



CITY OF WAUWATOSA
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EMPLOYEE RELATIONS COMMITTEE MEETING

Tuesday, March 10, 2009

Committee Room #1

PRESENT: Alds. Krol, Ewerdt, Walsh, Donegan - 4

ALSO PRESENT: J. Archambo, City Admin.; B. Aldana, HR Dir./Asst. City Atty.;
M. Loy, Health & Productivity Coordinator

Ald. Krol as Vice-chair called the meeting to order at 6:47 p.m.

Health Insurance status report

The committee reviewed a presentation by the Human Resources Director on health insurance costs which have shown a decrease since 2006. In reviewing the health insurance rate history from 2001, Ms. Aldana noted that 2007 was a turning point in the rate history. In 2007 the fully insured HMO was converted to a self insured plan. The decision to self-insure both insurance plans has proven to be a good one. Premium rates decreased in 2008 by 1.5%. In 2007 and 2008 the city was able to put money into the reserve fund instead of withdrawing from it, due to the fact that the claims came in under what was budgeted. Our medical costs are comparable to other public sector employers. One contributing factor to the decrease in costs is through improved network discounts which range from approximately 25% to 48%.

When asked about premium rates, Ms. Aldana responded that significant plan changes have been made to keep employee premium rates down. This has been done through collective bargaining and includes deductible changes, establishing pharmacy tiers, and introduction of a wellness program. Ald. Krol asked that due to time constraints, the wellness portion of the report be held until a later time.

Proposed MOU with Wauwatosa Peace Officer's Association

The committee reviewed a memo from the Human Resources Director regarding whether to approve the Memorandum of Understanding with the Wauwatosa Peace Officer's Association. This plan allows employees to convert a maximum of 8.4 hours of unused professional time off into a Retirement Health Care Savings Account.

Ms. Aldana said that this is a request to modify the agreement made in collective bargaining for contract years 2008-2010. In that contract agreement a reduction in the City's liability for retiree health insurance resulted for employees hired after 01/01/08. In exchange for this reduction the city agreed to establish a Retirement Health Savings account for employees allowing pretax contributions into investment accounts. Per IRS rules the funds must be used for eligible health care related expenses. The initial agreement also included a mandatory \$10.00 employee contribution biweekly. These funds contributed by the city are in the form of sick leave conversion.

Both parties agreed to eliminate the biweekly contribution based on additional advice from outside counsel which indicated that the IRS may disfavor employee contributions. This information was brought before this committee in 2008 requesting a modification to the collective bargaining agreement eliminating the \$10.00 biweekly employee contribution.

Ms. Aldana said that the proposed MOU seeks to accomplish the same goal as the initial agreement. This contribution is approximately the same amount as the \$10 biweekly contribution would have been. The MOU would allow the police officers to convert one day of unused professional time off each year into their Retirement Health Care Savings Account.

Moved by Ald. Donegan, seconded by Ald. Ewerdt
to recommend approval of the memorandum of understanding
with the Wauwatosa Peace Officer's Association
allowing employees to convert a maximum of 8.4 hours
of unused professional time off into a Retirement Health
Care Savings Account - 4

Amendment to correct ordinance 2.58.021 relating to executive leave

The committee reviewed a memo from the Human Resources Director regarding a proposed amendment to correct ordinance 2.58.021 that was not amended last year, when related changes were made as a result of collective bargaining. This is not intended to modify eligibility for executive leave from its original intent.

Ms. Aldana explained that the intent of executive leave is to provide additional paid time off to eligible employees until they become eligible for certain amounts of vacation time. This is dependent upon their pay grade. The executive leave ceases after employees reach either three or five weeks of vacation. The ordinance currently reflects six years of service, which no longer corresponds to eligibility for three weeks of vacation. The ordinance also references twenty-one years of service, but that no longer corresponds to five weeks of vacation.

This amendment brings the executive leave ordinance in accord with the intent of the benefit that employees lose eligibility after they are eligible for three or five weeks of vacation depending on their pay grade. In 2008 one of the contract agreements was to accelerate the five year vacation time.

Moved by Ald. Ewerdt, seconded by Ald. Donegan
to recommend introduction of an ordinance amending
Section 2.58.021 of the city code as a result of collective
bargaining when related changes were made last year - 4

Proposed amendment to ordinance 2.59 relating to salary increases for non-represented employees

The committee reviewed a memo from the Human Resources Director regarding whether to amend ordinance 2.59.030 Annual Step Increases to limit eligibility for any cost of living adjustments for employees who are performing satisfactorily.

Ms. Aldana reported the Human Resources Department has been making changes to the performance evaluation process. There have been trainings for supervisory staff on the new evaluation process which will rank employee performances as satisfactory or unsatisfactory. She said this will also tie in the cost of living increase to satisfactory performance as well. Otherwise once you reach the maximum step increases you would automatically get the cost of living increase whether performing satisfactorily or not.

Ms. Aldana said that ordinance 2.59.030 has existed for some time and provides that the city administrator has discretion to grant, or not, step increases based on satisfactory performance. The amendment will extend that concept to eligibility for annual cost of living adjustments. Currently the ordinance now applies only to step increases, employees who are at the top step in their pay grade receive cost of living adjustments regardless of performance.

The committee reviewed the recommended changes and Ald. Donegan suggested removing item D regarding dispute resolution.

Moved by Ald. Donegan, seconded by Ald. Ewerdt
to recommend introduction of an ordinance amending
Section 2.59.030 of the city code eliminating item D
pertaining to dispute resolution - 4

The meeting adjourned at 7:53 p.m.

Carla A. Ledesma, City Clerk
City of Wauwatosa

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