

Hauck, Charles L.

From: Rountree, Becky L.
Sent: Tuesday, April 22, 2008 1:31 PM
To: McAdams, Jeff B.
Cc: Lane, Jeffrey J.; Coughlin, Gerard J.; Reynolds, Elmore R.; Halvosa, William T.; Varvel, Steven C.; Benton, Mark S.; Hauck, Charles L.; Johnson, Karen S; Barnard, Sandy
Subject: request to bargain on retiree health program
Attachments: retiree health.pdf

Jeff,

The City Manager asked that I forward the enclosed memo to you regarding your request to bargain the changes proposed to the retiree health insurance program. I am also copying each of the other union presidents. I will give you a hard copy when I see you later today.

Thanks, Becky

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4/22/2008

Mr. McAdams:

By email dated April 17, 2008, you noted that City management has recently advised various bargaining unit representatives, yourself included, that the City was going to make some amendments to the Retiree Health Insurance Program. This program was most recently amended by Ordinance No. 0-06-14, adopted on February 27, 2006. A copy of this Ordinance is attached for your convenience, and reference.

You have demanded that the City bargain over the proposed changes to the Retiree Health Insurance Program.

As you may or may not be aware, the City has historically, unilaterally "...chosen to pay some of the premium costs for continued health insurance coverage for retirees and or their dependents, the percent or amount of which payment for either the retiree or dependent coverage has varied over the years..." and the City has retained this right to vary such in the future, i.e now. (See first whereas clause of Ordinance 0-06-14).

As indicated in the presentation to union representatives referred to above, the increasing number of retirees and escalating health care costs require a continuing evaluation of the extent to which City and City employees could/should subsidize retiree/dependent health coverage.

These changing factors make it imperative that the City act in a fiscally responsible way in balancing its expenditures for retiree health coverage with other needs and programs. In this regard the City has clearly retained the right to unilaterally, without bargaining, amend the Program, and for that matter terminate the Program and Trust. Please read Section 2-638, Amendment; termination of the program, set forth in the attached Ordinance No. 0-06-14.

Under these circumstances the City declines your demand to “setup negotiations”,
or to bargain over the changes to the Retiree Health Insurance Program and Trust.