

CITY OF WAUWATOSA

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EMPLOYEE RELATIONS COMMITTEE MEETING

Tuesday, July 8, 2003

Council Chambers

PRESENT: Aids. Casey, Jenkins, Kopischke, Stepaniak – 4

EXCUSED: Ald. Heins

ALSO PRESENT: T. Wontorek City Admin.; B. Aldana, Asst. City Atty.; M. Brown, Personnel Dir.; K. Isleb, City Assessor; W. Tarman-Ramcheck, Public Works Prog. Analyst; Asst. Chief, M. Anton, Fire; C. Thomas, Payroll and Benefits Mgr.; Sgt. Chris Fox, Police; J. Schwab, Elec. Insp. Bldg.; A. Eldredge, Public Health Nurse

Ald. Jenkins as Chair called the meeting to order at 7:00 p.m.

Revisions to Ordinance Sections 2.52.070, 2.52.071, 2.58.120 and 2.58.125 pertaining to eligibility for health and dental benefits

Ms. Thomas said the revisions are a technical correction not a change. Eligibility for coverage may differ from the definition of covered employees found in the ordinance sections. That difference might lead to confusion about which employees are eligible for health and/or dental insurance. She said they would like to include language that would clarify who is or is not eligible. The revision does not change who is eligible.

Moved by Ald. Kopsichke, seconded by Ald. Stepaniak to recommend that an amendment to Ordinance Sections 2.52.070, 2.58.120 and 2.58.125 pertaining eligibility for health and dental benefits be drafted for introduction– 4

Health Officer recruitment

Mr. Brown said they are looking for direction as to whether they should continue to look for a Level III Health Officer or go to a Level II. He said the committee may choose one of the following options: 1) to modify the Municipal Code to allow the Mayor to appoint a candidate that meets the requirement for a Level II Health Officer with the stipulation that the candidate must qualify as a Level III Health Officer within 36 months of employment, 2) to leave the Municipal Code unchanged, and 3) work with the City of West Allis under the concept of Shared Public Health Management. He recommended that Section 2.36.060(E) of the Municipal Code be changed to allow the Mayor to appoint a candidate who fulfills the requirements for a Level II health officer, that the selected candidate be required to meet the requirements for a Level III health officer within 36 months of beginning employment and following the completion of the requirements for a Level III Health Officer that the incumbent be placed in salary grade 16. He also recommended that the Council authorize the appropriate city officials to explore the Shared Public Health Management concept as presented by the City of West Allis.

Ald. Casey said that at this time, the issue isn't really about consolidation of public health services as much as sharing of administrative services. He said the city should explore all the options.

Moved by Ald. Kopischke, seconded by Ald. Casey to recommend approval of the staff recommendation contingent upon the candidate meeting the requirement for Level III Health Officer within 36 months of employment and authorizing staff to explore the Shared Public Health Management concept – 4

Amendment to Section 20.01(2) of the Charter Ordinance pertaining to Civil Service

Mr. Brown said the proposed revisions would clarify language that addresses the discretion that the city and Civil Service Commission are given to recruit for positions internally. He recommended adoption.

Moved by Ald. Stepaniak, seconded by Ald. Casey to recommend adoption of the amendment to Section 20.01(2) of the Charter Ordinance --

Ald. Casey said this amendment will give the city more flexibility to keep positions internally and it will keep more people employed with the city.

Vote on the motion was Ayes: 4

Health plan contributions for non-represented employees

Amendment to Ordinance Section 2.58.130 pertaining to benefit changes for newly retired non-represented individuals

Health plan contributions for newly hired and promoted non-represented employees

Mr. Brown said the committee directed him to prepare some proposals related to contributions to the health care plans for non-represented employees. He described 5 different options involving contributions of 5% or 10% with amounts for coverage for singles or families. He recommended that effective January 1, 2004, all non-represented employees be required to contribute 5% towards the lowest cost health plan offered by the City of Wauwatosa and 100% of the difference between the lowest cost health plan and the plan selected by the employee. Effective January 1, 2005 the contribution towards the lowest cost health plan would be increased to 10%.

Ald. Jenkins observed that if everyone decided to go to the cheaper plan, the savings would go down dramatically. No matter what happens the city will see some savings.

Mr. Tarman-Ramcheck, Chair of the Employee Council, said he wanted to address the first 4 items involving issues that significantly affect non-represented employees of the city. He said the Council has several serious concerns and strongly recommends continuation of the current practice of offering non-represented employees at least the same benefit package as negotiated with represented employees. The reasons are as follows: 1) this is the first time the city is attempting to invoke benefit changes prior to settlement with the unions representing the vast majority of city employees, 2) the Carlson Dettman study resulted in compensation adjustments for many non-represented employees, and was based upon the current city health and retirement benefits compared to other public and private sector entities, 3) the timing and manner in which this came to the Employee Relations committee did not allow most non-represented employees to be aware of or be able to offer input on the health and retirement changes being considered, and 4) the past practice allowed for the opportunity to more closely examine the city's analysis, compare them to other public and private sector benefit packages, and get independent third party review. He said the Employee Council realizes that these are tough budget times and health care, retirement and other costs have to be addressed. They are ready to do so through the normal, fair, equitable and appropriately timed practices the city has used in the past.

Sgt. Chris Fox, Police Supervisors Association, said he agreed with Mr. Tarman-Ramcheck. He said this process is being done in reverse of the way they have always experienced it being done. He speculated that this issue was being addressed now as a way to have leverage with the unions. He said that in the past they have negotiated proposals for wages and benefits. During one year, a plan that was already agreed upon was pulled by the city at the last minute because it didn't save the city enough money. He found out about the increase in health benefit contributions plan the day before the meeting. He said they are managers of the city, they direct

the employees and they feel they are being treated badly. The city has a tradition of making sure that the retirees are protected. He didn't know how the retirees are going to afford this increase. He pays a co-pay on his medical bills and the city pays the balance. If he does not go to the doctor and does not use any medication during the year the city spends zero dollars on him. He said the employee should not have to pay that money back. This is like hitting the non-represented employees with a sledge hammer. It is a morale buster for the non-represented employees in the city.

Asst. Chief Michael Anton said there has been a restoration of the relationship between the employees and the management in the fire department over the last couple of years. It is reflected in an increased ability to promote from the rank and file into managerial positions. He expressed his fear that something like this will turn back the clock to times when relations were not as good. Over the past few years they have worked within a pay structure and the benefits were negotiated. Members of the fire department worked cooperatively to meet goals that were somewhat severe in order to save money on the tax rolls. The union contracts have about a year and one half to go. He said they are willing to get on board to reach budget goals, but the timing of this plan came as a surprise. He asked that they be given more clarification on the health contribution plan.

Kathleen Isleb, City Assessor, said that for many years the non-represented employees have had to watch the union negotiations and have been told they would be taken care of after the union contracts are settled. The situation is being reversed and the supervisors are being asked to consider changes to their health plan before the union negotiations. Many of the supervisors saw a lock in of a three year health plan and thought it was a done deal. Their personal budgets were planned accordingly. Now they are being asked to lead the way and set a precedent for the union. She asked the committee not to use the non-represented employees to set a precedent for union negotiations. To make the budget problems better on the backs of management is not right.

John Schwab, Electrical Inspector, said he was part of the negotiations in the 1990s and they tried to work for a fair and equitable health package. This proposal wipes out the step increases that Carlson Dettman established. The non-represented employees don't have a contract. They support that health care costs need to be addressed, but to do this in the last hour didn't give them time to disseminate any of the figures. He urged the committee not to go ahead with the plan until it is addressed by the unions. He said they realize that something has to be done, but not this way.

Lt. Dale Weiss said there is a misnomer that employees don't pay anything at all, however he personally has co-pays and medication costs. He said the issue was fairness. They expected they would receive what the union received. When they asked about how Carlson Dettman would treat the benefit packages, they were told that they would be treated the same way as the unions. Employees have planned out personal budgets through the end of next year. To be used as pawns is not right.

Mr. Tarman-Ramcheck said if it is true that this is an attempt at leverage with the unions, there is also the distinct possibility that it will backfire. The unions may feel that they don't have to give as much since the non-represented employees have already provided a budget savings.

Ms. Eldredge said this issue came up so suddenly that her supervisor was not able to attend the meeting. She hoped that as the meetings go on they will be given more notice. They did not have much time to read about this issue or talk to anyone.

Ald. Jenkins said this is not an effort to use non-represented employees as pawns. He viewed the health contribution plan as an issue that has to be taken care of. He heard one group of people say let's figure out something ourselves and another group say postpone the issue and wait for the union negotiations. He views this as an issue that has to be addressed. Many companies make changes in health benefits without any negotiations or consultation with their employees. He encouraged everyone to sit down and see what savings can be made. He didn't want anyone to think the committee was taking raises away.

Ald. Stepaniak said it is obvious that there is much emotion being expressed about this topic. There is no plan to use anyone as pawns for anything. The city is in a very tough budget situation. If the governor vetoes the property tax freeze the city will get less shared revenue. The status quo cannot continue. The tough measures the Budget Committee took last year will seem easy compared to what the city is facing in the next two or three years. He said one of the key issues is health benefits costs. This is the beginning of the discussion. He wanted everyone to appreciate that this will be a very tough set of decisions. He suggested a mechanism be created where a lot of people could talk about a variety of ways the city can address these budget problems and the health plan contributions. He cautioned that no one should think that nothing is going to change.

Ald. Kopischke said it was unfortunate that people were offended by how this proposal came about. This is a starting point for looking at the health care benefits. He suggested including the Employee Council in the discussions. He stressed that health benefits have to be a part of the discussion. More discussion would be appropriate.

Ald. Casey said the committee heard a lot of thoughtful comments; however, an idea that bothered him was the inference that "this is the way it's always been done." Times have changed and there has been a big change. There are budget deficits in 38 states. The State of Wisconsin and Milwaukee County are broke. There are going to be budget challenges now and for the next three years. To get down to an 8% tax increase caused some pain and now because we are shooting for zero there will be a long way to go. He said the public understands that Wisconsin is the fourth highest tax burden in the country. The public "threw their hands up" when they discovered that public employees were stealing. The city has to enhance revenue or reduce expenses. If not, people will have to be laid off. He said everyone wants to see a minimum change in the reduction of services. Supervisors and leaders need to take the lead in this type of budget cut.

Moved by Ald. Stepaniak, seconded by Ald. Casey to hold the matter of health plan contributions for non-represented employees, amendment to Ordinance Section 2.58.130 pertaining to benefit changes for newly retired non-represented individuals and health plan contributions for newly hired and promoted non-represented employees until the next committee meeting and refer back to staff for input from staff, contract consultants, and the Employee Council – 4

The meeting adjourned at 8: 05 p.m.

Carla A. Ledesma, City Clerk
City of Wauwatosa

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