



CITY OF WAUWATOSA
7725 WEST NORTH AVENUE
WAUWATOSA, WISCONSIN 53213
Telephone: (414) 479-8917
Fax: (414) 479-8989
Web Site: www.wauwatosa.net

EMPLOYEE RELATIONS COMMITTEE MEETING

Tuesday, January 25, 2011

Council Chambers

PRESENT: Alds. Donegan, Ewerdt, Organ, Berdan, Walsh – 5

ALSO PRESENT: J. Archambo, City Admin.; B. Aldana, Asst. City Atty./HR Director;
M. Loy, Health & Prod. Coord.

Ald. Donegan as Chair called the meeting to order at 7:02 p.m.

Proposed ratification of the 2011 – 2013 labor contract with the Wauwatosa Professional Firefighters Association

Ms. Aldana noted that the state statute requires the ratification vote to be held in open session. This item will go to council next week either for or against ratification.

Ald. Donegan emphasized that it is the objective of the City now and in the future to keep employee compensation costs restrained. This is due to the demand of infrastructure expenses, loss of revenue and stagnant property values. Ald. Donegan commended Administration for the negotiations presented. However, he felt the City had not constrained where necessary particularly for not getting a 10% insurance premium in the first year of the contract. Ald. Donegan also objected to a three year contract.

Ald. Donegan noted that a zero percent cost of living is a significant concession, but he felt it is a payback for compensation and step increases received over the last couple of years when city constituents worked without increases. This was matched by an increase of 1.8% in pension contributions, which he felt was comparable to receiving a cost of living. Step increases are continued to be given.

Ald. Donegan referred to previous information received dated 2009, referencing the amount of premiums paid by Southeastern Wisconsin employees including governmental, which averaged 20%. The proposed contract doesn't allow the city to collect 10% from the employees until 2013. He found it difficult to tell a constituent that the contract allowed the employees to only pay 6%. He questioned the increase in the education benefit to \$130.00.

Ms. Aldana said this benefit has low utilization and is minimally limited by the budget. Mr. Wendt, Local 1923 advised that there is a limit to one class per semester which has to be directly related. Ald. Donegan commented that it has been heard over and over again that it is unfair for the non-represented employees to pay 10% if the represented employees settle for less.

The City Administrator explained that the City worked hard on the insurance issue, but because of other collective bargaining issues this is the farthest they got. He emphasized that it is a whole package of issues and some are better than others. Mr. Archambo felt this is the best bargaining they could do.

Ald. Donegan commented to Ms. Aldana that if she felt as strongly as he did and apparently not, why was the insurance issue not a priority? Ms. Aldana responded that if you look at the city's net health expense,

the City has been more successful than those other southeastern employers. Ald. Donegan felt this was irrelevant. Ms. Aldana didn't feel it was. She re-emphasized the bargaining was for the entire package.

Ald. Donegan advised that an average resident pays twice as much for insurance and questioned why that is fair and if the City is trying to restrain costs why is this luxury tolerated. Ald. Donegan further said that the insurance isn't a luxury; the pension plan is a luxury that puts the City on a different planet.

Ald. Donegan asked Mr. Archambo why they are recommending this contract. Mr. Archambo explained that he felt it was the best they could do and concessions were made. Ald. Donegan expressed dismay that the City feared going to arbitration. He read arbitration criteria from the state statute and emphasized the section that the arbitrator shall give greater weight to economic conditions. Ald. Donegan asked Mr. Archambo if the proposal is consistent to the economic conditions. Mr. Archambo felt those modifications were made a few years ago. Ms. Aldana advised that this is not typically considered unless your economic conditions are different than your comparables.

Ald. Donegan questioned why the City would consider entering into a three year contract with the state government posturing the way they are regarding changes to arbitration procedures. Mr. Archambo explained that it was done based on other elements of the whole package.

Ald. Walsh thanked Mr. Archambo and Ms. Aldana for all of their efforts. He said the committee gave them goals and he thought they came up with a good deal for the City. He felt it was a good proposal in that Wauwatosa is fiscally responsible and the proposal speaks to that.

Mr. Archambo felt he had done his fiduciary responsibility. He said this speaks to the City's #3 rescue unit which allows the Chief to have the right manpower in the right parts of the city.

Moved by Ald. Walsh, seconded by Ald. Ewerdt
to recommend approval of the ratification of the
labor contract with Wauwatosa Professional
Firefighters Association Local 1923 – Ayes: 3 Noes: 2 (Organ, Donegan)

Retiree health insurance for non-represented employees – for adoption

Ald. Donegan asked that comments from the audience be kept brief and asked for lack of redundancy.

Police Lt. Fox asked why the other options presented have not been analyzed more. He mentioned that Ald. Organ had previously asked why the sliding scale based on the number of service years (option #4), was not being looked at in greater detail. He reported that the employees have not said they won't pay more for insurance, they have said they will. Why does it have to be such a dramatic portion so quickly?

Lt. Fox felt the problem with the 10% share was that it would push people out the door sooner than they anticipated and said maybe that is part of the plan. He questioned why the city would want to push out good employers sooner and possibly keeping bad employees longer. Lt. Fox felt that the firefighter's ratified plan is a reasonable proposal. He asked why employees would want to take on a supervisory position when it will cost them more in benefits than those they supervise.

Lt. Fox suggested that when the committee looked at comparables they didn't include wages. He said the vast majority of our non-represented are professionals and when you compare their wages in the private sector there would be no comparison. He suggested that might be why the city has a pretty good benefit package. The wages cannot be omitted from the comparisons when looking at packages. He asked the committee to hold this item and look at other options.

Marilyn Swanson, Health Department; said she has been a public health nurse for 39 years. She has been with the city for 19 of these years. She said the city is pushing her into making a choice that she wasn't prepared to make at this time.

Cpt. Weiss commented that the \$1,000 co-pays which are paid have not been discussed. He felt that certain things are being left out of the discussion. Cpt. Weiss said that one-third of the non-represented employees are in the police department of which six employees will be grandfathered in. He said this will create a problem between the represented and non-represented employees. This will create a significant problem in the ranks. He said the employees who have between three months and fifteen years experience is out of luck.

Asst. Chief Carberry asked that the committee discuss this further and come up with a fair and equitable plan for the non-represented as well.

Deputy Chief Rice commented on a statement previously made by Ald. Donegan, that he didn't need the police or fire departments but he did need to flush his toilet. Deputy Rice said that the constituents need these departments. He said that Wauwatosa is a leader in Fire Science and most citizens are very proud of this. This should not be trivialized, this department is well respected. He noted that the fire department does and wants to work with the city. He suggested that a decision could be made that would change the way the fire and police departments will move forward. He felt that a message would be sent loud and clear that the city doesn't value these departments and we don't want your greatness. He noted that the incentive to take a promotion will be thrown away. He cautioned the committee about making a decision that would dismantle the departments.

Chief Weber noted that the city is not broke. Citizens chose to live here for the services provided. Good supervisors are needed to be mentors. He mentioned that the arbitration changes discussed by Ald. Donegan is just a proposal, it is not a law.

Jill McGuire, Health Department; said that she works in public health because she loves what she does. She came to the city with the understanding that when she retired she would have some benefits. Ms. McGuire said she took a significant cut in pay to become a public health nurse. She felt like she is being punished as she was hired with the understanding that there would be retirement benefits. This will affect her family and there has not been a lot of time allowed to consider retirement.

Dr. Nancy Kreuser, Health Department discussed what her pension looks like today and what the implications would be for early retirement. She said it is a significant economic impact and something that can't be turned around quickly. Ms. Kreuser advised that not all non-represented employees are in supervisory position. She agreed with the statements made by others.

Water Supt. Wojcehowicz said he came to work for the city because they were fair, reasonable and non-discriminatory. He told the committee that he has been with the city for nine years which is longer than any of the members on this committee. Mr. Wojcehowicz said he knew when he came here what the benefits would be and to change this now is not fair. He said it is reasonable that the employees pay some kind of contribution, but he noted that there is a wage discrepancy that has not been mentioned. He said the non-represented employees will pay more for insurance and not receive any income adjustment. He said by setting the mark at 25 years of employment is discriminatory to him. He suggested implementing the changes to new hires so they know what to expect.

Lt. Sharpee commented that most of the things he wanted to say have already been said. He said the police have a dangerous job and expressed displeasure that the word luxury was used to describe the benefits and said it is not true. He asked what they will do if the city cannot recruit good candidates and

good officers. The standards for becoming a police officer are changing and will require a four year degree. How will the city recruit minorities and others? He commented that all the people in the room are taxpayers, they have neighbors and they understand the budget concerns. He asked if the taxpayers want to lose control of their police department? He wondered when in five years there are lots of compression issues if the committee members will still be around. He asked the committee to please make the right decision.

Ald. Meaux asked Ms. Aldana if the comments made by employees suggesting promises were made about the retirement package are true. Ms. Aldana said that a promise is not made, there is no contract but the conversation has been out there for a long time. Mr. Archambo said there is no guarantee, no contract.

Ald. Meaux noted that these are valid concerns, but doesn't think the council should make a decision based on individual impacts. He heard the concerns about the relationship between management and staff but said this correction in benefits has got to happen. It is not going to go away.

Ald. Berdan commented that there are a lot of people she knows whose employees make more than their supervisors. She said non-represented employees are not being singled out. It is a direction the city is going in. She rejected the argument that employees will not step up to supervisory positions due to the benefit changes. She noted that the contract negotiations will take time to catch up.

Moved by Ald. Walsh, seconded by Ald. Organ to treat the health insurance in the same manner as in the contract for Local 1923.

Ald. Ewerdt said he is comfortable with the 10% premium amount and would not support the motion. He said if someone has to go out and purchase their own insurance it is very expensive. He felt that there is a disconnect with the employees. He said the \$180.00 amount seems reasonable.

Ald. Organ explained why she seconded this motion. She said if a supervisor feels the need to retire early the city will pay for their insurance until Medicare eligible. She said the city will also have to pay for the replacement persons insurance. Her thinking was that this would cost more economically and the city would be losing good supervisors. The city will be paying two times the amount of insurance for early retiree and lose their expertise.

Ald. Donegan said he doesn't think this is fair to the constituents and said it is disingenuous that employees feel they aren't appreciated. He said it is clever political rhetoric, but the fact is you are appreciated and are compensated well and he felt offended.

Vote on the motion – Ayes: 2 (Walsh, Organ) Noes: 3
Motion fails.

Moved by Ald. Ewerdt, seconded by Ald. Berdan to recommend adoption of an ordinance amending City Ordinance 2.52.080 (B) and 2.58.130 (B) that employees who have 25 years of service as of July 1,2011 will continue to have City provided retirement health insurance at 110% of the preceding year's premium. Those who were hired prior to 2008 and have less than 25 years of service as of July 1, 2011 and qualify for retirement health insurance will

pay the same premium cost sharing amount as active employees for their retirement health insurance premium.

Ald. Organ felt this contract would not benefit the city economically.

Vote taken on the motion - Ayes: 3 Noes: 2 (Walsh, Organ)

The meeting adjourned at 8:24 p.m.

Carla A. Ledesma, City Clerk
City of Wauwatosa

mks