

CITY OF WAUSAU, 407 Grant Street, Wausau, WI 54403

RESOLUTION OF THE COMMITTEE OF THE WHOLE	
Terminating contract with All City Management Services.	
Committee Action: Approved 7-4 Fiscal Impact:	
File Number: 12-0107	Date Introduced: January 10, 2012

RESOLUTION

WHEREAS, the City of Wausau is currently under a three-year contract with All City Management Services (ACMS) to provide Crossing Guard services to the City, the contract having become effective August 10, 2011, and

WHEREAS, the Committee of the Whole has reviewed, studied, and considered information regarding the outsourcing and contracting of Crossing Guard services for the City of Wausau, and

WHEREAS, the Committee of the Whole has determined, by vote, that the City of Wausau shall cease the current outsourcing of Crossing Guard services and that the current contract with All City Management Services shall be terminated, and

NOW THEREFORE BE IT RESOLVED by the Common Council of the City of Wausau that the proper city officials and designees are hereby authorized and directed to issue the appropriate notices necessary to exit and terminate the contract with All City Management Services, with termination effective as of the last day of the 2011/2012 school year, and

NOW THEREFORE BE IT FURTHER RESOLVED by the Common Council of the City of Wausau that Police Chief Hardel is granted the latitude to hire a local manager to oversee Crossing Guard functions, if deemed necessary, and in doing so, to achieve the management and staffing of the crossing guard functions for less cost than the currently contracted cost outlay, with these issuances and directives effective immediately upon approval of this resolution.

Approved:

James E. Tipple, Mayor

COMMITTEE OF THE WHOLE, A STANDING COMMITTEE OF THE COMMON COUNCIL

Time & Place: Tuesday, December 13, 2011 at 5:30 pm., in the Council Chambers at City Hall
Members Present: Nagle, Wagner, Brezinski, Gisselman, Klingbeil, Rasmussen, Kellbach, Oberbeck, Nutting Abitz, Gale
Members Excused: Havel
Others Present: Mayor Tipple, Groat, Hardel, Bliven, Jacobson, Lenz, Loy, Stratz, Rayala, Patricia Pohl- ACMS, and other interested parties.

Noting a quorum of members present Mayor Tipple called the meeting to order.

Crossing Guard Outsourcing - Discussion and Possible Action

Patricia Pohl, Director of Operations for All City Management Services (ACMS), stated the crossing guard company is headquartered in Santa Fe Springs, California, and is a private family-owned company founded in 1985. She provided a brief background and history of the company, as well as its goals and objectives. She respectfully requested the Council retain the services of ACMS for crossing guard services.

Abitz questioned what other four season cities they contract with as she was concerned with cold weather apparel. Pohl indicated Wausau was their first, but they were working to meet those needs and employees were allowed to wear whatever cold weather apparel necessary for their comfort as long as they have on the vest or reflective tape. Abitz stated they previously received sick leave and snow day pay and questioned if there was any option for that with ACMS. Pohl stated it was not built into the pricing structure to afford those benefits, but if someone shows up and school is canceled they will be compensated for that report time. She noted they are paid for training time.

Wagner commented they all received jobs from ACMS if they wanted them; there is a local management person to look after them, train them and answer their questions; and although this is their first cold weather climate, they are willing to work with them for weather safety. He felt ACMS was a real good fit for what we need in Wausau and that they take the safety of the kids, employees and citizens to a very high level.

Pohl indicated she brought copies of a professionally produced crossing guard safety video, which was viewed with the crossing guards yesterday, for Council to preview if they wished.

Oberbeck questioned why snow day pay was not built into the contract price if there is a specified contract amount based on the number of school days. Pohl explained the contract dollar amount should be looked at as a "not to exceed" amount and the city will only be billed for the hours worked.

Nagle questioned if the training manual and employee manual was gone through with each employee. Pohl stated it was reviewed in their centralized startup meeting in August and they are asked to sign documentation that commits them to reading it, if they have not already done so. Nagle questioned if there was observation during the year either randomly or planned. Pohl indicated both were done throughout the program; ongoing site visits, random observations announced and unannounced. All school principals have been visited and she would like to expand and build on communication with the schools. She pointed out they have the ability to identify, recruit, train, and maintain the staff that is so time consuming and costly for cities, and particularly for police departments.

Rasmussen stated in Finance Committee much discussion was made about liability and the fact that our insurance carrier feels that we need to sidestep the liability with the guard operation any way we can. She commented any insurance company will tell you to run from liability, but it is up to entity that has that risk exposure to decide the best way to manage it. She believed the city was managing the process effectively; people were doing the job well and it was done for \$70,000 per year or less. She stated we are now spending \$27,000 a year more to pay the exact same people to do the exact same job in the same way. She did not feel a need to alleviate a workload in a department means that privatizing a service and eliminating an entire class of city workers with the stroke of a pen is the best way for us to manage that risk. Outsourcing this process has added another layer of bureaucracy to the process. She could not justify the expense and the upheaval that it has caused. Parents are concerned with revenue that has been taken out of our economy. She believed there was better way to do this and if Hardel was given the latitude to hire a local manager to take the workload of Lt. Bliven, it could all be achieved for less than \$93,000.

Abitz stated in the ACMS handbook regarding fringe benefits it provides that employee eligibility of family care and medical leave requires the employee to have worked for the company at least 12 months and at least 1200 hours in 12 months preceding the leave. She questioned how this would affect several of the employees that have worked as crossing guards for 27 years and if they would lose these benefits and be starting over from scratch with ACMS. Pohl responded none of their employees in their entire workforce reach the threshold of meeting the requirement for FMLA leave. She reiterated if they work they are compensated and if they do not work they are not compensated. She stated what ACMS does bring to the table is the ability to provide alternate substitutes to fill in when crossing guards need time off. It was her understanding that prior to their accepting

the contract it was very difficult to find someone to fill in and it was mostly done by uniformed officers at a great cost. ACMS can provide trained alternates ready to respond and employees can feel free to request a day off. Abitz questioned if they would receive any type of paid holiday or funeral leave at all and Pohl responded they would not. Michael Loy, HR Director, pointed out the threshold for family medical leave for city employees is 1250 hours worked in 12 months, so they wouldn't have qualified with us either.

Gale commented a cost analysis should have been done and presented to the Council prior to the contract being entered into. He was bothered that he first heard it was occupying 10% of Lt Bliven's time, later heard it was 15% and in a recent letter it was 25% of his time. He questioned if it was such a big issue, why was it not addressed in Public Health & Safety and Human Resources Committees. He did not know if the savings presented in the letter were realistic and was upset that the issue did not go through the proper process. He indicated he wanted to issue a 60 day letter to ACMS starting January 1, 2012, or at least a specific date to be finished in June if that is what the Council wanted, because he didn't want it carried on without further discussion.

Michael Loy stated the estimated management costs have always been between 10 to 15% of Lt. Bliven's time which was referenced for the first time in Chief Hardel's October 6th memo; the 25% was in reference to the amount of time Bliven is now spending on the time keeping system as a function the free time he was given when he was relieved of these duties. He briefly reviewed his analysis that was distributed to the members in their packets.

Brezinski asked if the principal of Thomas Jefferson School, Marla Berg, would like to comment. Berg stated her main interest was in the safety of the children. It was important to her to have a point of contact if there are concerns, to be able to answer parents that may have concerns and do it in a timely manner. She indicated they have been happy with the service they have had in the past and have been able to contact someone and resolve issues and get an immediate response, which is what they are looking for in the future as well.

Brezinski agreed with Rasmussen about the passion that people that have expressed to him have about keeping the funds in Wausau. They are adamant about it and those conversations took place before the announcement of the paper mill and SNE closings. He felt we were here tonight because the process that should have been followed is incomplete. He did not place blame or fault on anyone and believed the players were acting in what they thought was the appropriate manner. He was looking for a positive in the situation and one thing that was positive result was the initial contacts between city, the police department and the school district. There is more willingness for cooperation between these entities. He indicated Rob Shepherd, a school board member, suggested creating a committee of members from the city, the County Board, the municipalities in the area and the school systems to explore the possibilities of joint ventures as it relates to buying materials, purchasing insurance, etc.

Nagle questioned what the actual difference was between what the city was paying these crossing guards and the contract is or exactly how much money was going to California. Loy noted the memo from the company states that 81% is related to payroll costs which go directly to staff that works here locally, an additional 13% goes to payroll taxes and the remaining 6% to ACMS. He estimated that 6% going to the company to be approximately \$6,000. Loy did not dispute that we are spending more money on this contract; however, felt it was important to note that it increases the crossing guard service that we provide the community far and above what we were doing by offering more training and more comprehensive coordination of the program. He felt that not only are we increasing our services on this aspect, but also increasing our police department services. Nagle pointed out liability and worker's compensation exposure is transferred to ACMS and the contract can be terminated at any time with 60 day notice.

Rasmussen stated when we talk about savings in terms of reclamation of Lt Bliven's time, whether it's 10, 15, or 25% and in this case it is shown as \$12,000, we can't claim it as savings because we are still paying him; he is earning the same exact wage to do different tasks. She felt any savings indicated, regardless of the amount, for reclaiming his time needs to be erased from this transaction. She stated the exposure to risk was transferred to an insurance company for a premium, so that would not wipe us out. Groat pointed out the city has a \$25,000 deductible on liability claims.

Nutting commented we have had groups of employees in past that we do not have now, for example the crew that picked up refuse which has been privatized. He felt there may be other services that we may have to consider doing this in the future. It is a sign of the times that we may need to do this in more cases. He felt it was not uncommon and not a bad thing.

Motion by Rasmussen, second by Brezinski to exit the contract with All City Management Services at the end of the 2011-2012 school year, as of the last day of school in June; immediately issue the appropriate notices; grant Chief Hardel the latitude to hire a local manager, if necessary; and to achieve it for less than the current contract price.

Wagner stated this is a three year contract and he did not agree with killing it after only one year. He suggested reviewing it after a year for possible non-renewal after the chief, with direction, comes back to us with a proposal. He did not think it was a good idea to kill it without something in place to replace it. Rasmussen felt her motion allowed transition time and allows the police

chief to achieve the goals we're setting for him. Oberbeck agreed with Wagner and believed the contract was a good deal with better training. He felt it needed time to see if it works and needs another plan in place before terminating. He indicated he was in favor of keeping the contract with a review process in place.

Motion by Nagle, second by Rasmussen to call for the question. Motion carried unanimously.

Vote on the motion to exit the contract with All City Management Services at the end of the 2011-2012 school year, as of the last day of school in June; immediately issue the appropriate notices; grant Chief Hardel the latitude to hire a local manager, if necessary; and to achieve it for less than the current contract price.

Yes Votes: 7

No Votes: 4

Abstain: 0

Not Voting: 1

Result: PASS

<u>District</u>	<u>Aldersperson</u>	<u>Vote</u>
1	Nagle, William	NO
2	Wagner, Romey	NO
3	Havel, Jonathan	NV
4	Brezinski, Jim	YES
5	Gisselman, Gary	YES
6	Klingbeil, Gary Lee	YES
7	Rasmussen, Lisa	YES
8	Kellbach, Karen	YES
9	Oberbeck, David	NO
10	Nutting, David E.	NO
11	Abitz, Sherry	YES
12	Gale, Edward	YES