CCM-101

City of Cambridge

36.

IN CITY COUNCIL

January 22, 1990

COUNCILLOR WALSH

ORDERED: That pursuant to previously adopted motions of the City Council and in relation to City Manager's Agenda Number Sixteen, the City Manager be and hereby is requested to instruct the City Solicitor to prepare appropriate Home Rule legislation which will allow the city to deduct twenty-five (25%) of the cost of health insurance from new employees net salaries exceeding $40,000.

In City Council January 22, 1990.
Adopted by the affirmative vote of nine members.
Attest:- Joseph E. Connarton, City Clerk.

A true copy; Joseph E. Connarton

ATTEST:-

Joseph E. Connarton, City Clerk.

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CITY OF CAMBRIDGE

CAMBRIDGE, MASSACHUSETTS 02139
TEL. 498-9011

EXECUTIVE DEPARTMENT
ROBERT W. HEALY
City Manager

RICHARD C. ROSSI
Deputy City Manager

January 22, 1990

To the Honorable, the City Council:

In response to Awaiting Report Item No. 11, regarding new employees paying 25% of the cost of their health insurance, please be advised of the following:

This Council order provides that I establish a policy of requiring new hires 7-1-90 who earn a net salary of $40,000 or more annually to pay 25% of the cost of their health insurance, and that I report on my steps to implement such a plan.

Under the current state law such a policy or rule, differentiating contribution rates based upon date of hire and/or salary level is not legal. G.L. c. 32B s.7A provides in part that "NO government unit, however, shall provide different subsidiary or additional rates to any group or class within that group". This language has been interperted to mean that no city or town which is already paying more than 50% of the health premium may voluntarily pay more, or less to one group of employees than to another group, even when collective bargaining agreements reached voluntarily provide otherwise. (Broderick v. Mayor of Boston (1977) 363 N.E.2d 1354; Watertown 1978) 383 N.E. 2d 494).

This "uniform treatment rule" is one of the most significant impediments to making meaningful adjustments to the City's health insurance programs.

In addition to this, some of our unionized positions pay more than $40,000 and such changes would be prohibited by contract as well.

One possible method of improving the City's felxibility would be to seek home rule legislation that provides that the provisions of Chapter 32B could be superseded by collective bargaining agreements. This is a procedure that gives priority to agreements worked out locally, as opposed to being imposed by the General Court. There are a whole array of statutory provisions treated this way, (see G.L. c. 150E s.7).

I would recommend that such language for a home rule petition be drafted for consideration by the Council.

Very truly yours,

Robert W. Healy
Robert W. Healy
City Manager

RWH/dls

Agenda # 16 S-55

Awaiting Report Item Number 11, regarding new employees paying 25% of the cost of their health insurance.

In City Council,

January 22, 1990

Referred to the City Solicitor to draft home rule legislation on motion of Councillor Walsh.

Referred also to the Finance Committee

Copy sent to Finance Committee. 1/23/90 de