

COMMITTEE ON HUMAN RESOURCES/INSURANCE

December 7, 2010

6:00 PM

Chairman Shea called the meeting to order.

The Clerk called the roll.

Present: Aldermen Shea, Ludwig, Ouellette, Arnold, Craig
Alderman DeVries, Mayor Gatsas

Messrs: B. Marsh, J. Gile, P. Harte, J. Burkush

Chairman Shea addressed item 3 of the agenda:

3. Summaries of outstanding arbitrations and grievances submitted by the Human Resources Director.

(Note: Provided for informational purposes only; no action required)

Chairman Shea addressed item 4 of the agenda:

4. Communication from the New Hampshire Alliance for Retired Americans regarding health insurance premiums for retirees.

(Note: Referred by the Board of Mayor and Aldermen on October 19, 2010; received and filed 11/01/10)

On motion of Alderman Arnold, duly seconded by Alderman Craig, it was voted to discuss this item.

Mr. Bob Marsh, Retired Firefighter, New Hampshire Alliance for Retired Americans, stated I was with the City for 23 years. I have to read from notes because my memory is not that good these days. I want to thank you all for agreeing to meet with us tonight so that we can voice our concerns as retirees. There are other members of retired organizations here tonight. We need to let you people know that we really do appreciate what you're doing for our insurance. We know that insurance is a tricky subject. The costs are escalating faster than anybody ever thought they would. When I first joined the City, we had Blue Cross/Blue Shield, and my insurance was covered totally by the City. When I left the Fire Department, we started to pick up our own insurance and as a result

of that, my retirement pension is going down faster than the insurance is going up. We have in the last couple of years had about a 3% COLA as far as our pension. The insurance rates went up about 70 %, which gave all of the retirees a net loss as far as trying to keep ahead of what's going on. Most of the people that are retired now don't work anymore, so that means that they are on a totally fixed income. With insurance rates escalating the way they are, pretty soon they are not going to have any pension at all. All of their pension pay is going to be going to pay for insurance costs. Whether that is acceptable to members other than retirees, I don't think so, because everybody in this room will be there at some point in time. They will all have to worry about insurance, and as you get older, it seems that insurance is much more necessary than it ever was when you were younger. When you are young, you think you're invincible. You can face any problem that comes along. As you get older, that no longer is there. It's not there anymore. You start to realize that you had better go to the doctors a little bit more often, and maybe you need more medication now because the body is not working as well as it used to. It's something we all have to face. But we are in a bind because of that. We're on a fixed income. We have no representation as far as insurance is concerned. We have nobody that speaks for our organization. I speak for the Manchester Retired Firefighters and there is nobody that comes to the insurance boards and says how can we help, what we can do. Maybe there is nothing that we can do, but at least let us have some kind of input when you're negotiating the contracts for the retirees. The guys that are on the job now and the people that are there now, once again, they are invincible. You can turn around and say okay we will give you a package that if you go to the doctors once a year, that's fine. As you get older, you're going to the doctors much more than you ever did. Insurance premiums have gone up so fast that in the last five years I would venture a guess and say they have probably gone up at least 125 to 130%, whereas our income has not kept pace with that. So we're coming up with a net loss. One of the things that keeps getting pandering around is the information that the claims are being paid by the federal government for \$15,000 to \$90,000 claims for retirees. I'm not sure how that goes because I'm not familiar with it, and this is just something that I've been hearing. Nobody has ever said anything to us or to anybody else that this is a fact. Information is what we desperately need and we need it not just on the internet, because a lot of our people do not have computer smarts. They have to have it in a letter and they need to be able to read what's going on. The negotiations that you go into with the insurance company affect us greatly, more than the working people. The working people are young; they have the resources. As retirees, we no longer have those resources. We have to account for every penny coming in and every penny going out, and we need you to be aware that we sometimes struggle with that. Once again, we appreciate you at least listening to what we have to say and please bear in mind, keep us in the loop if there are negotiations concerning us. At least let us be involved in them so that we know what is happening. Thank you very much.

Alderman Ouellette stated my first reaction is you are absolutely right that your group and the people you represent, not only the firefighters but also all the retirees throughout the City, is basically forgotten. You also have the most to lose out of insurance premiums and the out of control costs that the health insurance crisis is causing right now, that the City is facing. This comes out of your pocket, as you plainly stated, so I agree with you. I think that you should at least have information at your disposal when these premiums change or when changes arise because you don't have a choice. You're kind of stuck, and that's a very sad situation for people who have worked for this City for 20, 30 and 40 years to be in. You're a young person and your first couple of days in the City you're thinking you are going to have a great retirement; you're going to be able to live the rest of your life because you're going to be taken care of either by the City or by Medicare or Medicaid later on in life. To come to this point is pretty sad that some of your dreams and some of your hopes that you have had all your lives are no longer achievable because of the cost of health care. I think that's sad. Also, we have people who are ready to retire and want to retire, but can't retire because they can't afford to retire and it's only because of the health care situation. I think that the Board recognizes that we are in a crisis and unfortunately I think you're in a bigger crisis than the rest of us because this comes straight out of your pocket. It is like a 48% increase in the premiums and that comes directly out of your pocket. The City employee pays 12.5% or whatever it is of the increase, you pay 100% of the increase. So I know that Alderman O'Neil, Alderman Lopez, and some other Aldermen are always keeping us mindful of that when we make decisions, and I just hope that when we sit down at the table, not only when creating the budget, but when we sit down at the table negotiating with other bargaining units and non-affiliated employees, that they keep that in mind as well. We are all in this together, whether we are a taxpayer or a first-year firefighter or a retiree. If we keep that attitude as we go forward, I think we can tackle some of the problems that we face. I appreciate coming forward and talking to us, and I hope that moving forward we do keep you in the loop and give you the necessary information that you need and keep the line of communications open. Thank you.

Alderman Craig stated in hearing what you're saying and reading the letter that you put forward, one of the things that came to mind for me was providing employees and retirees with a program that has a higher deductible at a lower cost to the employee. I'm not sure if that's something that you would be open to, keeping the programs that exist today, but providing another alternative.

Mr. Marsh responded I don't think that that is very effective for retirees. Somebody mentioned this the other day and they said if I was 25 years old and somebody told me they would drop the premium but in exchange for that I would pay more in deductible, that would have been good. Unfortunately the fact of life is that as you get older, you're going to be going to the doctors more often and you're going to be getting more medications. You're going to be getting a lot of other things that you didn't need, didn't

want, and didn't care to have when you were 25. When I was 25, I was invincible. I could run up a ladder like there was no tomorrow. Now I can barely walk across the room without a breathing problem. These things do happen. To turn around and say we'll make a higher deductible but lower premium does not work for us. It will work for young people, but it will not work for older people because we have bear the brunt of going to the doctors. Unfortunately, we go more and more often. Probably that's why insurance costs are higher for retired people; we understand that. But to take something away from one hand and try to give it back to the other hand doesn't work out for us because you're taking more away than you're giving.

Alderman Craig stated we would have to look at it and it would have to make sense. But I think it's something that we should probably investigate because it could work.

Mr. Marsh stated once again, if we were kept in the loop about this, we could come up with some of these things and maybe even agree with what you're saying or disagree with what you're saying, and come maybe come up with some figures and facts and say this is the way that it works. But for us it won't work, for you it would work.

Alderman Craig asked Jane, what is the process then in working with retirees?

Ms. Jane Gile, Human Resources Director, replied we're willing to sit down and talk with you. Whatever plan that is proposed, if there is an alternate plan, as you suggest, maybe a higher deductible plan, that would have to be offered to our employees as well, so that any plan that's offered to the retirees, in order for your subsidy, and I heard you say that you do get a subsidy from the State, it has to be the plan that's offered to the employees as well. If it is a high deductible plan, or I believe also, if employees paid a greater share of the cost of health insurance, say they went to a 20% share cost instead of a 5% in terms of what their contribution is, that would bring down the monthly premiums and the retirees perhaps could benefit from that as well. So a lot of that is tied to collective bargaining agreements, as you know, so with that approach our hands might be somewhat tied unless we got the buy-in from the unions or your union, in order to make share that cost a little bit different. The high deductible plan could be a viable alternative and I could sit down with the group and show you how that would work. I'd be more than happy to do that, but as I said, it would have to be a plan that would be offered to all of the employees as well. We couldn't carve out a plan for retirees under 65; it has to be that plan that's offered to whole organization and we're part of the whole plan. Because if we did carve it out just for the retirees under that age group, I think you would see the premiums a lot higher than what they are, if that was even possible, because if it was based on utilization, those premiums would probably be higher than what they are now. Right now the premiums are spread across the whole plan in terms of the users of that plan.

Mr. Marsh stated that's what insurance is always about: The healthy pay for the sick. It's understandable. When you're healthy and you don't need the insurance, you can turn around and say who cares about these old guys. That's their problem, not mine.

Ms. Gile responded we do care and we do notice.

Mr. Marsh interjected I recognize that very, very much. But like I said, when a lot of the younger guys are negotiating, they are negotiating for the active members of whatever union they are. They are not necessarily negotiating for the retirees. Nobody negotiates for the retirees, not any more. Thank God that there are people like you that do recognize that there are retirees and do try to throw that into the works, because without people like you, we wouldn't have a chance. We're stuck with whatever comes down the pike. Whatever these guys negotiate, that's what we have to live with. And we should have some input somewhere.

Alderman Ouellette stated I just want to add to that a little bit because you make a great point. It is whatever they negotiate, and not only negotiate, whatever the active membership votes on. Is that correct? You don't get a vote?

Mr. Marsh replied that's correct. We don't get a vote on it.

Alderman Ouellette stated something that affects you severely and you don't get a vote on that, it puts you in a very, very difficult situation. If you're a single, 25-year old firefighter on the job, you want to keep your costs as low as possible and you're certainly not going to think about, because you are a newbie or whatever, the people that paved the way. I think that not only should you bring your message here to us, everyone should be bringing that message to their membership, whether you're a firefighter, police officer or public works employee, because that message is just as vital and you should have a seat at the table.

Mr. Marsh stated we do have an open talk with the firefighters union, and Ryan Cashin usually keeps us in the loop as far as somewhat of what is going on. It seems just lately he has probably forgotten that retirees are still around. That so very often happens because they are so very busy trying to negotiate for themselves and for their active members.

Alderman Ouellette stated I would be looking for someone to advocate for you within each of the local unions.

Alderman DeVries stated if members of the Committee have spoken, I'd appreciate the chance to ask a couple of questions. No doubt, and it's probably not understood by a lot of the public listening at home, there's no doubt that the pensions get squeezed particularly for police and fire because there is no Social Security coming down to

supplement the pensions for retired police and fire. There's no eligibility for Social Security, so the dependency on pensions is even much more dramatic, and when that is eaten up by the increase that you described for health insurance costs, what's left to pay your mortgage or buy your food, it is a real issue that somehow we need to get a handle on. I actually have a couple of questions, if I might, of the Human Resources Director because I heard you mention a couple of things and I haven't really heard the answer. The federal policy, the high risk pool that was created with the health insurance legislation, where are we at for reimbursement coming into the City for the claims?

Ms. Gile responded we did meet with the retiree group in October and we explained that the application was in process at that time. I did talk with Terry Lockhead, who is the director, and I did let her know that our application has been approved but there have been no reimbursements at this point to the City.

Alderman DeVries asked what is the expectation of reimbursements?

Ms. Gile responded the expectation, which was presented to the Board when we made application to this program, was in the vicinity over a two year period of about \$760,000.

Alderman DeVries asked is there a number that's being built into the budget this year?

Ms. Gile responded what will happen is that money, once it is received, will be applied to the health insurance costs. So it would be applied to the plan, and that includes the retirees under 65.

Alderman DeVries stated if I can, and I'll try to wrap this up, I realize you have other agenda items. It's fair to say that a significant amount of money, \$760,000 over two years, is coming in to reduce the costs of health insurance for the active employees as well as the retirees.

Ms. Gile stated it would be applied against administrative costs of the plan.

Alderman DeVries stated which can help hold down the cost of the health insurance plan. But that goes for the active employees as well as the retirees, even though the benefit is coming just from the reimbursement of retirees.

Ms. Gile responded yes, that is correct.

Alderman DeVries stated it is important for the Committee to understand that there is a new benefit, and that the retirees are bringing a cash flow into the City. To me that signals that we should work a little hard to get them some sort of a formal voice, and I know you have all said we're looking for that mechanism. They can't be part of the negotiations, but they can be part of the process when insurance is discussed during

negotiations. Maybe as a Board we can assist them with a formal voice at the union level. When it comes to insurance discussions, that would be where I hope you as a Committee might take it. I don't know if Mr. Marsh has any other comments. I'm hoping you can do that.

Mr. Marsh stated I would be more than happy to get involved with it. It affects me as much as it affects any retiree in the City. Maybe we can get some of the other department retirees too.

Mayor Gatsas stated I think its important because as we've been having discussions over the last four or five months, I've made it very clear to the Aldermen and all the negotiating units in the City, that I've heard the plea of the retirees that are under 65. We have constructed a high-deductible plan that would have a premium of \$512 a month for a single, \$1,030 for a couple, and \$1,379 a month for a family. When you deduct that, or subtract it, from the point of service plans, it's probably a \$400 a month savings. For anybody that's on the point of service plan, there is a \$2,000 to \$4,000 deductible; \$400 a month times 12 months is \$4,800 on a \$2,000 deductible. That still leaves \$2,800 in the retiree's pocket. So I think that this has been made available, I certainly don't have a problem presenting this to Mr. Marsh. I know I've had conversations with all the Board members here, so I've heard the problem of why people are retiring because the plan is very expensive. WE have found a modification that would reduce it and give them an opportunity to get in, and that doesn't include the \$375 stipend from the State, that's not inclusive of that.

Chairman Shea asked that would be for the first year, but would it be continuous over the course of two years, four years, or five years, until they reach their maximum?

Mayor Gatsas responded obviously, this plan is reflective of the City's plan. As Ms. Gile said, both plans have to be offered on the City side also. So as that plan progresses, if claims come down, then that premium will go down. If claims go up, that premium would go up. But again, it would be reflective of what the City side is.

Chairman Shea asked but it would be offered on a yearly basis?

Mayor Gatsas responded yes. That is correct. It would be offered on a continual basis. I have heard the plight of the retirees and we've been working over the last four months to put something together that's available to them.

Chairman Shea addressed item 5 of the agenda:

5. Communication from the Human Resources Director recommending that the Committee approve the Job Specification of Deputy Tax Collector as presented and amended.

Alderman Arnold moved to approve this item. The motion was duly seconded by Alderman Ludwig.

Alderman Craig stated I just had a quick question because I understand what's written here, that it was either no schooling or three years of schooling. If the candidate were to come in and not have the schooling completed, I would think the pay grade would be different, and you're proposing to keep it the same, so I was wondering if you could speak to that.

Ms. Harte responded certainly. By schooling, do you mean the certification?

Alderman Craig responded correct.

Ms. Harte stated it's a very odd animal, to be honest with you, because out in private industry, for example, a medical secretary, goes to classes, takes tests, meets criteria, becomes certified, and then looks for a job. The New Hampshire Tax Collectors and Town Clerks' Joint Committee for Certification requires that you actually hold the job for three years and during that time each year you have to attend a workshop, a regional meeting, go to the conference and attend one week of intensive classes during the summer. You do that for three years; then you become certified. So, it's part and parcel of being in the position, as opposed to getting all of that and then getting the position.

Alderman Craig stated so I guess my thought is that you would be paid more if you had the certification versus not having it, but that's not what is being reflected here.

Ms. Harte stated I didn't even get into that. Originally, prior to Yarger Decker, certification wasn't a requirement. When Joan Porter became Tax Collector, she wasn't certified. On her own, she wanted to become certified because we all believe in the certification. It keeps you straight; it keeps you up there with all the rules and regulations and best practices and all of that. So she became certified and the deputy at the time was not certified. Once Joan became certified, the deputy took the three year course and she became certified. It has always been sort of part and parcel of the job, since Yarger Decker.

Alderman Craig asked Ms. Gile, can you speak to the payment?

Ms. Gile stated it may not adjust the pay significantly, if that's what your question is. What is the grade?

Ms. Harte responded it is grade 21.

Alderman Craig stated to me it seems logical if someone is going to take a job and they are not certified, the pay grade would be lower than someone who came in and was certified.

Ms. Gile stated it depends on all the other factors. You weigh a job, or you score a job, based on a number of different factors.

Alderman Craig stated I agree with that, but here it says the pay grade is absolutely the same whether you have the certification or not.

Ms. Gile stated yes, and Pat was just saying that the certification was not required in the past. It was not a requirement, but with Yarger Decker it did become a requirement. If you are suggesting that it should be a different pay scale, we can go back and score it based on that. Whether it will come out any different is questionable, but we can go back and score it if that is something that you would like us to do.

Alderman Craig stated I would be interested in that. I know that there is experience that could get you to the same pay grade, but whether or not you've got the certification at the time you start, versus taking three years to get it, I would think there would be a difference in pay.

Ms. Gile stated but if they don't get the certification, they don't have the job after the three years either.

Alderman Craig stated that's one of the things I did want to add, that it has to be completed in three years.

Ms. Harte stated three consecutive years. That's part of the whole process.

Chairman Shea called for a vote on the motion to approve this recommendation. The motion carried, with Alderman Craig voting in opposition.

Chairman Shea addressed item 6 of the agenda:

6. Communication from the Human Resources Director providing information about State of New Hampshire health related insurance mandates.

On motion of Alderman Ludwig, duly seconded by Alderman Ouellette, it was voted to discuss this item.

Ms. Gile stated during the last Legislative session there were two health insurance mandates that have an effective date of January 1, 2011. The City of Manchester self-funds its health care; therefore, we're not subject to New Hampshire insurance laws. However, I bring these two mandates to your attention tonight for your consideration and to let you be aware that these programs are mandated for health insurance programs that are fully insured. The insurers that are not self-funded have to provide these services as part of their health plan. Because we're self-funded we're not obligated to do it, but we can do it voluntarily if we choose to. There are two mandates that I want to bring to your attention. The first is regarding hearing aids. Our current plan does not cover hearing aids. The State mandate says that coverage will be required as of January 1, 2011. Once every five years you can have your hearing aids replaced and it is \$1,500; that's the lowest in terms of a plan. They have to provide at least \$1,500 of coverage for each hearing aid each year. That does not cover the whole cost of the hearing aid, but it is coverage of part of the cost. This particular provision provides all the associated professional services associated with hearing aids, whether it's fitting, dispensing, servicing, or actual selling of the hearing devices or instruments. The second mandate has to do with coverage for the diagnosis and treatment of autism. Autism is covered under our mental health policy, but there are services related to autism that are not covered under health plans generally. Those can include things like speech therapy and occupational therapy, things of that nature. Typically the kinds of things that were not covered were termed not rehabilitated, but habilitated. Rehabilitation means that they had the ability beforehand. As you know with autistic children, oftentimes they cannot speak, so they never had the ability to speak. If it was considered rehabilitative, it would be covered, but since it is habilitated, meaning they have never had that ability to speak, it was not covered. With this new mandate they are covering such things as speech therapy, occupational therapy, some psychological services, and some behavior-based therapy services that were not covered under the health plan in the past. Our plan does not cover it now, but it is being mandated for fully-insured plans by the State of New Hampshire. As I said, we're not subject to that and it will be up to the City of Manchester to determine whether or not they want to provide this type of coverage. Our health consultant has projected that it would add 2.0 to 2.5% to our health plan costs, and that could be somewhere in the range of maybe \$250,000 to \$400,000 or more depending on the population and utilization. I don't know how many people would require hearing aids; I'm not sure how many children or young adults might have the need for the

services for autism. I'm just presenting that to you tonight and it will be up to you whether or not you want to add those services, but just letting you know that there is an associated cost if we chose to do that.

Chairman Shea stated just by way of comment, I feel that it is an important responsibility that we have as City officials to look after those children within our community who are autistic. I also feel that the amount of provision for them should be something that we should seriously consider. As far as the other aspect of this, I'm not sure whether or not I have a vested interest in that, but I would say that if it is part of what the State is advocating, and I think there are 19 other states that are involved with this, I'm sure in time that a self-funded program would probably be obligated to part of this. One point that I'd like to raise is that there would have to be some type of communication about the City's responsibility towards autistic children and the school's responsibility. That would have to be part and parcel of any discussion about this. Are there any questions from members of the Board?

Alderman Ouellette stated thank you, Mr. Chairman, and I know that you have had experience as an educator. You always advocate for children in the City and I know you will continue to do so. As a former School Board member, I too share your sentiment on the children that suffer with autism. It is a dreadful thing for families to go through and it is a life altering experience for a family. Most of them don't complain; they love their children very much and will do anything for them. I too agree with number two in terms of the mental health coverage, in particular the autistic part of it. The number one is the hearing aid coverage up to \$1,500 per hearing aid for every 16 months, it looks like. We just heard tonight from the people who probably will be using this benefit more, who are having hardship in terms of health care costs, so I think this will do nothing but benefit them if we approve this. I support this.

Alderman Ouellette moved to accept this proposal and move it onto the full Board. The motion was duly seconded by Alderman Ludwig.

Alderman Craig stated I'm wondering if you feel it would be beneficial if we move this discussion to the budget discussion, because I as well would love to provide coverage for these items, but knowing where we are from a budget perspective, especially within the health care realm, I'm a bit hesitant to approve something that's going to increase the rates or usage.

Chairman Shea replied it has nothing to do with the budget. If we approve this, it tends to raise the premiums. That is to say it's not going to be something that's going the cost the City money; it's going to cost individual people. Jane, you're shaking your head. Maybe you could explain it.

Ms. Gile replied it will increase the plan cost because we would have more people utilizing services and some of them are very expensive. And so the projection is that it would increase the City's plan costs maybe 2.0 to 2.5% and another estimate was \$2.00 to \$6.00 per member per month. It would increase it substantially. But that, again, is depending on the utilization and the number of people that would use the service. So I didn't come forward with a recommendation because both proposals are worthy, but it would be a matter of whether or not the Board wants to pursue them at this point in time, and it will be totally up to the Board as to where it goes.

Chairman Shea stated Alderman Ludwig, you suggested we accept it and you seconded it. Do you have a change of mind?

Alderman Ludwig responded no, I'm not having a change of mind. I agree with Alderman Craig that this... whenever we hear about adding \$400,000 onto a problem that we already have now, it's a problem. I still think that whether we do it unanimously from this Board or whether we do it on whatever the outcome of the vote is, I think it should be moved onto the full Board and if they would like to see it moved to the budget process as a full Board, I wouldn't have an issue with that. So I do agree with Alderman Craig. I'm not sure that it's something that should or would or could die here, not that it's going to die. I understand that you want to send it to the budget process. I just feel that maybe the whole Board should weigh in on it as time allows, and if they decide they want to send to the budget process, I'd be fine with that too.

Alderman Ouellette stated I would agree with Alderman Ludwig and Alderman Craig. I don't think that this vote is going to bind this Board. It is just basically saying that this Committee accepts and would like to see this go forward. So no matter what we decide on this, I think the budget process would have to play a major role going forward. I'm not opposed to approving it and sending it to the budget process because I don't think the sentiments from my colleague from Ward 1 is to kill this; I think it is to just keep it moving forward and part of the budget process. Hopefully we can find a way to have these items covered.

Alderman Ouellette amended the motion to approve this report and send it to the full Board for the budget process. Alderman Ludwig seconded the amendment to the motion.

Alderman Arnold stated I wanted to echo Alderman Craig's concerns. I think Alderman Ouellette summarized my feelings on it quite appropriately, that the budget process and our budget discussions are going to be implicated significantly with any change that's made, whether it is an increase in coverage or otherwise. So as long as that issue continues to be a topic of discussion in the budget process, I'm also perfectly comfortable moving it along.

Chairman Shea stated the first would be that the vote was to accept this as part of the motion. The amendment will come later.

Alderman Arnold stated parliamentary inquiry. I believe we would vote on the amendment first.

Mr. Matthew Normand, City Clerk, responded what we could also do is when the Committee report is drafted, I would envision some language roughly to say that the Committee would approve the added coverage to the existing plan, but further notes that the matter be referred to the budget process as we've done in the past with items such as this. That would be one motion.

Chairman Shea called for a vote on the motion as worded by City Clerk Normand. There being none opposed, the motion carried.

TABLED ITEM

7. Recommending that Ordinance amendment:

“Amending Section 33.081(F) (Sick Leave) of the Code of Ordinances of the City of Manchester.”

ought to pass and be referred to the Committee on Bills on Second Reading for technical review.

(Note: Unanimous vote of the Committee on Human Resource/Insurances on 05/04/2010; referred back to Committee by BMA on 05/18/2010. Tabled 06/28/2010.)

On motion of Alderman Ouellette, duly seconded by Alderman Arnold, it was voted to remove this item from the table.

Ms. Gile stated as a point of clarification, the Chief will talk but one of the things that we're going to be recommending tonight is that this move forward because what we're suggesting or what we're recommending is that the ordinance does go forward as amended, because in the interim, we have sat down with the unions and Local 856 and Local 3820 and reached some agreement on the use and accrual of sick leave. The Chief is here to talk about what we've come up with as a resolution, but in any event, that ordinance does need to be amended and that section taken out of the Code of Ordinances. So that would move forward, you'd vote to approve that, and then the Chief can tell you what we have done otherwise.

Mr. James Burkush, Fire Chief, stated this is an issue that's been going on for many years, at least 20 years that I know of, where the members have been charged sick leave on a certain day of the week. They'd be charged one shift for a 24-hour period and a certain day of the week they can be charged five shifts. In order to simplify it and work on this problem that's been going on for many years, we just moved them to an hourly deduction. In other words, they would deduct sick leave for each hour that's worked. It sounds simple and that's the way that we do a non-affiliated way but to get that to fit into the firefighters' world took some work. It took looking at the way they accrue sick leave and the way take sick leave. We were able to reach an agreement with them, we brought the agreement to City staff and to City legal, and we have been able to move forward.

Alderman Ouellette stated I just want to thank you Chief. I know you have been working on this for several months and negotiating with the union. You are right that it is very difficult and it took everybody about two months of sitting down with some of the officials from the union and staff about how this actually works. You're right, it is very difficult and it's not like comparing it with any other department in the City because your shifts run differently. So I appreciate the hard work that you did and the union negotiating to come up with an agreement, to bring it to the staff, to bring it before us and the patience that it took because this has been on the table for at least three or four months now. I appreciate everybody's hard work on this. The only other question I have to the Chief is I'm told this is a time sensitive issue.

Mr. Burkush responded in addition to the ordinance change, we would need a vote to approve changing their system to hours from days. We would like to begin that the first of the year because sick leave runs on a calendar year.

Alderman Ouellette asked would this have to be for a ratification vote of the firefighters as well?

Mr. Burkush replied that's correct.

Alderman Ouellette asked would this have to be approved tonight at the full Board level for them to vote in ratification?

Mr. Burkush replied I understand they are going to vote either way. It would probably give us a little bit more time to get the logistics out, but I certainly want all the Aldermen to understand. I don't want to rush it if there isn't any understanding from the Board.

Alderman Ouellette stated but this is a time sensitive issue.

Mr. Burkush stated that's correct.

Alderman Ouellette state I hope that we can take this up tonight at the full Board level. I know that it has been a practice of the Board to move this over to the next meeting, but with this being a time sensitive issue and with the ratification, notices would have to go out. We may want to consider this tonight. That was my only point.

Alderman Ouellette moved to approve the ordinance amendment.

Chairman Shea stated before I accept that Alderman Arnold would like to speak, and then I'll come back.

Alderman Arnold stated thank you, Mr. Chairman. If I heard Alderman Ouellette's motion correctly, he moved to accept the ordinance or recommend the ordinance's passage as recommended and I wonder if he wouldn't be amenable to modifying that motion so that in whatever this Committee recommends, it is clear that we support enactment of the ordinance consistent with the agreement reached between the City and the union, just to make sure that's clear to all of us. If he doesn't have any objection to that, I'd be happy to second his motion.

Alderman Ouellette stated I have no objection.

Chairman Shea stated that's fine. I don't mind accepting the motion and voting on it, but I believe you said that it would probably be preferable that more people have a chance to kind of look it over before we submit it to the full Board.

Mr. Burkush stated whatever the will of the Board is; we would certainly like to get it...

Chairman Shea interjected but it wouldn't make any difference if it were voted on at the next Aldermanic meeting because it's not going to be implemented until the first of the year. Is that correct?

Mr. Burkush replied that's correct.

Alderman Craig asked but doesn't it take 15 to 20 days for you to mail information out to your members? So that's where my understanding was that it is time sensitive. If we wait until our next Board meeting, which is December 18th, then I think it would be virtually impossible for you to enact it on the first.

Mr. Burkush responded that's correct. The ideal thing would be to get it done the first of the year, but we have been working on this thing for many months. Whatever is the will of the Board is fine. If we could get it approved tonight, it would be okay.

Chairman Shea stated it would be okay if it were approved tonight. If it isn't approved tonight, and it would be pushed back to the next Board meeting, it could not be implemented then until when? It couldn't be implemented the first of the year?

Mr. Burkush responded Jane's staff has to weigh in also.

Ms. Gile stated the question is whether or not if it waited until the next Board meeting for approval, would that give sufficient time for it to actually be effective by January 1st because of notice to the members, which is required by the contract.

Mr. Thomas Arnold, Deputy City Solicitor, stated I guess I'm not sure I understand the question. If they were to wait to ordain the amendment to the ordinance repealing that section, of course if you saw fit to suspend the rules to do that, off the top of my head I wouldn't think that would be a problem, but unfortunately...

Ms. Gile interjected the issue is with the contract.

Mr. Arnold responded that's correct. The issue is more with the contract. Basically what is going on here is there is an agreement, I believe, to repeal that section of the ordinance contingent on the modification to the firefighter's contract dealing with sick leave.

Mr. Burkush replied that's correct.

Alderman Ouellette stated getting back to my point, I think it is a very time sensitive issue because the union needs to send out ratification notices to their members and ratify this change. Alderman DeVries may have something to add.

Alderman Arnold stated I was just going to say that I concur with the time sensitive nature of it. I would also like to see it move forward tonight.

Alderman Arnold duly seconded the motion to approve the ordinance amendment. Chairman Shea called for a vote on the motion. There being none opposed, the motion carried.

Chairman Shea stated obviously we would like to move it for approval this evening.

On motion of Alderman Ouellette, duly seconded by Alderman Arnold, it was voted to report this item to the full Board this evening.

NEW BUSINESS

Chairman Shea stated there is one other item. Alderman Craig, you have something that you want to discuss.

Alderman Craig stated it was brought to my attention that the longevity pay and merit pay for part-time permanent employees are not based on the same criteria. So what's happening is merit pay is based on the cumulative amount of time or hours that they have actually worked, where the longevity pay is based on years of service. So the longevity pay is the same for full-time employees as it is for part-time employees. This came to my attention sitting on the Board at the library because they were notified of this change in the ordinance and they feel that the longevity pay and merit pay for part-time permanent employee should be based on relative years of service not necessarily a January to December timeframe. I would ask that this Board possibly take it up at our next meeting. Jane, could you bring some information or do you have anything this evening?

Chairman Shea asked Jane, could you explain briefly? We can take it up at our next meeting. I have no problem with that.

Ms. Gile responded there are two ordinances that have to do with longevity. Actually, there are two ordinances that have to do with either longevity or merit. The longevity ordinance is not specific as to whether or not it applies only to full-time employees. It applies to both regular part-time and full-time employees. That's been the interpretation. So longevity has been applied this way: For every five years of service, an employee receives a 3% increase in salary. On the merit side, however, the merit increases or step increases are very clear that it is based on a regular full-time equivalency. So, part-time employees would wait until they reach that full-time of 2080 hours before they received a merit increase. It's not the case with the longevity. The longevity is specific; it's based on years of service. So anyone, part-time or full-time, would get it after 5, 10, 15, 20, and 25 years.

Chairman Shea stated at the next meeting you can bring in the ordinance and we can discuss it.

Ms. Gile stated I have copies of the ordinances here with me tonight. I could distribute them and if you want to carry on that conversation at the next meeting, we could do that. Or, if you want, we can continue the conversation tonight. If we were to change the ordinance regarding longevity, that would have to go through an ordinance change because of the way it is written; it doesn't differentiate. It has been applied like that consistently, I think, at least for the last...that was before my time. But it has been applied consistently.

Chairman Shea stated you can distribute those copies and I'll take a motion.

Alderman Arnold stated I would ask the Human Resources Director to bring copies of the ordinance for the next meeting as well. That would be fantastic.

On motion of Alderman Arnold, duly seconded by Alderman Craig, it was voted to refer the discussion of part-time permanent employee longevity and merit pay to the next meeting of the Committee on Human Resources/Insurance.

There being no further business, on motion of Alderman Craig, duly seconded by Alderman Ouellette, it was voted to adjourn.

A True Record. Attest.

Clerk of Committee