

EMPLOYEE RELATIONS COMMITTEE MEETING

Tuesday, May 8, 2007

Council Chambers

PRESENT: Alds. Krill, Maher, Meaux, Purins, Stepaniak – 5

ALSO PRESENT: Ald. P. Donegan; J. Archambo, City Admin.; B. Aldana, Asst. City
Atty./Personnel Admin.; Police Chief B. Weber; Fire Chief D. Redman

Ald. Purins as chair called the meeting to order at 7:00 p.m.

Review and comparison of cost factors between health plans

Ms. Aldana reviewed the financial aspects of funding the self-insured and fully-insured healthcare plans noting that the question is whether the city would be well served to self insure both the PPO and the HMO plans. Self insuring both plans would require a change in funding and would affect the fixed costs and the amount of discounts on claims. Currently the self-insured costs are much lower than the fully-insured costs. The fixed cost for the self-insured PPO is \$139 per employee per month. The fixed cost for the fully-insured HMO is \$264 per employee per month. Recent data suggests that the city is getting a 20% discount on PPO claims. The HMO has higher fixed costs, but they give a 39% discount on claims. If both plans are self-insured the fixed cost would be \$141 per employee per month. Slightly higher than the PPO, but significantly lower than the HMO fixed costs.

In response to a question regarding adverse selection, Ms. Aldana explained that adverse selection means that there is a higher risk pool in one plan versus the other. The city's demographics translate to a lower risk factor for the HMO. The consultant has indicated that the risk pools are not similar; therefore, having the entire risk pool under one financial umbrella would optimize the city's health plan budget. She added that they are aware that the third party administrator is affiliated with United Health Care (UHC) which offers the city a 39% discount; however, UHC probably would not allow the 39% discount to self insure the HMO. They would offer the city their Choice Plus plan, but an affiliate of UHC would allow for both the PPO and the HMO to be self-insured. The discount would then be close to the UHC discount. She said they would like to test if they can do better.

Ald. Krill asked if self-insuring saves money. Ms. Aldana responded that as a general rule it does, but in order to move both plans under the same financial umbrella the city would have to pay claims in two places for a significant period of time. This could cost the city approximately \$500,000 in run off costs.

Ald. Meaux noted that there is a variation in claims from year to year. Ms. Aldana said the cost to the city fluctuate more with the PPO plan. The HMO has more stability.

Mr. Archambo noted that they have tested different scenarios and done a preliminary estimate of the State of Wisconsin plan. They believe self-insuring both the PPO and the HMO puts the city within 2% of the state plan.

Ald. Maher asked for a more comprehensive view of what each scenario would look like between fully-insured and self-insured plans.

Ald. Stepaniak asked about joining a larger group such as Milwaukee County or the State of Wisconsin. Ms. Aldana said they are familiar with the state process. In order to move into that type of plan they would have to start an underwriting process and go through open enrollment. Leaving a larger group plan is more complicated. They would also lose any sense of the city's risk within a larger group. Mr. Archambo noted that it would take about 3 years to separate from a larger group.

Ald. Stepaniak felt there was little to loose by putting out a Request for Proposals (RFP) to self-insure both plans. Ms. Aldana noted that inquiries about discounts will be a component of the RFP verbiage. Ald. Donegan stressed that the base rate is important in determining what the discount will be. He expressed support for the RFP process, but cautioned that discounts may require some negotiation.

Moved by Ald. Stepaniak, seconded by Ald. Meaux to recommend approval to procede with the issuance and analysis of the Request for Proposals to self-insure the PPO and the HMO for the entire affected city population and to pursue an underwriting analysis with the State of Wisconsin – 5

Temporary, part-time fire cadet

Chief Redman would like to implement a Fire Cadet program by establishing one or more part-time, temporary positions with the goal of creating a more diverse group of potential future fire department employees. Chief Redman related that he has discussed the proposal for this program over several years with the Police and Fire Commission. His concern was that the current fire department workforce does not reflect the diversity of the Milwaukee area. He thought one reason for this was that various ethnic or racial groups are under-represented in the fire science programs of area technical schools. They would like to retain pre-hire educational criteria and encourage a more diverse population to seek a career in fire service. The salary range would be approximately \$10 per hour for about 15 to 20 hours per week. The terms would approximate the college semesters. The main criteria for entering the program would be to enroll in a technical school fire science program and to complete as a minimum the Firefighter-1 and EMT certification. Applicants would be evaluated for other hiring qualifications such as physical ability and background checks. MATC and WCTC have excellent firefighter programs. The current proposal would be for 1 position working for the balance of 2007 and at least through the spring of 2008. This would be a trial program. The long-term goal would be to have up to 3 Fire Cadet positions that are for a term of two semesters of their enrolled technical school. If the fire department does not get enough applications, they would not seek to continue past spring 2008. If they get enough fire cadets enrolled they would look into funding for the ongoing program.

Chief Redman added that since the last meeting he has not proposed changes. He noted that the firefighters union has indicated that they have supportive procedures for diversifying the work force, but he didn't see them as impacting his proposal. He said the police department has a program with a lot of similarities to his proposal although they did not have a stated diversity purpose; they did hire a minority candidate in their program. The union has expressed objection and will challenge the fire cadet program; however he would be able to find other work for the cadet.

Ald. Meaux expressed support for the policy.

Ald. Stepaniak cautioned that there is cloud of potential action that might be exercised by the firefighters union that would not be consistent with the goal of the fire cadet program. He called on the union to refrain from any action because it might appear that they would not be interested in the program's objective.

Moved by Ald. Stepaniak, seconded by Ald. Meaux to recommend approval of the temporary, part-time fire cadet program in the fire department for a trial period of the Fall 2007 technical college term with the expectation of continuing through the Spring term if continued in the 2008 budget and a Change of Purpose fund transfer using identified salary savings previously identified to cover the program cost in 2007 --

Ald. Maher noted that there seems to be some concerns among the firefighters union that could cause more tension in the department. He continued that the idea is to create a program that would seek to recruit minority candidates; however Ms. Aldana said in the previous meeting that the fire cadet program cannot favor minority candidates. He asked how the goal would then be achieved. Ms. Aldana said the #1 challenge is increasing the department's diversity. Since minority candidates cannot be favored, qualifications have to be based on the department's needs. They can look to recruit from areas with a diverse population. The perception is that some qualifications would cut out some minority candidates; however, after receiving a certain level of education, the candidates would have the qualification.

Ald. Maher felt the firefighters would have the greatest access to a diverse pool of candidates and they are against the program. He was concerned with how the program was being executed noting that there seems to be a disconnect between staff and administration. He had asked that the two parties come together, but that has not happened. He was also concerned about funding for the ALS/BLS program. Even though it is a relatively small amount to fund the fire cadet program, it could increase in the future. He was further concerned that the program would backfire.

Ald. Stepaniak observed that if the argument is that the cost is too much at \$4,000, that amount is a tiny fraction of the labor budget for the fire department. He doubted it would impact any other programs. The market place has not produced the diversity so the fire department should try this program.

Hank Wendt, President, Wauwatosa Professional Firefighters Association, Union Local 1923, was uncomfortable with the way the union was being portrayed in the media and in the committee. His organization has proved that they are behind diversity. If they weren't, then women would not have gotten to where they have in the fire department. He felt there was a correlation between the \$4,000 being proposed for the program and a medical rig in fire station #2 being shut down for 5 hours a short time ago. He was concerned that it would cause a delay in service to the public. He suggested the union go out to the Wauwatosa high schools to create a partnership within the schools. There are other options than throwing money at a program.

Ald. Purins noted that at the last meeting the union felt the ALS/BLS program was at risk because \$4,000 out of an excess personnel budget would be used for the Fire Cadet program. Mr. Wendt said they were very concerned about the level of paramedic service. He added that the union membership will support and deal with whatever program is implemented, but they would like to talk with management. He is not opposed to the Fire Cadet program, but he is concerned about the level of paramedic service being provided.

Vote on the motion was Ayes: 3, Noes: 2 (Maher, Purins)

Ordinance amending city code Section 2.59.040 reclassifying the position of storm water specialist

The committee reviewed the ordinance amending city code Section 2.59.040 reclassifying the position of storm water specialist. The position was originally intended to manage the storm water utility. It had no design component. The position has become a design engineer position with 40% of the position involved

in design and 60% involved in storm water management. After analysis, this position was right in grade level 12 or the level of the other civil engineers. The committee review this ordinance amendment to city code Section 2.59.040 reclassifying the position of storm water specialist.

Moved by Ald. Meaux, seconded by Ald. Krill to recommend adoption of the ordinance amending city code Section 2.59.040 reclassifying the position of storm water specialist – 5

Elimination of a vacant police lieutenant position and creation of one additional police sergeant position

Mr. Archambo noted that currently the police department is authorized to have 8 police lieutenants and 8 police sergeants. The requested change would eliminate the position of Operations Lieutenant due to vacancy and add a newly created position of Administrative Sergeant. With the resignation of the former Administrative Captain in January 2007, the department was able to continue its restructuring goals earlier than expected. The promotion to fill the captain position resulted in the vacancy at the lieutenant level. After assessing the needs of the department, the lieutenant position was not filled and the sergeant position was filled instead. These changes will provide better control within certain police department divisions. There would be an initial bi-weekly savings of \$760.00; however, sergeants are eligible for overtime and there will be some anticipated overtime associated with this position. He recommended authorizing the reduction of one police lieutenant position from 8 to 7 and increasing the number of police sergeants from 8 to 9.

Chief Weber said this was really a housekeeping measure stemming from a discussion during the 2007 Budget Committee meetings.

Moved by Ald. Stepaniak, seconded by Ald. Krill to recommend approval of the elimination of one vacant police lieutenant position and creation of one additional police sergeant position – 5

The meeting adjourned at 8:25 p.m.

Carla A. Ledesma, City Clerk
City of Wauwatosa

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