



## Legislation Text

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**File #:** 020461, **Version:** 1

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020461  
SUBSTITUTE 1

ALD. CAMERON

Substitute resolution relating to adjustment of active and retired city employee healthcare benefit contributions.

This resolution states the Common Council's intent to require, effective in 2003, all active city employees, and all retired city employees under age 65, to pay 15% of the cost of their monthly health and dental premiums.

Whereas, The Common Council in recent years has faced great budgetary challenges in terms of maintaining a stable property tax rate; managing personnel costs including dealing with double digit employee healthcare increases; coping with stagnant state shared revenue payments to the city; and the Governor's recent proposal to reduce state shared revenues to the City in 2003; and

Whereas, The Common Council has addressed these challenges in part by freezing certain employees' scheduled salary increases for the first 7 months of 2002; imposing a citywide hiring freeze that is in its fourth month of operation; increasing certain employees' contributions to the basic health plan; initiating service charges designed to recover costs not only from taxable property but from exempt property which derives benefits from such services; and as a last resort and reluctantly, increasing property taxes; and

Whereas, The 2003 budget year challenges at this point appear to be particularly severe, and the Common Council should pursue a course of action to deal with the challenges without increasing property taxes; and

Whereas, Healthcare costs for city employees have skyrocketed in recent years: \$49.3 million expended in 1999; \$54.4 million expended in 2000; \$59.1 million budgeted in 2001; \$74.275 million budgeted in 2002; and \$89.175 million requested in 2003; and

Whereas, As in the private sector, the time is past where the city can provide free or almost free healthcare to active city employees and retired city employees under age 65; and employees should be willing to contribute to the cost of their healthcare to show city taxpayers that raising property taxes and service charges is a last resort; now, therefore, be it

Resolved, By the Common Council of the City of Milwaukee, that the Council intends to require, effective for the 2003 city budget, all active city employees, and all retired city employees under age 65, to pay 15% of the costs of their monthly health and dental premiums, and will undertake whatever further actions are necessary to accomplish this goal.

LRB02322-2

BJZ/cac  
7/2/2002