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**EMPLOYEE RELATIONS COMMITTEE MEETING**

Tuesday, May 10, 2005  
Council Chambers

PRESENT: Alds. Bruderle-Baran, Casey, Jenkins, Stepaniak – 4

EXCUSED: Ald. Kopischke

ALSO PRESENT: Ald. Birschel; A. Kesner, City Atty.; B. Aldana, Asst. City Atty.; B. Jacobsen, Admin. Intern; Chief D. Redman, Fire; W. Ramcheck, Pub. Works Prog. Analyst; R. Stingl, Fleet, Traffic and Maint. Supt.;

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

**Ordinance amending code Section 2.59 to add an additional Deputy Chief and delete the position of Fire Marshal**

The committee reviewed the ordinance amending code Section 2.59 which adds an additional Deputy Chief and deletes the position of Fire Marshal. This restructuring will provide key benefits including: 1) increasing the total number of work hours dedicated to fire prevention activities, 2) recovering fire investigation expertise lost through the death of one code specialist and retirement of the fire marshal, 3) increasing the number of staff available for incident command support functions from five to six employees, 4) providing for more effective department management by having a more senior officer available during normal business hours, 5) lowering the cost for the value of operational improvements, and 6) reducing the overtime/fill pay and reducing the use of captains acting as shift commanders.

Moved by Ald. Bruderle-Baran, seconded by Ald. Stepaniak to recommend adoption of the ordinance amending code Section 2.59 adding an additional Deputy Chief and deleting the position of Fire Marshal – 4

**Tentative agreement with IBEW**

Ms. Aldana referred to a memo from the City Administrator which said the IBEW union represents the police and fire dispatchers. The current labor contract expired at the end of 2004 and both parties have been in negotiations since last fall. A tentative agreement was reached with IBEW on April 21, 2005. The wage provisions are for a 3% increase per year for each of the three years. The health provisions are the same for the Preferred Provider Option (PPO) as the provisions in the recently ratified police contract. This agreement includes new provisions for cost sharing for the HMO plan. The HMO provisions include a \$15 co-pay per office visit in 2005 increasing to \$20 in 2007. Retail and mail-order prescriptions have the same provisions as the police contract. The HMO includes an annual deductible in 2005 of \$300 for a single person and \$800 for a family which would increase in 2007 to \$400 for a single person and \$1,000 for a family. The HMO plan also includes a \$100 co-pay for an emergency visit, a \$50 co-pay for an urgent care visit and a \$250 co-pay per hospital admission. She said the 2005 budget includes sufficient funds for the cost provisions of the tentative agreement. She recommended ratifying the tentative agreement with IBEW for the three year period ending December 31, 2007. She added that it will probably be difficult to assess any impact on the budget before the end of the first year.

Ald. Stepaniak asked about the impact of the HMO component of the tentative agreement. Ms. Aldana said the HMO is a narrower network and offers greater discounts for the city.

Moved by Ald. Stepaniak, seconded by Ald. Casey to recommend approval of the tentative agreement with IBEW – 4

### **Wage and fringe benefit changes for non-represented employees**

Ms. Aldana referred to a memo from the City Administrator which said the city has extended the applicable wage and fringe benefit provisions in negotiated contracts with its labor unions to the non-represented city employees. Two of the five organized city unions have settled their contracts with the city. Both of those contracts include the same provisions for annual wage adjustments and for cost sharing changes to the appropriate health benefits. She said the city plans to implement the health and fringe benefit changes for those unions that have already settled on June 1, 2005. In order to obtain a realistic quote for stop-loss coverage for the city, it is advisable to clearly demonstrate the underlying plan provisions on which the stop-loss carriers would be quoting. By including the non-represented employees with those unionized employees that already ratified the contracts, the city would be able to demonstrate the underlying plan provision. She added that the wage increase would be retroactive to January 1, 2005. She recommended extending applicable wage and fringe benefit provisions to non-represented employees.

Moved by Ald. Casey, seconded by Ald. Stepaniak to recommend approval to extend applicable wage and fringe benefit provisions be extended to non-represented employees --

Mr. Ramcheck expressed concern that only one union has fully agreed and one tentatively agreed to new contracts. He said there are still factors that could impact on whether the remaining bargaining units settle contracts in a similar fashion. He encouraged the committee to consider the following provisions: 1) that there be an open enrollment period for all affected employees no matter when any changes are made to the PPO and/or the HMO on either June 1<sup>st</sup> or later and that employees are notified well advance; 2) if proposed changes are implemented on June 1<sup>st</sup>, all changes in plans for deductibles, co-pays, and out-of-pocket costs be reduced by 50% for 2005 to correspond to only one half year of the new plan(s) and if changes are made later, deductibles, co-pays and out-of-pocket costs should be prorated for that amount of time; and 3) if future contracts with other bargaining units result in plan changes that are not as severe for employees as those already settled, that the enhancements be retroactively established for non-representative and other employees to make sure the city health care plans are uniform.

Mr. Stingl had concerns regarding the provision for a health risk assessment. He wanted to know who would be doing the assessing, where the information goes and who has access to the records.

Ms. Aldana said the health risk assessment is not mandatory unless a certain option is chosen. She explained that the city will contract with a vendor. The assessment is designed so that the information does not go to the city, but is sent to an outside vendor. The assessment is typically a limited blood screen. It is evaluated away from the city and results are sent directly to the employee. It is the responsibility of the employee to provide the results of their screening to their own doctor. The aggregate information is sent to the city and is basically a list of the prevalent health risks for city employees. The aggregate information is anonymous and presented in general categories. It does not include any personal information. This anonymous information gives the city an overview of general health issues so the city can determine any support it can give towards employee wellness programs. Mr. Stingl asked if the health assessment was mandatory for employees that regularly see their doctors. Ms. Aldana said that in the current form, that assessment would be required if employees want the lower deductible.

Ms. Aldana was not sure if there would be an open enrollment period prior to December. The contracts would be prorated so that their deductibles would be 50% of the 2005 deductible. Health assessments would also have to be done every year because the information is considered out of date after three months.

Ald. Casey noted that the goal is to have a very similar result for all five unions as well as the non-represented employees. He was concerned about the June 1<sup>st</sup> or July 1<sup>st</sup> implementation date. Ms. Aldana said they have every intention of meeting that implementation timeline.

Vote on the motion was Ayes: 4

### **Consideration of change in health insurance benefit for duty disabled employee**

Ms. Aldana said they have been contacted by the wife of a former fire fighter who left employment with the city due to a duty disability. Her concern is that once a retiree is Medicare eligible, the collective bargaining agreement provides that they must enroll in Medicare. After they are on Medicare they may participate in the city's plan with the city's coverage being supplemental. At that point the retiree's contribution for health insurance greatly increases. In the case of this firefighter, the premium for 2005 supplemental coverage is \$441.09 for single coverage. The premium for his wife is \$630.15 for a single coverage, non-Medicare eligible participant. Accordingly, they pay \$12,854.88 per year to purchase the city's supplemental plan.

Ms. Aldana said that in contrast, retirees who are not Medicare eligible because of a disability pay nothing in premiums this year. Under the contract, retirees who are not eligible for Medicare only contribute if the amount of the premium exceeds 110% of the previous year's premium. She noted that the threshold for qualifying for duty disability under the state statute only requires that you cannot do your job and the Medicare standard is that you cannot do any job. The difference is relevant because the city currently has a duty disabled retiree who is not Medicare eligible, presumably he does not meet the threshold under Medicare, but he did meet the threshold under state statute. The duty disabled employee without Medicare is paying nothing for health insurance while the duty disabled employee with Medicare and his wife are paying \$12,800 a year. The concern is that duty disabled retirees who qualify for Medicare should not pay more than regular retirees and duty disabled retirees that are not eligible. She added that there have been five duty disabled retirees in the last 15 years. It is impossible to predict how many retirees with a duty disability there may be in future. She said they have no recommendation at this time, but she wanted to make the committee was aware of this issue.

Ald. Stepaniak said he would like more information before taking action on this complex issue. Ms. Aldana added that another factor to be considered is that the employee involved is relatively young and he will have to deal with the implications of this issue for quite a long time. She stressed that the employee involved is unable to continue any type of work and that reason is what caused him to be eligible for Medicare.

The meeting adjourned at 7:36 p.m.

Carla A. Ledesma, City Clerk  
City of Wauwatosa

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