



Department of Employee Relations

Tom Barrett
Mayor

Florence Dukes
Director

David Heard
Fire and Police Commission
Executive Director

Michael Brady
Employee Benefits Director

May 24, 2004

The Honorable Common Council
Finance and Personnel Committee Members
City Hall Room 200
200 East Wells Street
Milwaukee, WI 53202

RE: Retiree Health Insurance Benefits

Dear Members of the Finance and Personnel Committee:

Common Council File No: 77-2192 and 77-2192a, relating to retiree health insurance, requires among other items that retirees apply for enrollment within three years of establishing eligibility. This has required retirees to stay in the City plan and not use a private Medicare Advantage plan for more than three years without being exiled from the City plan.

The federal government is currently providing significant financial incentives for over 65 Medicare eligible retirees to join private Medicare Advantage plans. In order for City Medicare eligible over 65 retirees to have the option of using these plans, File No: 77-2192 and 77-2192a needs to be amended, by adding the words "unless they enroll in a Medicare Advantage Program." Please introduce a resolution to amend 77-2192 and 77-2192a.

This amendment will allow retirees the option of using a Medicare Advantage Plan. The Medicare Advantage plans will generally have much lower monthly costs for the over 65 Medicare eligible retire but will not have the same benefits as the more expensive City plan.

The Department of Employee Relations is sharing information with City retiree groups regarding the Medicare Advantage plans. Each retiree, if the amendment is approved, will have the option of choosing a Medicare Advantage Plan or the City plan without worrying about a penalty.

If you have any questions or comments please contact me at mbrady@milwaukee.gov or 286-2317.

Sincerely,

Michael Brady
Employee Benefits

Cc: Debra Fowler
Jim Owczarski
Ron Leonhardt
Barry Zalben
Mark Ramion
Dennis Yaccarino
Ellen Tangen
Anne Bahr
Sue Wojtowicz
Roger Oldenberg

Draft)

File NO:

Resolution amending files Number 77-2192 and 77-2192a to allow medicare eligible retirees over 65 years of age to enroll in a Medicare Advantage health plan without penalty.

Whereas, The City of Milwaukee currently requires retirees to enroll in health insurance within three years of eligibility, and

Whereas with the federal Medicare efforts supporting private Medicare Advantage health insurance plans that many be advantageous to City retirees,

Therefore be it resolved that file Number 77-2192 and 77-2192a be amended to add the words “unless the medicare eligible retiree is enrolled in a Medicare Advantage program.”

Procedural Guidelines, Resolution #66-1893-d, be followed for this project; and, be it

Further Resolved, That by separate action, upon grant approval, the 1978 Positions Ordinance, C.C. File #77-934 be amended to change the footnote relating to the Planning Grant within the Fire and Police Commission to read:

*To expire 12/31/79 unless grant is extended. Positions shall be deemed to be authorized only as reflected in the grant agreement as approved by the Grantor Agency.

to provide authority for the positions required under this grant project; and, be it

Further Resolved, That the City Comptroller is authorized to establish the necessary purpose accounts for this project. *Adopted.*

COMMUNICATION TRANSMITTING RESOLUTION (File Number 77-2192) relative to retiree enrollment for health insurance coverage.

by recommending the adoption of the following substitute resolution:

FILE NUMBER 77-2192

Resolution relative to retiree enrollment for health insurance coverage.

Whereas, Common Council Resolution File Number 76-1224 resolved that the City of Milwaukee would provide health insurance coverage to retirees and their dependents and their surviving spouses; and

Whereas, The Common Council is now desirous of establishing special criteria for retirees to enroll for such coverage; now, therefore, be it

Resolved, By the Common Council of the City of Milwaukee as follows:

1. Retirees who were accepted for enrollment in the retiree health insurance program under Common Council Resolution File Nos. 76-1224, 71-1559 or 69-2428-c and who are enrolled as of the effective date of this resolution shall remain eligible for enrollment.
2. Retirees who are not enrolled as of the effective date of this resolution must meet the following criteria to enroll them in a retiree health insurance program:
 - a. Retirees must have retired with fifteen (15) years of creditable service under the Employees' Retirement System, the Policemen's Annuity & Benefit Fund or the Firemen's Annuity and Benefit Fund. To be eligible, retirees under the Employees Retirement System must be the minimum service retirement age and must be receiving a service retirement allowance. To be eligible, retirees

under the Policemen's Annuity & Benefit Fund and the Firemen's Annuity and Benefit Fund must be receiving an age and service annuity and must be at least age 57. Notwithstanding the above, persons receiving ordinary disability pensions from any City of Milwaukee retirement system shall be eligible under 2 a.

- b. Retirees must not be eligible for any other group health insurance program offered by the retirees' or their spouses' employer.
 - c. Retirees must apply for enrollment within three years of establishing eligibility therefor in accordance with 2 a. and b. above.
3. For retirees to become eligible for health coverage for conditions pre-existing their enrollment, two hundred seventy (270) days must elapse from the date of their enrollment. This precondition to coverage shall not apply to employees who enroll for retiree coverage to become effective immediately following termination of group health insurance coverage provided by the City under either the employee health insurance program or another retiree health insurance program.
 4. Employees who hereafter retire and become eligible for enrollment shall be assessed a surcharge as provided by the City if they do not enroll within six months of their first becoming eligible for enrollment.
 5. Surviving spouses of retirees who die following their enrollment shall be eligible for continuation of health insurance following the death of the retiree either as individual subscribers or limited family subscribers. Dependents other than surviving spouses shall not be eligible to enroll as subscribers following the death of the retiree. Eligible surviving spouses and their eligible dependents shall be entitled to coverage for a number of years equivalent to the number of years of creditable service as determined by their respective pension boards for purposes of determining eligibility for pension benefits. *Adopted.*

FILE NUMBER 78-627

Resolution authorizing purchase of floating oil spill barrier by Harbor Commission.

Whereas, The Board of Harbor Commissioners maintains a supply of floating oil spill barrier for use in containing oil or chemical spill on the water of the inner and outer harbor and the rivers; and

Whereas, A 1,000 foot quantity of said barrier has deteriorated from use in connection with the grounding of the M.V. PHOTINIA in May and June, 1978; and

Whereas, It is necessary to replace this equipment so that the necessary protection to the water of the harbors and of Lake Michigan may be insured in case of an oil spill; and

	Number of Shares		
	Stock Cer- tifi- cates	Trust Cer- tifi- cates	Totals
As Donation	—	—	—
For purchase at \$10 per share	0	11	11
; and Totals	0	11	11

Whereas, The Milwaukee Auditorium Company and/or the Board of Trustees of the Milwaukee Auditorium Company currently processed the issuance to the City of Milwaukee of stock certificates representing shares of stock and trust certificates donated or submitted for purchase; and

Whereas, On the basis of Findings of Fact, Conclusions of Law, and Order for Judgment in Milwaukee County Circuit Court Case No. 421-410, it was adjudged and decreed that the Milwaukee Auditorium Company is dissolved and the Voting Trust of the Stockholders of Milwaukee Auditorium Company is terminated; and further, that the City pay the sum of \$10.00 per share for shares properly delivered to the City by lawful owners thereof prior to January 1, 1980; now, therefore, be it

Resolved, By the Common Council of the City of Milwaukee that there is hereby appropriated out of the Common Council Contingent Fund the sum of \$110.00 to replenish Special Purpose Fund No. 024-8002 for payment for shares of the Milwaukee Auditorium Company represented by stock certificates or trust certificates submitted to the City for purchase by the City of Milwaukee.

Adopted.

RESOLUTION (File Number 77-1375-b) authorizing and directing the implementation of the Custodial Services Consultant Report for the City Hall-Municipal Building Complex.

by recommending the adoption of the following substitute resolution:

FILE NUMBER 77-1375-b

Resolution authorizing and directing the implementation of the Custodial Services Consultant Report for the City Hall-Municipal Building Complex.

Whereas, Common Council Resolution File No. 77-1375-a adopted on May 2, 1978 authorized and directed the Commissioner of Public Works to negotiate a contract with the Custodial Consultant firm of Programmed Cleaning, Inc. to prepare and implement a custodial maintenance program for the City Hall-Municipal Building Complex; and

Whereas, The Custodial Consultant has completed and submitted their Custodial Services Report, dated

November 3, 1978, comprising two levels of cleaning services for the City Hall-Municipal Building Complex and

Whereas, The Finance-Personnel Committee, at their November 7, 1978 budget hearing meeting, reviewed the Consultants report and recommended that Plan of the report be implemented as of January 2, 1979; and

Whereas, The Custodial Services Report requires that proper custodial equipment, materials and chemicals, as delineated in the report, be purchased to effectively and efficiently implement the proposed cleaning service program for the City Hall-Municipal Building Complex; now, therefore, be it

Resolved, By the Common Council of the City of Milwaukee that the Bureau of Bridges and Public Buildings is hereby authorized and directed to implement Plan of Programmed Cleaning, Inc.'s Custodial Services Report dated November 3, 1978, for the City Hall-Municipal Building Complex; and, be it

Further Resolved, That an amount of \$30,000 be allocated from the Common Council Contingent Fund Account No. 09-910-8000 to the Bureau of Bridges and Public Buildings Custodial Supplies Account No. 01-531-8104 for the purpose of obtaining the necessary custodial equipment and chemicals needed to effectively implement the custodial services program for the City Hall-Municipal Building Complex; and, be it

Further Resolved, That no new positions will be created in connection with this implementation; and, be it

Further Resolved, That the implementation of this report shall be reviewed in six months, with a written report submitted to the Common Council on or before June 1, 1979, and further actions will be considered upon receipt and review of that report.

Adopted

FILE NUMBER 77-2192-a

Resolution to amend Common Council Resolution File No. 77-2192 relating to retiree health insurance.

Whereas, Paragraph 2 of Common Council Resolution File No. 77-2192 established certain special criteria for retirees to enroll for health insurance coverage provided under Common Council Resolution File No. 76-1224; and

Whereas, The Common Council is now desirous of changing the special criteria embodied in Paragraph 2 of Common Council Resolution File No. 77-2192 for enrollment effective with the adoption of this resolution; now, therefore, be it

Resolved, By the Common Council of the City of Milwaukee that Paragraph 2 of Common Council Resolution File No. 77-2192 is amended to read as follows:

2. Retirees who are not enrolled as of the effective date of this resolution must meet the following criteria to enroll them in a retiree health insurance program:

- a. Retirees must have retired with fifteen (15) years of creditable service under the Employees' Retirement System, the Policemen's Annuity and Benefit Fund or the Firemen's Annuity and Benefit Fund. To be eligible, retirees other than policemen and firemen under the Employees Retirement System must be age 55 and must be receiving a service retirement allowance. To be eligible, policemen and firemen retirees under the Employees Retirement System must be age 52 and receiving a service retirement allowance. To be eligible, retirees under the Policemen's Annuity and Benefit Fund and the Firemen's Annuity and Benefit Fund must be age 52 and receiving an age and service annuity. Notwithstanding the above, persons receiving ordinary disability pensions from any City of Milwaukee retirement system shall be eligible under 2 a.
- b. Retirees must not be eligible for any other group health insurance program offered by the retirees' or their spouses' employer.
- c. Retirees must apply for enrollment within three years of establishing eligibility therefor in accordance with 2a. and b. above. *Adopted.*

FILE NUMBER 78-623-f

Resolution authorizing payment of billing from Foley and Lardner for legal services rendered in the litigation entitled "State ex rel. Vernon R. Weltz vs. City of Milwaukee, et al".

Resolved, By the Common Council of the City of Milwaukee that funds in the amount of \$9,337.73 are hereby appropriated from the Contingent Fund for payment of billing from Foley and Lardner for legal services rendered in the litigation entitled, "State ex rel. Vernon R. Weltz vs. City of Milwaukee, et al"; and, be it

Further Resolved, That the City Comptroller is hereby authorized and directed to take the necessary steps to accomplish the payment of this billing. *Adopted.*

FILE NUMBER 78-723-a

Resolution relative to purchase of an aerial ladder for the Fire Department without intervention of formal bids.

Whereas, The Fire Department needs a new aerial ladder, for Ladder Company #2; and

Whereas, Such a ladder, meeting the needs of the Fire Department, is available only from Peter Persch and Sons; and

Whereas, On November 15, 1978, the Central Board of Purchases recommended that said aerial ladder be purchased without the intervention of formal bids; now, therefore, be it

Resolved, By the Common Council of the City of Milwaukee, that the City Purchasing Agent is hereby authorized and directed to procure a 100 foot, four piece aerial ladder for the Fire Department's aerial truck, serial no. PL-S7, MFD Code 415, Ladder Company #2, without the intervention of formal bids.

Adopted.

FILE NUMBER 78-783-f

Resolution relative to the execution of a subscription agreement with Milwaukee County for animal pound services through December 31, 1979.

Whereas, Common Council Resolution No. 78-783-e, adopted September 12, 1978, authorized the City of Milwaukee to subscribe, in principle, to Milwaukee County for animal pound services provided in conjunction with the Wisconsin Humane Society; and

Whereas, It presently appears that all conditions previously enumerated in said resolution as a condition to a City subscription will be accepted by all parties concerned and will be attached to the subscription as a letter of understanding between the City of Milwaukee and the Wisconsin Humane Society to be made a part thereof; and

Whereas, It is understood and accepted that funds received from the issuance of animal licenses by the City of Milwaukee are to be utilized to offset an undeterminable amount of a Contingency Fund appropriation required to maintain animal pound services through calendar year 1979 in a manner consistent with City policies and procedures and in accord with monthly billing procedures contained in the subscription agreement; and

Whereas, Funds for the period August 1, 1978 through December 31, 1978 have already been appropriated and approved by the Common Council of the City of Milwaukee; now, therefore, be it

Resolved, By the Common Council of the City of Milwaukee, that the proper City officials are hereby authorized to execute the subscription agreement with Milwaukee County for the continuation of animal pound services for the period August 1, 1978 through December 31, 1979, provided that a letter of understanding between the City of Milwaukee and the Board of Directors of the Wisconsin Humane Society is attached thereto; and, be it

Further Resolved, That said letter of understanding will acknowledge and agree to the continued representation of a City of Milwaukee representative, appointed by the County Executive, to the Board of Directors of the Wisconsin Humane Society for the duration of said subscription; and, be it