Reply to Common Council File No. 030405
From DOA-Budget and Management Division

July 1, 2003

Ref: 03013(43)

Common Council file 030405 contains a resolution relative to health insurance for certain management employees in the Fire and Police departments.

Management retirees, in 2003, receive free health care benefits between age 55 and 65 assuming they have 15 years of service. In 2002, the city adopted resolution 020479 that would charge 2004 management retirees for health care under the same plan as active management. Included in this group where police and fire management.

Management in the police and fire departments can currently reduce health care costs by the amount of their sick leave balance. They are not required to work at least 15 years with the city to obtain free health care. Because of this provision, managers in these departments have accumulated many hours of unused sick leave.

This resolution would allow the police and fire management to use the cash value of their sick leave balance to reduce costs for more expensive health plans until they reach the age of 65. This will impact 41 management positions of which 34 are in the fire department and 7 are in the police department.

The resolution also states that individuals hired in these positions after December 31, 2003 will not be eligible to use their sick leave balance to reduce the cost of more expensive health care coverage.

RECOMMENDATION: ADOPT COMMON COUNCIL RESOLUTION 030405 RELATIVE TO HEALTH INSURANCE FOR CERTAIN MANAGEMENT EMPLOYEES IN THE FIRE AND POLICE DEPARTMENTS.

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