO plan to be simpler administratively, because it eliminates a lot of separate policies. She stressed that it is important to explain the PTO concept to employees so that they understand how to use it responsibly. Lienau asked why holidays were not included in PTO; Hendee replied that they usually are not. She considers holidays to be a different type of benefit, because they are on specific days of the year. Clove mentioned that she had included holidays in her PTO draft because of staffing that is needed in Sister Bay on Memorial Day, Fourth of July and Labor Day. Neuman stated that there is actually a three/three split: three holidays during the tourist season when some employees have to work, and three others when departments can close down. Hendee replied that including holidays in PTO would have caused a lot of “angst” in the employees and would have made the PTO program unacceptable to them.

The County’s policy allows for PTO to be taken in half-hour increments. Jury duty is governed by a separate policy: if employees turn their jury duty pay in, they are paid for regular time. Bereavement is rolled into the PTO policy. Employees who had sick leave banked at the time of the transition to PTO had that rolled into an “EUSL” (Earned Unused Sick Leave)—a separate bank which can be drawn on for Bereavement or Family Medical Necessity (with a doctor’s note). This bank can be paid out only after 20 years of service, at 50%.

Neuman asked how explicit the County had been in introducing the plan to employees. Hendee replied that only the total number of days was given, because there were several different employment units to which the policy was applied. They were told that their total PTO included sick leave, vacation, and personal days, to be taken as they chose. They were also told how the time is earned or accrued and whether it can ever be paid out.

Discussion followed about earned vs. accrued PTO. In Clove’s PTO draft, the time is earned throughout the year and becomes available at the beginning of each new year. With the County’s policy, the PTO time is accrued each pay period according to a formula based on the employee’s years of service. At the County, the accrual begins at the first pay period and can be used right away. In Clove’s draft, PTO

1 becomes available only after six months of employment. Duffy asked whether our payroll software is  
2 capable of handling the accrual; Neuman said that it is.

3  
4 Lienau asked about carryover from one year to the next. Hendee said that she does not believe that any  
5 remaining time should be taken away, and added that this has been very important to the employees. She  
6 agreed, however, that some limitations on payout of the total accrual are necessary. For the County, PTO  
7 accrual also serves when there is a need for short-term disability.

8  
9 Jackson asked how important it is to employees to be able to cash out their time. Most policies seem to  
10 have some cash value. Hendee replied that cash payouts are common in the public sector when unions  
11 prevail but are less often seen in the private sector. Clove's draft stipulated no payout on termination if  
12 two weeks' notice had not been given. Jackson stated that it is often more expedient to hand someone  
13 their check and let them go.

14  
15 Duffy asked if there are things Hendee feels the County should have done differently. Hendee replied  
16 that there was a lot of confusion when the PTO program was first rolled out. Unfamiliar terminology was  
17 used and clarification was needed about which bank of hours could be used for what, and about when  
18 payouts could occur.

19  
20 Lienau asked what Hendee feels should have been done differently when the new compensation level  
21 policy was rolled out. She recommended reviewing each employee's job description with both the  
22 supervisor and the employee, to make the descriptions as accurate as possible so that the comp study can  
23 be applied correctly. Communication with the employee is key, to explain that their position is being  
24 compared to equivalent positions in the larger market, not to devalue their worth but to bring everyone's  
25 base compensation in line with the market.

26  
27 Lienau then asked about the handling of wage freezes resulting from the new compensation levels: would  
28 Hendee have done anything differently to address the consternation that these freezes caused? She replied  
29 that the County had implemented a lot of change all at once, making it difficult to communicate all  
30 aspects of the new policies effectively. A slower pace would probably have been better received. Hendee  
31 also said that she would not have frozen wages but would prefer a monetary settlement not attached to  
32 the base. She added that it was not the employees' fault that wages had been inflated above market rates.  
33 She said that lump sum supplemental compensation equal to what others received would have helped to  
34 keep morale up during an interim period of perhaps three years with education and communication about  
35 the compensation study.

36  
37 Hendee's final advice was to "take your time, plan it, and make sure it's what you want. Then educate the  
38 employees and communicate to them before you actually implement it." The County kept the number of  
39 days of PTO time exactly the same as the previous sum of sick, vacation and personal days. For exempt  
40 employees (salaried) 40 hours of "Admin Time" were added as well.

41  
42 Comp Time at the County is limited to 40 hours, with no carryover. Hendee strongly recommended  
43 keeping it simple by paying it out at the end of each year. Otherwise you have to find a way to pay out at  
44 the wage rate at which the time was earned.

45  
46 In closing, Clove verified with Hendee that the County has a holiday policy which is separate from PTO.  
47 It offers 8 holidays plus one day by personal choice (such as Easter or Passover).

48  
49 Hendee left the meeting at 3:20 PM, with thanks from the committee for her presentation.  
50  
51

1 **2. Discussion on the PTO policy draft. Consider a motion to recommend to the Board for Action.**  
2 Tabled due to lack of time.

3  
4 **3. Review of Health Insurance rate information as available to date.**

5 Jackson reported on the status of the change-of-agent request. The fact that Midwest Insurance  
6 administers our HRA is indeed a sticking point, as we have a contract with them until 12/01/14. Jackson  
7 also explained that we have the option of keeping the current non-ACA group policy for one more year.  
8 Otherwise, we would have to enroll in a more expensive ACA-compliant plan. Jackson leans toward  
9 keeping the current policy but consider changing the HRA. The cost of the current policy is expected to  
10 increase by 24.1%, but the impact of this increase will be mitigated by the committee's recommendation  
11 that the Village pay 85% rather than 90% of premiums. (85% is the average municipal contribution in  
12 Northern Door.) Clove suggested reducing dental insurance to 85% also. All agreed.

13  
14 Duffy reminded the group of last year's decision to spend no more than \$10,000 per employee for health  
15 insurance plus HRA. He also remembered wanting to move in the direction of Village coverage for  
16 employees only, with family coverage paid by the employee.

17  
18 Jackson asked the group to consider what the Village is trying to achieve: monetary savings? increased  
19 morale? work output? Lienau replied that this committee is charged with coming up with tough  
20 compensation/benefit decisions that will be referred to the Board for consideration.

21  
22 **4. Consideration of deductible levels and possible HRA/HSA components.**

23  
24 **5. Consider a motion to convene into Closed Session pursuant to Wisconsin State Statutes**  
25 **19.85(1)(c) to discuss personnel and benefits.**

26 *At 3:50 PM Lienau moved to convene into Closed Session and Duffy seconded the motion.*

27 *Roll call: Lienau – Yes Duffy – Yes Clove – Yes*

28 **6. Consider a motion to reconvene into Open Session.**

29 *At 3:55 PM Lienau moved to reconvene into Open Session and Clove seconded the motion.*

30 *Roll call: Clove – Yes Duffy – Yes Lienau – Yes*

31 **7. Consider a motion to take action, if required.**

32 *Lienau moved that the Marina Manager incentive plan be recommended to the Marina Committee. Duffy*  
33 *seconded the motion and all agreed by voting Aye.*

34  
35 **8. Matters to be placed on a future agenda or referred to a Committee, Official or Employee**

36 --Clove has not yet received job descriptions for all positions. Jackson intends to revise them. Kelly  
37 Hendee will provide templates.

38 --Develop a policy on exempt vs. non-exempt positions.

39 --Details on whether to retain current benefits for existing employees to be developed at a later date.

40 --Place the PTO draft on the agenda for the next meeting

41  
42 **Adjournment**

43 *At 3:57 PM Lienau moved and Duffy seconded that the meeting be adjourned. Motion carried.*

44  
45 Respectfully Submitted,

46 

47 Juliana Neuman  
48 Finance Director

**VILLAGE OF SISTER BAY**  
**Compensation ranges**

| <u>Position</u>          | <u>Range</u> |               |             |
|--------------------------|--------------|---------------|-------------|
|                          | <u>Low</u>   | <u>Middle</u> | <u>High</u> |
| <b>Administration</b>    |              |               |             |
| Village Administrator    | 50K          | 60K           | 70K         |
| Finance Director         | 40K          | 50K           | 60K         |
| Administrative Assistant | 30K          | 40K           | 50K         |
| Clerk/Treasurer          | 14.00/hr.    | 16.00/hr.     | 18.02/hr.   |
| <b>Parks</b>             |              |               |             |
| Manager                  | 37,500       | 48,750        | 60,000      |
| Maintenance              | 11.50/hr.    | 14.50/hr.     | 17.30/hr.   |
| Seasonal Worker          | 7.25/hr.     |               | 12.00/hr.   |
| Recreation Coordinator   | 11.00/hr.    | 12.50/hr.     | 14.00/hr.   |
| <b>Marina</b>            |              |               |             |
| Manager                  |              |               |             |
| Dockmaster               |              |               |             |
| <b>Utilities</b>         |              |               |             |
| Clerk                    | 15.00/hr.    | 18.50/hr.     | 22.00/hr.   |
| Manager                  | 41,600       | 52,500        | 63,400      |
| Assistant Manager        | 17.58/hr.    | 21.98/hr.     | 26.38/hr.   |
| Operator                 | 16.00/hr     | 20.00/hr.     | 24.00/hr    |

## NORTHERN DOOR MUNICIPALITIES WAGE COMPARISON 2014

| Department/Title                               | Baileys Harbor | Egg Harbor | Ephraim   | Gibraltar | Liberty Grove | Sister Bay |
|--|----------------|------------|-----------|-----------|---------------|------------|
| <b>Administration</b>                          |                |            |           |           |               |            |
| Administrator/Zoning Administrator             |                | 37.23 Hr.  |           |           |               | 31.25 Hr.  |
| Administrator/Clerk and Maintenance Supervisor |                |            | 27.26 Hr. |           |               |            |
| Clerk/Treasurer/ Administrator                 |                |            |           | 26.06 Hr. |               |            |
| Clerk/Administrator                            | 26.00 Hr.      |            |           |           | 33.66 Hr.     |            |
| Finance Director                               |                |            |           |           |               | 25.23 Hr.  |
| Clerk/Treasurer                                |                | 20.31 Hr.  |           |           |               | 18.02 Hr.  |
| Treasurer                                      | 14,000.00 Yr.  |            | 15.49 Hr. |           | 7,000.00 Yr.  |            |
| Admin Assistant                                |                |            |           |           | 21.20 Hr.     | 19.35 Hr.  |
| Deputy Clerk/ Clerical Assistant               |                | 17.83 Hr.  | 15.95 Hr. |           |               |            |
| Deputy Clerk/Treasurer Admin Assistant         |                |            |           | 17.00 Hr. |               |            |
| Zoning Administrator/ Building Inspector       |                |            | 21.83 Hr. |           |               |            |
| <b>Parks and Streets</b>                       |                |            |           |           |               |            |
| Manager  | 20.00 Hr.      | 29.67 Hr.  |           | 19.09 Hr. |               | 30.48 Hr.  |
| Maintenance Worker                             | 17.55 Hr.      | 19.43 Hr.  | 19.38 Hr. | 18.44 Hr. |               | 19.44 Hr.  |
| Maintenance Worker                             |                | 17.58 Hr.  |           | 14.50 Hr. |               | 19.44 Hr.  |
| Summer Worker                                  |                | 11.31 Hr.  | 11.22 Hr. |           |               | 11.28 Hr.  |
| Hwy Worker                                     |                |            |           |           | 19.76 Hr.     |            |
| Hwy Worker                                     |                |            |           |           | 21.35 Hr.     |            |
| Hwy Worker                                     |                |            |           |           | 21.46 Hr.     |            |
| Hwy Worker                                     |                |            |           |           | 22.52 Hr.     |            |
| Maint/WW Operator                              | 14.42 Hr.      |            |           |           |               |            |
| <b>Sewer and Water Utility</b>                 |                |            |           |           |               |            |
| Clerk  |                |            |           |           |               | 18.38 Hr.  |
| Manager  | 28.17 Hr.      | 29.67 Hr.  | 24.37 Hr. |           |               | 30.48 Hr.  |
| Assit Manager                                  |                |            |           |           |               | 24.87 Hr.  |
| Operator                                       | 23.54 Hr.      | 24.57 Hr.  | 18.36 Hr. |           |               | 21.14 Hr.  |
| Operator                                       |                |            | 17.24 Hr. |           |               | 21.14 Hr.  |

**Janal Suppanz**

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**From:** Mike Dietz [Mike@mibltd.com]  
**Sent:** Friday, August 29, 2014 1:13 PM  
**To:** Zeke Jackson  
**Subject:** ACA Health Insurance Rates  
**Attachments:** doc03169320140829103221.pdf

Zeke,

Attached are the ACA rates you asked me to put together.  
As you will see, they are not good.

Your current rates are at \$8790.86 a month without the HRA fee.  
Looking as similar plans with other insurance companies, the rates go up to over \$14,000 a month

From what I have from most of the renewals coming through the renewal options are better than going with the new ACA plans.

Let me know if you have any questions.

Thanks,

Mike Dietz  
Midwest Insurance Brokerage LTD  
4 Systems Drive  
Appleton, WI 54914  
920-731-2100 Cell 920-213-9989  
[mike@mibltd.com](mailto:mike@mibltd.com) Fax 920-731-1421

**Zeke Jackson**

---

**From:** Mike Dietz <Mike@mibltd.com>  
**Sent:** Thursday, June 05, 2014 5:06 PM  
**To:** Zeke Jackson  
**Cc:** Arty Rasmussen  
**Subject:** Fwd: ACA Rates  
**Attachments:** doc02422420140605115007.pdf

Zeke,

For the HRA fees.  
We will have to see how the balance of the year comes out.  
Year to date was paid in \$13,230  
Paid out was \$18,609

That is about \$5379 in the negative.

However, a lot of the deductible are meet for the year.  
This may result in the HRA catching up.

I would look at a 10% increase in the HRA fees if they do not improve.  
That would take the current rate from Single/Family \$135/\$225 to \$150/\$250

We will know more as the year goes on.

I hope this helps for the budget.

Let me know if you need anything else.

Thanks,

Mike Dietz  
Midwest Insurance Brokerage LTD  
4 Systems Drive  
Appleton, WI 54914  
920-731-2100 Cell 920-213-9989  
[mike@mibltd.com](mailto:mike@mibltd.com) Fax 920-731-1421

Begin forwarded message:

**From:** Arty Rasmussen <[Arty@mibltd.com](mailto:Arty@mibltd.com)>  
**Subject:** ACA Rates  
**Date:** June 5, 2014 at 12:54:08 PM CDT

**VILLAGE OF SISTER BAY  
PROPOSED PTO POLICY**

Paid Time Off (PTO) is available to all full time employees (defined as working more than 32 hours per week on a regularly scheduled basis for the calendar year) and may be used for vacation, holidays, personal time, sick leave, emergency leave or for time off to care for dependents. PTO must be scheduled in advance in at least two hour increments and approved by the department head except for cases of illness or emergency. At least one consecutive 5-day vacation must be requested in advance each year. Acceptance of PTO by the department head will be based on seniority, staffing needs, Village needs and workload.

A doctor's note will be required for illnesses over 3 days and Short Term Disability must be applied for when illness is expected to last more than six days.

PTO includes vacation, holidays, personal time, emergency leave and sick leave and is earned according to the following schedule. There is no accrual for PTO. It is earned upon the employment anniversary for employees with six months and 1 year of service and earned on January 1 of each year for the remainder of employees. Eligible employees will be granted prorated PTO on January 1 following their 5<sup>th</sup> and 10<sup>th</sup> year anniversaries.

| Completed Service | PTO Days |
|-------------------|----------|
| 6 months          | 13 days  |
| 1 year            | 13 days  |
| 5 years           | 31 days  |
| 15 years          | 36 days  |

Each year, an employee must use ten days of PTO time or forfeit those days, then they can carry over a maximum of 10 days (including Compensation Time) into the next year. Any balance will be paid out in December. This provision does not apply for the calendar year of those employees who are hired on/after July 1.

No overtime will be paid for holidays worked.

No transfer of PTO by or between employees is allowed.

Upon termination, 10 days of PTO will be deducted in lieu of two weeks' notice if it is not given.

In addition to PTO, Bereavement Leave will be provided with Department Head's approval for death of an immediate family member (defined as husband, wife, son, daughter, stepson, stepdaughter, mother, father, brother, sister, mother-in-law, father-in-law, grandparent, brother-in-law, sister-in-law, aunt, uncle, grandparent-in-law, and son-in-law. Up to 3 days will be paid for funerals within Door County and up to 5 days will be provided where more travel is required.

**TRANSITION FOR PERSONNEL EMPLOYED ON DATE OF IMPLEMENTATION OF THE NEW PTO POLICY:**

1. All employees with a balance of sick, vacation, personal days or compensation time will have a total maximum two weeks carried over into the following year.

Then,

**Employees with more than 20 years of service:**

- may use their 50% of their sick and/or 100% of compensation dollars to deposit into an HSA for reducing future healthcare expenditures, or
- may put their sick leave in an account to be used to supplement short and/or long term disability or for up to 5 days of emergency leave. Any balance would be paid out at termination or retirement, or
- ½ of their compensation balance to be used in January, February or March of the next two years or paid out at their pay rate as of the date of implementation of the new PTO plan.
- Vacation balance will be paid out.

**Employees with less than 20 years of service:**

- Sick leave will be put into an account to be used to supplement short term and/or long term disability or for up to 5 days of emergency leave. This balance will not be paid out at termination or retirement.
- Compensation time dollars may be deposited into an HSA for reducing future healthcare expenditures, or
- ½ of the compensation time to be used in January, February or March of the next two years or paid out at their pay rate as of the date of implementation of the new PTO plan.
- Vacation balance will be paid out.

**CONSIDERATIONS WHEN DEVELOPING THIS PROPOSAL:**

- Competitive program
- Desire to give employees 10 holidays
- Concern about staffing needs on certain holidays
- Desire to reduce maximum vacation days earned to 20
- Short term disability starts at first day for injury, 7<sup>th</sup> day for illness for up to 26 weeks, so not as much concern for longer sick time balances
- Long term disability provided through pension plan.
- Life options for a living benefit, some conversion over to healthcare costs after retirement.
- Need to reduce ongoing liability for sick and comp time accruals.
- Provide more flexibility to employees for their needs for time off.
- Reduce costs going forward.
- Ease of administration.

**Current Plan:**

|              | Vacation | Sick | Holiday | Personal | Total |
|--------------|----------|------|---------|----------|-------|
| After 1 Yr   | 10       | 12   | 6       | 2        | 30    |
| After 8 Yrs  | 15       | 12   | 6       | 2        | 35    |
| After 15 Yrs | 20       | 12   | 6       | 2        | 40    |
| After 20 Yrs | 25       | 12   | 6       | 2        | 45    |

| Proposed Plan: | PTO  |
|----------------|--|
| 1 Year         | 26 (13 days after 6 months + 13 days after one year) |
| 5 Year         | 31   |
| 15 Year        | 36   |

Be as fair as possible to current employees during the transition:

Add 4 days to those with over 20 YOS or perhaps set up an admin bucket?



### Short and Long Term PTO policy:

#### Benefits:

- PTO can be an attractive benefit for healthy employees because they are offered more vacation time under a PTO plan than they would be under a plan that differentiates sick leave and vacation.
- Theoretically, the employee will be honest in scheduling PTO in advance, allowing the company to plan around the absence, rather than "calling in sick" at the last minute.
- PTO is usually attractive to younger workers, who tend to rate work-life balance as an important source of job satisfaction.
- The flexibility of PTO plans aligns with the current trend in the United States of having more frequent but shorter vacations.[1]
- Tracking PTO is less onerous for management and employee than tracking personal, sick and vacation days.

#### Disadvantages

- At first glance, PTO may not be attractive for employers due to little direct advantage. This is because the employer pays the employee for time spent not working; thus, receiving nothing in return for the expense.
- Employees may tend to miss work more frequently, which can be seen as a drawback for the employers and lead to absenteeism. This can be offset by the employer establishing acceptable and unacceptable standards of unscheduled PTO (call-offs).
- If an employee has used all of his or her allotted PTO days yet becomes ill, he or she will most likely have to work while sick, which may result in lower productivity. In order to compensate for the lack of remaining PTO, he or she may also have to cancel a planned vacation, and take a financial loss.
- If PTO hours go unused, employees may sometimes call in sick near the end of the year so they can obtain the benefit of paid leave before it disappears. Employers may counter this tendency by paying employees for some or all of their unused days at year-end or upon retirement or resignation.[1]

#### Example

##### **Duke University**

Eligible health system staff receive time off in the form of Duke's PTO (Paid Time Off) program. Paid Time Off provides staff with more flexibility in scheduling time off to meet family needs and balance work and family life. It incorporates vacation, sick leave, holiday, and bereavement leave into one bank. The design of the PTO program is also intended to assist staff and the health system in managing staffing needs so as to meet Duke's operational needs.

##### Eligibility

Duke provides a PTO system for all Health System staff who are scheduled to work 20 or more hours per week. PTO is accrued but not used during the first 90 calendar days of employment (that is, during the Orientation and Evaluation Period). However, recognized holidays that occur during the Orientation and Evaluation period will be paid.

## Usage

Health System staff have access to PTO accrual banks in the form of Short-Term, Long-Term and Carry Over Banks for the purpose of taking time off from work. PTO incorporates vacation, sick time, holiday, and bereavement leave into one program. Health System staff have the opportunity to accumulate time to be used for rest, relaxation, illness, personal, family needs, sellback (cash-out), or retirement.

## Maximum and Minimum Accruals

Earned hours are deposited into the Short-Term Bank on each pay period. Any time saved in excess of 55 days (440 hours) is deposited into the Long-Term Bank. Time off can be for holidays, illnesses, vacations, or any other reasons as long as the time is accrued and scheduled with the supervisor. Staff may use a maximum of 55 days from the Short-Term Bank each year.

## Pay for Unused Time

Payment for PTO is made at base pay on regular payroll dates. Upon termination of employment or death, unused accrued Short-Term Bank time is paid to the staff member or his or her estate. Upon retirement, unused accrued Short-Term Bank and, if you are age 55 or older, 100% of your Long-Term Bank will be paid to the staff member. Upon Layoff, accrued and unused Short-Term Bank and 50 percent of the Long-Term Bank will be paid.

## Cash-Out

Every November, Health System staff have the opportunity to buy back hours not used from the Long-Term Bank at 50 percent of the staff member's base rate of pay at the time of cash-out.

This payment will be based on the staff member's base rate of pay as recorded in the payroll system (as of the date of the check).

Staff must complete an "Annual Request for Cash-out of Long-Term Bank Hours" form and return it to the Corporate Payroll Office by the assigned date.

Staff may call the Time Call System at 681-1011 to check on Long-Term Bank accrual balance.

## Accrual

Accrual is based on years of service, monthly-salaried or hourly-paid status and hours worked.

No PTO is earned on overtime hours.

## Payment

Payment of PTO time should be made at the staff member's regular rate of pay at the time of leave and should not include any premium or differential payment.

## Scheduling Time Off

The supervisor and staff member schedule time off in accordance with existing work requirements.

Due consideration is given to personal preferences.

Other factors that may be considered in scheduling time off include department needs, the staff member's length of service, and the staff member's accrued amount of unused vacation/PTO.

## Severe Weather and Emergency Conditions

If an hourly-paid staff member does not come to work, he or she may use accrued time from the Short-Term Bank.

Any absence incurred during a severe weather and/or emergency condition event will be considered as unscheduled time off.

#### COB for Hourly-Paid Staff

Hourly-paid staff who are eligible for retirement from Duke and have accrued time in the COB will receive either a normal or early reduced pension as provided in the Employees' Retirement Plan and will be eligible for the following:

At the time of retirement, an hourly-paid staff member's total, accumulated bank of unused Carry-Over-Bank hours will be calculated.

The total of unused Carry-Over-Bank hours will be used to adjust the hourly-paid staff member's credited years of service for benefit calculation.

This adjustment will be accomplished by taking the total number of these unused Carry-Over-Bank hours and converting them into additional-length-of-service credits that are then used to calculate the staff member's eventual retirement payment.

The exact method of computation of pension benefits and the conversion of unused Carry-Over-Bank hours into additional-length-of-service credits will be governed and defined by the Employees' Retirement Plan (ERP).

#### Bank Definitions and Usage Process

Short-Term Bank (STB) days are available for vacation, holiday, bereavement leave, and sick time. Staff may not use more than 55 days in a year.

When the Short-Term Bank (STB) is empty, Long-Term Bank (LTB) days can be used for family or personal illness time.

If a staff member accrues more than 55 days (440 hours) of paid time off, the excess goes into the Long-Term Bank (LTB) automatically. Staff may keep up to 120 days (960 hours) in their Long-Term Bank (LTB). No additional accruals will be applied until the Long Term Bank balance is below 120 days (960 hours).

Time in the Long-Term Bank (LTB) may only be used for personal or family medically-related reasons including illnesses, injuries, or medical emergencies for a staff member or his or her family members\* (FMLA, Workers Compensation or Maternity). The Long-Term Bank (LTB) is the second bank from which PTO is taken and can only be accessed once the STB is depleted.

Once a year, staff will be given an opportunity to sell Long-Term Bank (LTB) time at 50 percent of their base rate of pay.

\* A family member is defined as a child, spouse, registered same-sex partner, brother, sister, parent, parent-in-law, grandparent, or grandchild.

Carry Over Bank (COB) – This bank consists of earned time that was carried over from the University sick leave program when the DUHS PTO program was implemented in July 1999.

No additional time can be earned or transferred to this bank because of the new PTO program. Currently, this bank ensures that University staff who transfer to the Health System do not lose any of their earned sick time.