

**COMMITTEE ON PERSONNEL/INSURANCE  
(PC 3-97)**

**April 1, 1997**

**6:00 PM**

Chairman Reiniger called the meeting to order.

The Clerk called the roll.

**Present:** Alderman Reiniger, Domaingue, Cashin, Robert, Hirschmann

**Messrs.** Hugh Moran, Ron Ludwig, Ron Biron, Scott Averill, Roland Lamy, Harry Ntapalis, Chief Kane

Chairman Reiniger advised that he wished to address items of the agenda prior to hearing from representatives of Blue Cross/Blue Shield.

Chairman Reiniger addressed item 4 of the agenda:

Ratify and confirm poll conducted on March 4, 1997, relative to the Deferred Compensation Plan contract amendment as presented by The Hartford.

On motion of Alderman Domaingue, duly seconded by Alderman Hirschmann it was voted to ratify and confirm poll conducted on March 4, 1997 approving the amendment.

Chairman Reiniger addressed item 5 of the agenda:

Communication from Alderman Wihby as referred by the Board of Mayor and Aldermen regarding insurance bid process.

Chairman Reiniger requested that item 5 be tabled at this time so that Mr. Ferdinando may be invited to attend the next meeting to discuss this matter.

On motion of Alderman Domaingue, duly seconded by Alderman Hirschmann, it was voted to table item 5 at this time.

Chairman Reiniger addressed item 6 of the agenda:

Communication referred by the Board of Mayor and Aldermen from Lawrence Fuller pertaining to pensioners medical benefits.

On motion of Alderman Hirschmann, duly seconded by Alderman Robert, it was voted to receive and file the communication from Mr. Fuller.

Chairman Reiniger addressed item 7 of the agenda:

Communication from Lloyd Basinow as referred by the Board of Mayor and Aldermen pertaining to recruiting policies.

Alderman Domaingue stated it was my understanding that the replacing of the School Superintendent and I think it's under State law is the purview of the School Board and, therefore, this would not apply to us.

On motion of Alderman Domaingue, duly seconded by Alderman Robert, it was voted that the communication from Mr. Basinow be referred to the Board of School Committee.

Chairman Reiniger addressed item 8 of the agenda:

Communication from the Public Works Director regarding a minor reorganization of Street Operations Division as referred by the Board of Mayor and Aldermen.

(Note: it is recommended the letter be referred to the Personnel Director for study with a report to be provided at the next meeting.)

On motion of Alderman Robert, duly seconded by Alderman Hirschmann it was voted that the communication from the Public Works Director be referred to the Personnel Director for study with a report back to Committee.

Chairman Reiniger addressed item 9 of the agenda:

Communication as referred by the Elderly Service Director requesting the assignment of a temporary Recreation Supervisor for six (6) weeks at 20 hours per week. Also requested, is a requirement for \$1,306.80 from Contingency to pay for this cost.

Mr. Moran stated I have been in contact with the Elderly Services Director who had indicated that she has filed a separate letter to the Finance Department and the Board regarding the thirteen hundred dollars. The request for the temporary position should be approved, but there is no need to take any action on the dollars.

Alderman Hirschmann asked what is this, why do we need this position.

Mr. Moran replied it is my understanding that one of her full-time employee Recreation Supervisors is out for a period of six to eight weeks due to illness and she is just requesting to keep the center open so that she can put in a temporary position.

Alderman Hirschmann asked would those funds for that person go to this person.

Mr. Moran replied the individual who is out on sick leave which, of course, is an expense against salary.

Alderman Domaingue stated I need to know where this money is coming from.

Mr. Moran replied it is my understanding that Ms. Vigneault is requesting it from Contingency.

Chairman Reiniger stated we'll be approving the money as well tonight.

Mr. Moran replied no. Ms. Vigneault has a letter on file with the Finance Director.

Alderman Robert asked if the money is not approved, what happens, does the center shut down.

Mr. Moran replied, I believe that is what she said in her letter.

On motion of Alderman Robert, duly seconded by Alderman Domaingue, it was voted to approve the request of a temporary position.

Chairman Reiniger addressed item 10 of the agenda:

Communication from the Parks & Recreation Enterprise Supervisor requesting a change in the status in payment for various lifeguard levels. The entry level from Lifeguards would change from \$6.31 per hour to \$6.95 per hour; Senior Lifeguards from \$6.63 per hour to \$7.30 per hour; Head Lifeguards from \$7.30 per hour to \$8.04 per hour and the Pool Supervisor from \$8.45 per hour to \$9.32 per hour.

(Note: the Personnel Director confirms difficulty in recruiting for and hiring qualified lifeguards for the summer season.)

Alderman Hirschmann asked if this is approved will there be a charge to anyone to go swimming because it is an Enterprise now, does that affect any pricing or anything.

Mr. Ludwig stated this is strictly an initiative to try and attract a few more people to our pool program. We have been experiencing difficulties and in some cases keeping pools open at the end of the season and sometimes that works in our favor. This year we found that we were actually closing facilities towards the end of the year due to the lack of lifeguards. Our records are indicating that last year the Red Cross put out approximately 16 people and we tested a good portion of those people to come to Manchester for positions and we didn't get one. We lost them all to higher paying places. I'm not telling you that this is the answer to all of our problems, but it has surfaced as a bit of a problem.

Alderman Domaingue stated I understand the reality of that and I have no problem with this request except I need to know where this money is coming from.

Mr. Ludwig replied it has to come out of the Enterprise budget, Alderman.

Alderman Domaingue stated it will be part of the Enterprise portion.

Mr. Ludwig replied swimming pools are, that's correct.

On motion of Alderman Hirschmann, duly seconded by Alderman Domaingue, it was voted to approve the request relating to a change in status in payment for various lifeguard levels.

Chairman Reiniger addressed item 3 of the agenda:

Presentation by Blue Cross/Blue Shield of New Hampshire to discuss rate renewals.

Mr. Biron stated thank you for having us here and good evening. My name is Ron Biron, Scott Averill, Vice-President of Sales is to my left and to the far left is Roland Lamy who is the Manager of our public business segment team. I'm the Account Manager for the City of Manchester and we're here this evening just to, I think, bring you up-to-date over the last year's events and talk a little bit about the renewal process and what components we bring in the package that I've brought to you this evening. We've met with his Honor late last week and presented a few different proposals. One, as we sit currently with our Plan J Programs and Blue Choice and also introducing the HMO Blue Program. Last year, when we all met here there was some concern as to how the information was being presented. If there was enough education being presented across the City to employees. As you remember at this time last year, a majority of the individuals who were on Blue Choice were the teachers and through negotiations and those processes that went forth a lot of other unions and non-affiliated from that point have decided and thank goodness for negotiations they've agreed to go into Blue Choice. What we would like to at least show you this evening and you'll see on the left side of the package is our current Blue Choice Program which offers you that three-tiered type of approach where you can choose any physician that you'd like, choosing a primary care physician going in and out of the network and having your medical services attended to that way. On the right hand side of the package contains, first of all, a chart which depicts the programs that we offer, the HMO comparing that with our Blue Choice Program and as you'll see the HMO Blue Program mirrors and is by far better than the current HMO Program that is being offered through the City right now as well as the JW and the JY Programs which a minority now of those employees in the City are into and that's a good thing for the City because there certainly is a cost-advantage to going into the Blue Choice Managed Care and the HMO Blue Programs. The sheet directly behind that is just our renewal worksheet which his Honor has and directly behind that is the HMO Blue benefit summary which gives you a little detail as to the type of benefits that are offered through the HMO Program. As I mentioned, last year we met and certainly one of the biggest contentions, the biggest areas of issue was the education process and why weren't more individuals becoming part of Blue Choice, was it an education, was it the idea that Blue Choice wasn't a good program and within this last year we have certainly stepped up to the plate if I can use that now as opening day and we've done our job and we've done the work to introduce and to educate individuals about the City on Blue Choice and what makes it works and why it's

beneficial to them. We certainly have come a long way and we feel we've done a terrific job in educating all of the employees of the City. At least, those whom we feel that want to get into the program. There are still some pockets of opposition for whatever reason as far as Blue Choice, but we're working still to get in and educate and talk and answer a lot of questions regarding those programs. The two gentlemen to my left will certainly get into more of hopefully your questions, if you have any this evening, where we can go from here as far as the next number of months, and the next number of years and being a partner with the City of Manchester.

Mr. Lamy stated as Ron mentioned, we met with the Mayor this past week and presented him with the renewal worksheet that is in your package which has a number of different renewal alternatives. If I could take a moment in the essence of time rather than to go through every single number of this worksheet, I'd like to just point out some highlights to you and if you have any questions for us after then we can answer those for you. When we originally worked the renewal, in order to develop the City's working rates we took a snapshot in time and that snapshot in time provided us with a census of individuals that currently remain on the J Programs as well as individuals that were on the Blue Choice Program or who had converted to the Blue Choice Program during the course of the year. Based on that snapshot, the overall renewal increase, the total bottom line increase came to about 6%, roughly 6%. As we met with the Mayor and began to discuss different situations, we realized that between now and July 1st as Ron had mentioned, we had made significant inroads in educating the unions and actually had some agreements on the table that were likely to happen between now and July 1st and that would change the census as we did the renewal. In other words, there would be less folks on the J Programs and more folks on Blue Choice, the managed care option which would save some more money. We worked the renewal rate based upon some of the safest assumptions we could make on the membership that was rolling over from the J Programs over to Blue Choice and when we did that, we came up with a new number, a new increase which brought the overall increase down to 4%. Having said that, we also provided the Mayor with several other options based upon some of the input that we had heard from other unions. You'll see those numbers in the renewal worksheet as well as an opportunity for you to take a look at the numbers with total conversion to Blue Cross/Blue Shield and that was in essence every individual either on Blue Choice or HMO Blue, if we were able to enter that product into the mix. When we took a look at that renewal, if all of the folks were on Blue Choice, that is all of the individuals that currently have J Programs today roll to Blue Choice, the overall increase would be 1.6% or an additional savings of \$340,000. So, there still is opportunity for savings and I think that is why we are here to talk to you about tonight. So, with that, I will turn it over to Scott.

Mr. Averill stated I see everybody looking at the spreadsheet and just to point out what you are looking at, very briefly, column one is the current billed rates and what I'm probably suggesting your attention to the bottom line, the bottom most bold figure, that is the total billed premium to the City currently \$13.6 million and then you go across to the right as Roland and Ron said the current renewal based on that initial snapshot in time, we used those folks that were currently on Blue Choice. Now, in the interim some folks have shifted over and that's as Roland pointed out, the most recent look. Okay, even though it's "not locked in concrete and absolutely official", we're assuming that those folks are going to go to Blue Choice, so column two is the first snapshot that shows you're going from \$13.6 to \$13.9 million and then moving across where we would like to see you go, where we think it makes most sense for you is to consider making that next step to the total risk pool consolidation putting everything under one umbrella and that's actually on this chart column five; that generates the 1.6% increase, so from \$13.6 to \$13.9 million and the plain fact to that matter is what that allows us to do is managing the entire risk pool, we can give you a more competitive overall rate; that is the result there. Just to that you are aware of it, I believe and I don't know Ron if you mentioned this, but last year we agreed verbally or you agreed to allow us to offer HMO Blue as an option and do you maybe want to touch a little bit on that the timing was off or something.

Mr. Biron stated it was the recommendation of this Committee to the Board that the introduction of HMO Blue was warranted and at the time, we did get back in discussing with David Hodgen the Negotiator. Unfortunately, by the time the decision had been made to offer HMO Blue and attempting to get education in the negotiation process there wasn't enough time between that decision and theoretically June 1st because the effective date is June 1st and there was a very short window of opportunity in which to get out and discuss the program and also for Mr. Hodgen himself to become more familiar with the program and become more comfortable in that negotiation process. So, here we are a year later and we're still asking this Committee for their recommendation to the full Board for us to introduce this HMO Blue for the reasons set forth by Scott and Roland of the full savings in order to incorporate all of the benefits under one umbrella and look at future savings and that is certainly what we would like to request this Board to consider, this Committee to consider and bring forward.

Mr. Averill stated just a couple of things in closings. The actual benefits of HMO Blue compared to the current Matthew Thornton Plan, first of all, the network is virtually identical, it's actually a little bit larger network of providers in New Hampshire. There is a stronger wellness component to the HMO Blue product, there's a stronger health club reimbursement incentive. So, we believe are good,

positive features, and thirdly, that there is a stronger prescription drug network, a larger network and we believe stronger discounts in that network. So, we think there's a couple of features there. Just to highlight the key points, we certainly understand that there are negotiation issues, contractual issues, and all we are trying to do here is paint a picture of where we think it makes more sense for you to consider going and to close by saying we continue to be...actually, at this point we are the one remaining domiciled health care here in the State with all of the consolidations going on and we hope that we can, due to our location be giving you top notch service and we think, hopefully, you'll weigh that as well in your considerations and I guess I'll open up to questions at this point.

Chairman Reiniger asked what does the Comp 100, column four versus column five.

Mr. Lamy stated during our discussions as I mentioned with the members of the representatives from the union, one of the things that came up was that there was interest, in particular, from Tom Adams's folks of what we could do in terms of offering an indemnity program, a Blue Choice program and an HMO Program all through Blue Cross/Blue Shield and what would that look like without trying to be specifically pulling those individuals out, we decided to just take a look at what the rate would look like for the entire City to go to a program similar to that with individual selection and we made the assumption that the folks that were on the J Programs or indemnity programs today would simply roll over to the Comp 100 Programs and that's how we got to that rate. We, in essence, just wanted to provide an additional consideration.

Alderman Hirschmann stated there was a comment about the cumulative increase of 6% and asked could you tell us what is was for each product.

Mr. Lamy replied initially on the 6% we took the snapshot in time, so we do believe that the overall increase is going to be four percent, however, on that six percent piece the J Programs increased 1.9% and the Blue Choice Program increased by 8%. Primarily attributed to the fact that we still have a run in from those folks who are transferring over from the indemnity programs over to the Blue Choice Programs and that's primarily why the Blue Choice rate is somewhat higher in terms of the increase itself.

Mr. Averill stated in other words you have claims that were incurred under the old program that are running in. As a reminder, you're self-funded and we're administering your program and these are...it says bill deposit rates, but I guess I would call them advisory rates. We're making an advisement to you on how we think it's best to fund this and as Roland says those are, a big piece of that is your

converting business in that pipeline that are rolling forward into that Blue Choice Program and as Ron said earlier there has been, I don't know if we shared with you the number of shifts that went on, do you have a rough idea of that, how many folks actually moved.

Mr. Biron replied it's been numerous.

Mr. Averill stated it's a moving target over the whole year.

Mr. Ntapalis stated there has been several hundred as far as the fiscal year '98 start up that we are anticipating that have moved now from the richer plan and that tail or what the boys refer to as a runoff is something that is going to appear in the Blue Choice area.

Mr. Lamy stated also just to clarify what that run in really entails, an easy example is that as of July 1st if everyone were to be on Blue Choice there are hospitalizations or physician bills that are incurred prior to July, so those would be payable under that J type of contract even though we may not pay the claim or see that claim until well after July 1st, so that is what we term as run in, those claims are running in and payable under the J Program whereas under the Blue Choice Program because of discounts, because of managed care those costs would be reduced if it was incurred at a later date.

Mr. Biron stated can I also add that managing the cost in terms of the cost of the claims from the City employees these two programs are doing what we expected them to do. The Blue Choice Program is running somewhere around 6% trend where the Indemnity Programs are running more in the neighborhood of 12 or higher, so Blue Choice is doing it's job at managing the care.

Alderman Domaingue stated so theoretically if everyone were to be on Blue Choice by July 1st the City would really not see any real impact to that probably until a year from now, the next July 1st when you would see everyone on the Blue Choice and the premiums or the reimbursement would be at that level.

Mr. Lamy stated I think you're already seeing the impact of it, quite honestly. You have seen it, I couldn't tell you right now today what that is, it's several hundred thousand impact.

Mr. Ntapalis stated I think Alderman Domaingue is correct. Come renewal time next year providing that the remaining bargaining units sign onto the Blue Choice Program and by the way there are only four at present that we haven't factored into the equation either effective for May 1st or certainly at the very least by July 1st. The four that remain are the Police Union, MESPA, the Educational Assistants and a small pocket of teamsters at Aviation. The remaining groups have all come on board and the immediate result that we have seen is probably about \$350,000 to be applied to fiscal year '98 savings. If Police were to sign on, say for example the immediate group, just the Police of the four remaining and they are the largest, we'd also get about another \$160,000 in savings just from a conversion from the rate structure that they have on the J Plans going to Blue Choice. The balance probably will be roughly the same another \$140,000 if the other three unions were to sign on and next year as Alderman Domaingue has said come renewal time, we would be looking at the Blue's for a marked savings. Correct me if I'm wrong though, but about a year ago when you folks came in and the full Board at the request of the Aldermanic Insurance Committee had asked that you make a presentation and someone had asked the question, "if Blue Choice was in place versus the full Indemnity Plans what would be the City savings from that bottom line item budget (211)" and I believe, roughly the number was about a million dollar per annum. They wavered a little bit from about nine-hundred thousand something up to as high as one point one million, and that probably still holds true.

Mr. Biron stated I think that is probably a fair assessment.

Alderman Domaingue asked have I seen any HMO Blue numbers on this.

Mr. Biron replied they are in the block on the bottom where it says HMO, you'll see to the far right are the Blue Cross/Blue Shield HMO numbers, those are the premium rates per month (\$162.98 for single, \$325.00 for a couple, and \$349.00 per month for a family).

Alderman Domaingue stated so what you are telling this Committee and the Board an obviously what you told the Mayor's Office is that there are even more savings to be gleaned should this City go in that direction. I guess I have to further that with another question because so many people ask it of me. Are we talking, right now, for the next fiscal year an increase of four to six percent. Why is it that if we are making all of these savings, we're having all this change over, we're still seeing increases.

Mr. Averill stated I think as Roland stated earlier the fact is that health care costs are still rising. Some people say even in the HMO world it's two to three percent a year and some of the trade publications...the indemnity world has gone up 12 as high as 15 percent a year, prescription drug claims are going up as high as 25 % a year. So, I've been in the business for 12/15 years and I don't think I've seen a year where health care costs have decreased.

Alderman Domaingue asked who's making the money now because we've shifted who made the money before from the doctors, we've kept them and it looks to me the observation is innocent enough, but it looks to me like the managed care corporations, the big drug companies...who's making money here. The patient is still getting socked, the community is still getting socked, and we're looking for some relief and with all due respect I'm still hearing increases. When do you guys get competitive, when do we see health care get competitive enough so that...

Mr. Biron stated I think it is extremely competitive now, I guess that's my view, but I think a four percent or six percent increase is very reasonable, but again...

Alderman Domaingue asked do you live in Manchester.

Mr. Averill replied, no, I don't. I live in Exeter. As I said earlier these rates a derivatives of your actual claims experience, so in terms of...we're not creating a...there's no artificial or hidden profit "going back to Blue Cross here". This is a pure, you pay us a very competitive administrative rate and that's it and we pass the discounts on to you from the provider network. So, I guess to answer your question, I don't think we're making the money.

Alderman Robert stated I just need a little bit of clarification. You want to replace Matthew Thornton with this, is that what I'm hearing.

Mr. Biron replied yes.

Alderman Robert stated you want our okay to approach the unions to do that.

Mr. Biron stated as last year we had discussed the HMO Program and how it would work and how this program mirrors the Matthew Thornton Program with the provider network being greater than theirs, it would be a seamless transition for employees. We understand the negotiation process and that some of the contracts have written into them that it is Matthew Thornton as an HMO. All we are asking is that we are able to introduce the HMO, if not on a complete scenario where we could replace that program and coordinate and combine all the

employees onto Blue Cross New Hampshire would at least introduce the HMO program to the City employees as an alternative.

Alderman Robert asked, Harry, would it make more sense to replace one with the other.

Mr. Ntapalis replied what they basically proposed since they have the Blue Choice Indemnity Plan, they now have a product that is competitive with the other HMO's even the one we currently have Matthew Thornton. By having the entire products lined up with Blue Cross pass on any type of savings to us, the only edge that you lose and again I'm not trying to beat up on these gentlemen, the one thing that is of concern to us if you have a competitor in place sometimes that may keep a sharper edge with all parties. Now, Matthew Thornton presents a community-rated plan, we don't self-insure obviously with them and they are the HMO and have been seemingly of choice of the bargaining groups as of late, they've been written into all of the bargaining contracts, I think from what I had heard initially from some of the Board of Aldermen and the Mayor that it would certainly be, as the fellas are doing here tonight making a proposal for something for consideration, but having at least two and in some communities there are as many as three opposing insurers and they feel that by having that sort of a competition come renewal time it keeps everyone's pencil as sharp as it can be before the rates are quoted.

Alderman Robert asked would we be saving a lot of money or any money by replacing one plan for the other, would we be saving any money by having three as opposed to two.

Mr. Ntapalis replied the way the proposals are made by having the programs now offered by Blue Cross, again having everything internal that we would self-fund there is that opportunity for savings. How significant or even if it's going to be a savings each year that would remain somewhat to be seen. As you know, Matthew Thornton has been trying to maintain and I'm not here to advocate or speak certainly for anyone nor Matthew Thornton, but what they have done the past couple of years knowing that there is keen competition, there is certainly other HMO's out there that certainly offer either an identical or an enhanced HMO to the degree that it can be enhanced and still say cost-competitive and they've managed not to give us any rate increases while other may have passed on some rate increase; that would remain to be seen; that is a tough call if you're going to compare the HMO's in that fashion.

Alderman Robert stated it's great that we have somebody who wants to come and pitch their product to us and offer us alternatives, I think we need that. Maybe, if we really wanted to look at the HMO aspect, maybe we could do a much broader search as there are other HMO's that are out there. My feeling would be to do it that way, do a search. I wouldn't want anything we do now to jeopardize the transition from JY, JW, whatever to Blue Choice, but I'd just like to take a broader look to see what we would be getting into and what all the other options are.

Mr. Ntapalis stated the one thing that we did do at this Committee's request last year, we certainly did an internal office review of the HMO's that are currently in existence. We looked at the coverages, the types of coverages that are offered and the rates and as I indicated earlier what you would find are coverages from HMO to HMO, at least the top HMO's that are pretty much centered in and around the Southern New Hampshire tier. The coverages mirror themselves and the rate structures are within pennies of one another, so until the competition is there it is really hard to know and say "so-and-so" is going to be so significant on the savings to then turn around and advocate let's bring in someone else, you're really not going to achieve that kind of an objective. I think the thrust right now with Blue Choice is pretty much what we've been doing with the departments. We're hoping that's the avenue to go because it offer the components, the best of all worlds. You have that first tier, that Option 1 which in essence is a managed care HMO-type scenario, you can compare it to most any others and still beat the others because of the enhancements that are offered in Option 1. Option 2 still keeps you with a point of service program, you're working with network providers, you have the managed care element, you're going to derive a savings. Now, Option 3 doesn't limit those that may have had significant problems for themselves or other members of their family medically and are willing to pay the higher deductibles and co-insurance, so you've got a program that offers managed here with Blue Cross and it seems to, after a lot of education, as the gentleman had said and some initial resistance be meeting the needs of not only the City's budget planners, but as well as the employee's that are deriving the benefit and that might be the thrust that might be beneficial.

Chairman Reiniger asked does the Committee want Harry to do more work and come back.

Alderman Robert stated I think what Harry is suggesting is that we shouldn't move unless there is a good reason to, I think that is what he is suggesting. He has a feel for the market and he doesn't seem to think that by doing so we'd benefit from it.

Alderman Hirschmann asked what were Matthew Thornton's increases this year.

Mr. Ntapalis replied they didn't go up the last two years.

Alderman Domaingue stated I guess we're back to my point. The point being we're struggling because first of all, Blue Cross/Blue Shield is in my ward, so it's not like I don't like the company or we don't appreciate the contribution to the community, it's just we're seeing an increase in rates no matter what the City does and we're perplexed because we can't seem to find an end to this. No matter what we do, the rates go up and Blue Cross keeps on coming in with new ideas, but the rates keep going up and that's the short story on this. We're getting a little discouraged with the rates that keep going up from a corporation that told us that they would come in and be competitive. Certainly, Matthew Thornton fits the competitive description. I don't know if you can respond to that or not.

Mr. Averill stated first of all on the one, as I said earlier, I think part of the picture is that you are self-funded and that we're trying to move you from an indemnity world to the managed care world and I think the Blue Choice product is really a great bridge to do that, but ultimately and we talked a little bit about this with the Mayor...what we're trying to do is move you in that direction of the true "lock-in" or the stronger managed care world; that is where we think things need to go and the reason we mentioned the risk pools consolidation and the idea of putting it under all one umbrella was just to give you more ideas on where to go. We think that the one concern you may want to consider is if you break up that risk pool and don't have a full disclosure, a full accounting t the end of the year, you really don't know what the experience is beneath those rates.

Alderman Domaingue stated we are moving in that direction and we're not seeing any progress on your side of the ledger book, that's what I'm saying. We're not seeing the progress that we were led to believe and now you're saying if we switch over to HMO Blue we're still going to see more and I'm sitting here saying yeah, what's the percentage of increase that I'm in for on that level. It seems to be never ending and if everybody's cost-containing, our costs should begin to be contained.

Mr. Averill stated well, they have. I think we mentioned earlier that they've gone down \$350,000.

Mr. Ntapalis stated roughly \$350,000 with those numbers that we factored in because of the conversion from the richer J Plans originally, the Steelworkers and MAPS, etc. But, I think the point I heard Alderman Domaingue bring this up a little earlier and maybe I can shed just a bid of light on it, one of the issues by having the experience rating on our own historical usage of the Blue Cross

Indemnity Plans drove those costs and the conversion in the more immediate sense that is now taking place are carrying some of those costs over. What we will hold Blue Cross' feet to the fire on come next rate renewal is the hopes that the managed care program if all individuals have converted out of the indemnity plans to the managed care approach as opposed to not being able to go wherever they want when they want, it's more of a contained-type of a cost of an insurance program and we would anticipate not seeing the higher rises in anticipating what the cost to the medical community to do business with technologies, etc. might be and that's a tough one to gauge and there might be a layer of increase there, but what we don't expect to see the out of managed care costs that were promised to us if we can contain it, your rates will be low if anything at all in many years and we're hoping to drive towards that direction, but that tail right now, that runoff of the richer plan members is going to be something that we will probably be seeing for the next several months after fiscal year '98 comes.

Alderman Domaingue stated I just want to say for the record if we don't see some kind of leveling out here, Matthew Thornton makes the case here for us to look at the competition even more closely because of their two-year history; that's all I can tell you. We are in a business too, we have to be responsive to the increased costs of health benefits to present to our taxpayers.

## **NEW BUSINESS**

Chairman Reiniger addressed item of new business relative to requests to fill positions.

### **Parks, Recreation & Cemetery - Laborer II**

Chairman Reiniger stated that Mr. Moran has advised that it is important that we approve this position. I know some members of the Committee have some concerns about filling positions.

On motion of Alderman Cashin, duly seconded by Alderman Robert, it was voted to approve the request to fill the Laborer II position at Parks, Recreation & Cemetery.

### **Highway - Refuse Truck Driver**

On motion of Alderman Robert, duly seconded by Alderman Cashin, it was voted to approve the request to fill the Refuse Truck Driver position at the Highway Department.

Fire - Fire Communications Chief/Centralized Communications  
Supervisor

On motion of Alderman Hirschmann, duly seconded by Alderman Robert, it was voted to table the request to fill the Fire Communications Chief/Central Communications Supervisor Position at the Fire Department.

Alderman Cashin asked why.

Alderman Hirschmann replied that in about an hour from now you will hear the Mayor's budget and this is going to play into it.

Alderman Cashin stated the Chief is here, can we give him an opportunity, I know we don't have much time, but at least speak to the issue.

Alderman Domaingue stated a point of order, Mr. Chairman. A tabling motion takes precedence and there is no discussion after the motion has been made. If they want to withdraw their motion to table and allow the Chief to speak, I don't have a problem with that, but tabling means no more discussion, so what does the Committee want to do.

Alderman Cashin stated my question is are we opposed to a Chief position or do are we saying we don't want the position at all even as a lesser position, is that what we're saying.

Alderman Hirschmann replied, we don't know yet.

Alderman Cashin asked when are we going to find out.

Alderman Hirschmann replied when is he coming in on his budget discussion on Monday nights. I guess we'll hear from him on his Monday night.

Aldermen Hirschmann and Robert withdrew their motions to table this item.

Chief Kane stated in regard to this position, the department would like to fill the position not only as it affects the department, but that as it affects the entire City in regard to the communications in the City. There are a number of areas right now

that that person is involved with that affect the entire City. Number one is the 800 MHz radio system that is being installed. Secondly, is the CAD System of computers that are installed in the Fire Department and they're in the middle of doing that, there is a microwave going on and for the Water Works as there are on-going issues with about every single department within the City. At this point in time, there are several issues that we're involved with in litigation and contract negotiations.

Alderman Robert asked why does a person who is doing what Doug Aiken used to do have to be a Chief, can it be somebody else.

Chief Kane replied we've had some internal discussions in the Fire Department in regard to the ranking of Chief for that position and what's going to be carried forward is that the person will not be a Chief Officer because of the way we are going to approach this, we really have to look for someone who has capabilities of radios and computers and those types of things, so we may have to look not only internally, but externally. The rank of Chief would not be carried.

Alderman Robert asked can this be done by something outside.

Chief Kane replied the position in the past has been filled outside of the department. There are some qualified people in the department, some radio technicians that I'm sure will be applying for the job.

Alderman Robert stated so by your answering the question the way you have, are you saying that we should not approve this position until you decide what you want to do and what can be done.

Chief Kane replied what I would like to see is that the position be approved, so that I can start the process of filling the position. The position in terms of the terminology of the name and the job classifications, I think that is something I could work with the Personnel Director with.

Alderman Robert asked does that mean that the cost of paying this person will go down or will it stay the same.

Chief Kane replied obviously, the cost would go down for the position because bringing in a person at a lower paygrade because of seniority. In regard to the paygrade of the position, I'm not really sure it would be a great idea to drop it because it's a technical position, but we would discuss that with Hugh Moran.

Alderman Hirschmann stated based on the Chief's testimony, it's not going to be a Chief's position anymore anyway, so a motion to table would be in order until we figure out what it is going to be.

Alderman Cashin stated maybe I'm misunderstanding what the Chief is saying here, but I think he's asking to fill the position, he's telling you it's not going to be a Chief's position, but he needs to have it filled because of some of the technical... is that what you're saying, Chief.

Chief Kane replied that is correct.

Alderman Hirschmann stated we gave you a new Chief last year of \$53,000 and asked what is he doing.

Chief Kane replied you gave me a new Chief last year.

Alderman Hirschmann stated we gave you a Fire Prevention Chief of \$53,000.

Chief Kane replied that position has been there for a great number of years.

Alderman Hirschmann stated it wasn't funded in '96.

Chief Kane stated I can't comment on that, I know that that position has been there since I would say the 50's.

Alderman Hirschmann stated he was just upgraded to a Chief.

Chief Kane replied, no. I personally had that position myself a number of years ago.

Alderman Hirschmann stated all I'm looking for is that the Chief admits that this person is not going to be a Chief, there is going to be some kind of consolidation savings within his department rather than filling a \$50,037 position. Doug Aiken didn't become a Chief, Doug Aiken had the job for a lot of years before he became Chief and he had to fight tooth and nail with Mr. Lydon to become a Chief.

Alderman Cashin stated it's not going to become a Chief's position any longer, what's the problem.

Alderman Hirschmann stated so we're not going to fill it as a Chief's position, are we.

Alderman Cashin stated he's not asking for a Chief.

Alderman Robert asked if this position is not filled what is going to happen, is our radio equipment going to fall apart or what.

Chief Kane replied what is currently going on in that position is we are in negotiations with GEAC who is a provider for our computer system and we're in negotiations with GE who is doing our radio system, all of those things will be delayed. Obviously, we need somebody who has the technical expertise to handle those contracts and handle those devices.

Alderman Hirschmann moved to table the request to fill the Fire Communications Chief/Centralized Communications Supervisor position at the Fire Department. Alderman Domaingue duly seconded the motion. Alderman Cashin and Robert were duly recorded in opposition. Chairman Reiniger voted to deny the tabling of the request.

Alderman Cashin moved to approve the request to fill the position. Alderman Robert duly seconded the motion. Alderman Domaingue and Hirschmann were duly recorded in opposition. Chairman Reiniger voted to approve the request.

#### EPD - Wastewater Pre-Treatment Supervisor

Alderman Cashin moved to approve the request to fill a Wastewater Pre-Treatment Supervisor position at EPD. Alderman Robert duly seconded the motion. The motion carried with Alderman Domaingue duly recorded in opposition.

#### **TABLED ITEMS**

HIGHWAY - Reclassification of High Superintendent position.  
(Tabled February 13, 1996 PC 1)

This item remained on the table.

PERSONNEL - Information Support Specialist Positions.  
(Note: the Personnel Director recommends that the positions at the Airport,

Fire, Police, Finance, and Water Works be established as Senior Information Support Specialist, Grade 22. The Library Technician position is to be established at Grade 20.)  
(Tabled September 23, 1996 PC 6)

This item remained on the table.

PERSONNEL COMMITTEE - Department Head Merit System Responses.  
(Tabled September 23, 1996 PC 6)

This item remained on the table.

POLICE - Request to hire retired Police Officer on a temporary basis.  
(Tabled January 27, 1997, PC 1-97)

This item remained on the table.

POLICE - Request from Alderman Hirschmann to examine existing Personnel Policy for Police Officers.  
(Tabled January 27, 1997, PC 1097)

This item remained on the table.

There being no further business to come before the Committee, on motion of Alderman Robert, duly seconded by Alderman Cashin, it was voted to adjourn.

A True Record. Attest.

Clerk of Committee