

**EMPLOYEE RELATIONS COMMITTEE MEETING**

Tuesday, July 12, 2005  
Council Chambers

PRESENT: Aids. Bruderle -Baran, Casey, Kopischke, Stepaniak – 4

EXCUSED: Ald. Jenkins

ALSO PRESENT: A. Kesner, City Atty.; B. Aldana, Asst. City Atty.; B. Jacobsen, Admin. Intern

Ald. Casey as Chair called the meeting to order at 7:30 p.m.

**Ordinance repealing and recreating certain sections of 2.52.020, 2.52.090, and 2.52.200 extending recently negotiated contract language to non-represented employees**

Ms. Aldana said the changes including professional time off, the clothing allowance and the educational incentive program were negotiated by the police department and pertain to represented and non-represented employees in that department only.

Moved by Ald. Stepaniak, seconded by Ald. Kopischke to recommend adoption of the ordinance Sections 2.52.020, 2.52.090, and 2.52.200 extending recently negotiated contract language to non-represented employees – 4

**Health insurance for duty disabled retirees**

Ms. Aldana said this is a continuation of the previous discussion including information requested by the committee. Regarding a stand alone prescription plan, the consultant advised that it can't be bought separately. The city could offer a self insured stand-alone prescription plan; however, the consultant felt that if the city kept much of the risk, it would be prohibitively expensive for the city. If the risk was passed on to the participants, it would be prohibitively expensive for the participants. Ms. Aldana said payment is determined according to a percentage of the protective payroll. The benefit is approximately 75% of the salary when a regular retiree leaves. The benefit for a duty disabled employee can be reduced by a number of factors including: 1) other employment; 2) social security benefits; and 3) workers compensation.

Ms. Aldana said that at issue are current contract provisions that regular eligible retirees pay only the amount of the premium that exceeds 110% of the previous year's premium. This means that some years they pay something for premiums and some years they don't. In 2005, for example, regular retirees are not paying anything in premium contributions because the 2005 premiums increased less than 10% over 2004. Once a retiree is Medicare eligible, the rates change. Medicare eligibility is determined by either physical disability or age disability. The question is should duty disabled retirees get the same benefit as regular retirees. Currently, a regular retiree is paying nothing while a duty disabled retiree is paying approximately \$12,000 per year. This seemed inequitable to the spouse of a duty disabled retiree who expressed her concerns regarding her situation. Ms. Aldana said that approximately 8 people are affected by this policy. Some are already on Medicare because of age; however, only one person has raised the issue.

Ald. Kopischke said it is ultimately a matter of having a policy that says that Medicare eligibility precludes a retiree's ability to have healthcare coverage through the city. It seems that this is an issue involving Medicare. The city already provides supplemental insurance. He said it was a difficult decision, but he felt the proper policy decision would be to make no changes.

Ald. Bruderle-Baran asked if the stop loss will be affected if the premium is picked up with the city's supplemental healthcare insurance. Ms. Aldana said the stop loss is already involved in the underwriting.

Ald. Stepaniak noted that duty disability does not mean total disability. The person can possibly work to the extent that their disability allows. He said it is a difficult line to draw if the policy is changed there may be some unintended consequences.

Ald. Bruderle-Baran said she was conflicted between the cases involved. She asked if the policy change has to be all or nothing. She said maybe something could be crafted that makes some changes, but doesn't change everything. Ms. Aldana suggested that one middle ground change would be to allow the duty disabled retiree to have a lower benefit cost while the dependent spouse has the regular benefit cost. Another possible change would be to allow everyone to stay on the 110% rule until they turn 65. Ald. Bruderle-Baran said she would like to craft a middle ground. The option of picking up the premium for the duty disabled retiree and not the spouse might address the fairness issue.

Ald. Stepaniak said it seems better to hold this issue for two weeks and work toward a fully thought out policy. This is a very detailed policy issue.

Moved by Ald. Bruderle-Baran, seconded by Ald. Stepaniak to hold this item for two weeks – 4

The meeting adjourned at 8:06 p.m.

Carla A. Ledesma, City Clerk  
City of Wauwatosa

svh