



CITY OF CAMBRIDGE
795 MASSACHUSETTS AVENUE
CAMBRIDGE, MASSACHUSETTS 02139-2319
TEL. 617-349-4332
FAX. 617-349-4312

PERSONNEL DEPARTMENT
MICHAEL P. GARDNER
Director

June 10, 1997

To: Robert W. Healy
City Manager

From: Michael P. Gardner
Personnel Director

Re: Council Order #019 dated 6/9/97 Re: Retired City Employees, Assigned to Hospital or Neville Manor and Changes in Their Health Insurance Plans

As part of the process of separation of the Cambridge Hospital, Neville Manor and the Health Department into a separate and independent Commission, it was agreed that the new Commission would be responsible for the retirement costs of those employees who had retired from employment in those departments in the past. It was also agreed that this responsibility would include costs of their health and life insurance coverage. These costs, if borne by the City would add approximately \$4,300,000 to our tax burden. These costs have instead been assumed by the Commission.

The impact of this change on existing retirees should be minimal. There have been no changes in retirement or insurance benefits(except adding another HMO alternative). Administration and servicing of retiree insurance needs (e.g. open enrollment, assistance in processing claims, etc.) was maintained by the City for an extra year until the Commission was prepared to take over administration (as was done with existing employees). Retirees benefits remain subject to the provisions and guarantees of Chapter 32 and Chapter 32B. In the unlikely event that the Commission should default, the obligation would revert to the City, secured by our retained interest in the real property leased to the Commission.



CITY OF CAMBRIDGE
CAMBRIDGE, MASSACHUSETTS 02139

TEL 349-4300
FAX 349-4307



3.

EXECUTIVE DEPARTMENT
ROBERT W. HEALY
City Manager

RICHARD C. ROSSI
Deputy City Manager

June 23, 1997

To The Honorable, The City Council:

Please find attached a response to Awaiting Report Item No. 26, regarding retired City employees assigned to the Hospital or Neville Manor and changes in their health insurance plans, received from Personnel Director Michael P. Gardner.

Very truly yours,

Robert W. Healy
City Manager

RWH/mec
attachment

Consent Agenda #3

Cal 1

Relative to Awaiting Report Item Number
Twenty-six, regarding retired City employees
assigned to the Hospital or Neville Manor
and changes in their health insurance plans.

5-414

In City Council June 23, 1997

Charter Right was
exercised by
Councillor Trantafyllou

August 4, 1997

Report Accepted,
Placed on file