

CITY OF WAUWATOSA

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EMPLOYEE RELATIONS COMMITTEE MEETING

Tuesday, September 9, 2003

Council Chambers

PRESENT: Alds. Casey, Heins, Kopischke, Stepaniak – 4

EXCUSED: Ald. Jenkins

ALSO PRESENT: T. Wontorek, City Admin.; B. Aldana, Asst. City Atty.; M. Brown, Personnel Dir.; W. Ramcheck, Prog. Analyst, Public Works; Lt. D. Weiss, Police; Sgt. M. Presper, Police; C. Thomas, Payroll and Benefits Mgr.; Asst. Chief M. Anton, Fire

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

Adjustment to salary ranges for non-represented employees

Mr. Brown said the Carlson Dettman Study recommended that the salary ranges be adjusted annually to reflect a cost-of-living increase and the increases received by the represented groups. All of the employees covered by the collective bargaining agreements will receive an increase of 3.5% for 2004. He recommended that the salary ranges for the non-represented employees be increased by 3.5% in order to maintain the integrity of the pay plan and parity with the represented employees. Ald. Stepaniak said it was important to maintain the integrity of the pay plan put forth by the Carlson Dettman Study.

Moved by Ald. Stepaniak, seconded by Ald. Heins to recommend approval of the salary range adjustment --

Ald. Kopischke said the Carlson Dettman Study is something the Council committed to and this adjustment should be passed. Ald. Casey said that although 3.5% is slightly above inflation, he would concur with Ald. Kopischke.

Vote on the motion was Ayes: 4

Employee Relations Committee representative to assist an Ad Hoc Committee on Diversity

Mr. Brown said the Civil Service Commission has requested that an Ad Hoc Committee be formed to study efforts toward diversity in the city workforce and how to promote diversity in the future. They have requested that a volunteer from the committee participate.

Ald. Stepaniak agreed to volunteer as a participant in the Ad Hoc Committee on Diversity.

Amendments 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. Aldana said there were two changes to the ordinance: 1) eligibility of employees to get health benefits should be as referenced in the summary plan document. The clarifying language is under subsection A, 2) the same language has been added to Sections Sections 2.58.120 and 2.58.125. She said that basically whatever is negotiated with the union with regards to health benefit eligibility is passed on to the non-represented

employees. Both corrections have been made with regard to dental benefit eligibility as well. She said the changes are just a housekeeping matter and not substantive. They do not change who is or is not eligible.

Moved by Ald. Kopischke, seconded by Ald. Heins to recommend adoption of the amendments to Sections 2.52.070, 2.52.071, 2.58.120, and 2.58.125 – 4

Amendment to Ordinance Section 2.36.060 (E) regarding authorization to hire a health officer with qualifications for a Level II local health department

Mr. Brown said that given the change in the status of the health officer's position, the item should be placed on file.

Moved by Ald. Stepaniak, seconded by Ald. Kopischke to place the amendment to Section 2.36.060 (E) on file – 4

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

Mr. Brown said that the previous request for a 5% contribution to health benefits from non-represented employees has been met with some resistance. The non-represented employees are reluctant to take the lead on this issue. They prefer to continue past history and have their wages and benefits package follow the package negotiated by the unions.

Mr. Ramcheck referred to the memo, included in the packet, that was prepared on behalf of the Employee Council. With the information they have been able to gather, their strongest recommendation is to hold any decision of contributions for health benefits until the process of Healthcare 101 shows promise of bringing any cost savings. He said that if the committee chooses to extract a payment over the employee's objections, then payments of not more than 5% of the premiums for both the PPO and the HMO should be implemented for the period of time until any health cost savings may be identified through the "Health Benefits 101" meetings. When subsequent agreements with bargaining units are reached, the benefit and cost-of-living compensation packages of non-represented city employees will again be made the same as represented employees. He said the Employee Council has had several arduous meetings. Although they felt positive about a proposal made by Mr. Wontorek, there is still disagreement among the members. He said they are making a genuine attempt to move in the direction of a compromise.

Sgt. Mark Presper, Police Supervisors Association, said that although they have participated in the meetings with the employee council, they are a separate entity. He said they agree with some of the Employee Council's proposals and disagree with others. In an effort to come forward with a viable proposal they asked for facts and figures back in July. Initially they were told the figures were not available and then they were told they could have the figures if there were willing to pay several thousand dollars for the compilation of the records. He said that the Payroll and Benefits Manager said she has the figures now and is working on compiling them. The Police Supervisor's Association was involved with a proposal made some years ago that gave significant healthcare savings to the city. The Common Council rejected the proposal. Now the city has realized that it made a mistake and they want to dump the problem on the backs of the employees. He thought a cost savings could be achieved by revamping the entire system. He said his organization will not accept any cost for health care without seeing the figures and trying to determine where other costs can be saved. If the Council imposes this contribution on the non-represented employees, it imposes it against the employees' will. He proposed that the committee table the contribution plan indefinitely in an effort to revamp the whole health benefit system and continue the coverage the way it is.

Sgt. Presper said if the city imposes this on the employees they would view it as being done for three political motivations: 1) to satisfy a constituency that has been misled to believe that the employees don't pay for their

healthcare. He noted that every employee pays each and every time they use their healthcare benefits; 2) if the committee forces this on the non-represented employees the committee will be able to use that as leverage in the negotiating process with the bargaining units; and 3) the mayor and certain aldermen would like to use this situation in their bids for re-election. He reiterated his recommendation that the item be tabled and the committee and the non-represented employees continue to work toward revamping the entire system.

Asst. Chief Anton said he was in attendance at many Employee Council meetings. He thought the true picture of what was to be gained by mandating healthcare contributions was never really discovered, but he is able to see what would be lost. He said that earlier in the meeting, the committee made a decision to recommend approval for a salary range adjustment for non-represented employees because of the need for parity with the union contracts. Making a decision right now, without knowing what is to be gained, could affect the trust that the non-represented employees would like to have between themselves and the committee members. He urged that until there is a full grasp of what issues are involved, the item should be held. They are fully prepared to cooperate through the Health Benefits 101 program being launched this week.

Dave Welbes, Firefighters Union representative, 4145 N. Colgate Circle, Milwaukee, said it seems reasonable and prudent that on the eve of the first meeting of Health Benefits 101 the committee would delay reaching an agreement and accommodate changes that could reach a reduction in the cost of the city's health benefit package.

Lt. Dale Weiss didn't think it was urgent to go ahead until Health Benefits 101 is given a chance. He said the city spent a lot of money on the Carlson Dettman Study in order to bring salary equity. This issue flies in the face of the Carlson Dettman Study because the committee will take money out of the pockets of some employees and create more inequities. He said the non-represented employees fought for many years to get a fair and equitable pay scale where compression issues were dealt with. He urged the committee to hold off until later on so the issue can be looked at in another light.

Mr. Wontorek said that Health Benefits 101 will lay the groundwork for changes that won't be accomplished until January of 2005. The organized union contracts are in effect until 2004. He said the 2004 budget includes \$40,000-\$50,000 in anticipated employee healthcare contributions. If employee healthcare contributions do not materialize, there will be a shortfall in the budget.

Ald. Casey said he was bothered by the implication that information has been withheld. Mr. Wontorek added that most of the claims are quantified in total. They are not split out according to bargaining units. If there is work that needs to be done to get a breakdown on up-to-date data, there will be a cost involved. Mr. Brown said the city receives monthly reports on claims from the healthcare providers. He said that Ms. Thomas has not kept those reports on file so the information is not there and would need to be researched.

Sgt. Presper said he did not mean to be accusatory, but the information is slow in coming and they are at the mercy of the personnel department. Their ability to obtain the information they need is going to take more time.

Ald. Kopischke asked if the Employee Council was now essentially reconstituted. Mr. Wontorek responded that they are working on the council as it currently exists. Ald. Kopischke asked to what extent the Employee Council is speaking for the non-represented employees. Mr. Ramcheck said they have made extensive efforts to make sure the issues have been received by members of the Employee Council. They have even had meetings with other employee groups. They have made extensive efforts to get feedback from the people they represent. He said that most of the council members were elected or asked to be on the council by their own entities. The next step is to formalize the group.

Ald. Stepaniak said he didn't feel any compelling need to take action on this issue at this time; however, this is an extremely serious issue and it has huge ramifications for the employees. It is an issue that needs to be dealt with carefully. The cost ramifications are huge and the costs usually increase. He said there needs to be more input from the Health Benefits 101 program; however, the committee and employees need to proceed with a

sense of urgency. He was heartened by what he heard from some of the people who spoke and disappointed in others. He was heartened by those who want to get as much information as possible and are willing to work with it. He was discouraged by statements such a “dumping on the backs of employees” and accusations of mismanagement. The committee started out wanting to hear some conceptual ideas, but they have not heard anything different from the original proposal. Seven weeks have gone by and nothing has been done. He said this is a huge issue. The Budget Committee is struggling with an extremely difficult budget that the Council will struggle with next. He asked that all the parties get to the table with Mr. Wontorek and basically start the process. The committee needs the input.

Ald. Heins expressed concern about the words and accusations that the committee is going to use this issue politically. Some people say that healthcare contributions will not impact the budget. There is a lot of misinformation involved in this discussion. She said the discussion has been going on for a month now. With the anticipated employee contribution added into the 2004 budget, it is difficult to gauge whether there will be an impact on the budget or not depending on how this issue is resolved. She thought the item should be held, but the work needs to get started.

Ald. Casey said he was disappointed that political motives were being called into question. He sees his participation in the committee similar to being a part of a board of directors. He is also acting in consideration for his constituents who are Wauwatosa residents and Wauwatosa taxpayers. The average citizen in Wauwatosa pays significantly more for healthcare than the average city employee. He said this issue needs to move ahead with urgency. It is very serious when people have to be laid off. He is heartened by the willingness on the part of the employees to cooperate with revamping the entire health benefits system. He said if the health benefits can be revamped and money saved, it might save some jobs on the future.

Ald. Kopischke said even though there is no urgency to take action on this issue at the moment; something is going to happen in the next couple of months. There will be a change in the health benefits package and there will be contributions. He would like to see this structured as fairly as possible.

Mr. Wontorek said the goal of Health Benefits 101 is to finish by April, 2004. Ald. Kopischke said he would like to see a progress report back to the committee in one month.

Moved by Ald. Kopischke, seconded by Ald. Stepaniak to hold the item for month for a progress report regarding Health Benefits 101 – 4

The meeting adjourned at 7:58 p.m.

Carla A. Ledesma, City Clerk
City of Wauwatosa

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