



1 City of Racine, Wisconsin
2 COMMON COUNCIL

3 **AGENDA BRIEFING MEMORANDUM**

4 **COMMITTEE:** Racine Common Council **LEGISLATION ITEM #:** 1392-19

5 **AGENDA DATE:** December 17, 2019

7 **DEPARTMENT:** City Attorney's Office

8 **Prepared By:** City Attorney Scott R. Letteney

9 **Reviewed By:** N/A

11 **SUBJECT:** Communication sponsored by Mayor Mason on behalf of the City Attorney presenting
12 proposed Memoranda of Understanding with the Racine Police Association and the Staff Officers
13 Association of the Racine Police Department addressing modifications to the 2020 employee health
14 insurance program as it affects the Racine Police Association 2018-2020 collective bargaining agreement
15 and the Staff Officers Association 2018-2020 collective bargaining agreement.

17 **EXECUTIVE SUMMARY:** The City Attorney's Office is presented negotiated agreements with the Racine
18 Police Association and the Staff Officers Association of the Racine Police Department addressing
19 modifications to the 2020 employee health insurance program.

21 **BACKGROUND & ANALYSIS:** As you will all recall, the Common Council approved amendments to the
22 employee health care plans, including the elimination of one plan design, Plan 7A, and modifying
23 another, Plan 6A. You may recall that Plan 7A had a 5% employee premium share. For the remaining
24 plan, Plan 6A, the Common Council approved reducing the employees' premium share from 10% to
25 7.5%.

26 At the time the changes were discussed by the Common Council, several of you asked about the
27 collective bargaining agreements with the City's protective services unions, which represent most of the
28 City's police officers and firefighters. (In the City of Racine, only protective services unions have
29 meaningful collective bargaining rights. There are two police unions—Racine Police Association (RPA),
30 which represents officers below the rank of sergeant, and the Staff Officers Association of the Racine

31 Police Department (SOA), which represents sergeants and lieutenants. There are also two firefighters'
32 unions—Local 321, which represents privates through captains, and the Staff Officers Association of the
33 Racine Fire Department, which represents battalion chiefs and division chiefs.) We recognized that there
34 would be issues to be addressed. The Finance and Personnel Committee directed the City Attorney's
35 Office to engage in collective bargaining activities arising from the health insurance issues.

36 Based upon the Finance and Personnel Committee's direction, with guidance and assistance from the
37 Mayor, the City Administrator, the interim Human Resources Director, and the Finance Director and
38 Assistant Finance Director, members of the City Attorney's Office have had discussions with the police
39 and fire unions. Discussions with the firefighter unions are ongoing. We have agreement with the police
40 unions to present to you. They have been approved by the respective unions' executive boards. Upon
41 acceptance by the Common Council, and at the Common Council's direction, the Mayor and City Clerk
42 will execute the agreements and they will be in effect.

43 In sum, the agreements with the RPA and the SOA call for the City to reimburse those officers who paid
44 a 5% premium share in Plan 7A the difference between the dollar amount of Plan 7A/5% premium share
45 paid in 2019 and the dollar amount of the Plan 6A/7.5% premium share paid in 2020. Payment would be
46 made as a one-time payment in January based upon the annualized dollar amount. The substantive
47 language of the agreements are as follows:

48 The parties have a dispute over the payment of health insurance premiums currently outlined in the
49 collective bargaining agreement. The parties have elected to resolve this issue through this voluntary
50 agreement in lieu of incurring the costs and time necessary to resolve it through litigation. To resolve the
51 dispute the parties agree that:

- 52
- 53 1. The City is offering one health plan for calendar year 2020. That plan is labeled 6A. The plan will
54 have a 7.5% premium share for all employee participants. One result will be that those
55 employees, who paid 10% premium share in 2019, would have a 2.5% premium-share reduction
56 for 2020.
 - 57 2. For those bargaining unit employees who are on the 7A plan in 2019, and who stay on the City
58 insurance coverage in 2020 (on Plan 6A), the City will reimburse those employees the dollar-
59 amount difference between the 5% premium share those employees paid in 2019 and the 7.5%
60 premium share those employees will pay in 2020. The one-time payment is estimated to be
61 \$492.48 for those with a family plan and \$186.48 for those with a single plan (may be some
62 variation if employees are moving to or from single to family).
 - 63 3. The one-time payment shall be made sometime in January 2020. The city will provide at least
64 two weeks' notice of the date so that employees interested in directing the payment to their
65 Health Savings Account may do so.
 - 66 4. All other provisions of the collective bargaining agreement are unaffected by this agreement.
 - 67 5. This agreement does not modify the language of the collective bargaining agreement and is not
68 intended to address any rights or benefits that any disabled or retired individual may have. This is
69 only a compromise agreement in terms of addressing a dispute with active employees.
 - 70 6. The Association agrees not to bring any grievance or action against the City regarding the health
71 care premiums of active employees during the term of this agreement.
 - 72 7. This represents the complete understanding of the parties on this issue. Any amendments or
73 modifications to this agreement must be made in writing.
 - 74 8. This agreement expires and evaporates on December 31, 2020.
 - 75 9. This is a mutual compromise agreement. Signing this agreement should not be construed as an
76 indication of either party as an interpretation of the language regarding premium share in the

77 collective bargaining agreement or on the strength of their respective positions on the dispute.
78 Upon expiration of this agreement, both parties retain whatever arguments they had in the
79 original disagreement, as well as maintain their interpretation of the contract language.
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81 **BUDGETARY IMPACT:** The cost of the reimbursement will be \$20,593.44, which will be allocated from
82 the Police Department Salary account #13101 50100.

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84 **OPTIONS/ALTERNATIVES:** Decline to approve the agreements/direct the City Attorney's Office to
85 engage in further negotiations.

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87 **RECOMMENDED ACTION:** Approve the memoranda of understanding with the Racine Police Association
88 and the Staff Officers' Association of the Racine Police Department regarding the 2020 health insurance
89 changes. Authorize and direct the Mayor and the City Clerk to execute the agreement as presented.

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91 **ATTACHMENT(S):**