



City of Cambridge

Calendar Item # 6

IN CITY COUNCIL
October 1, 1990

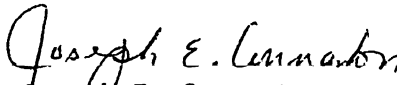
COUNCILLOR TOOMEY

ORDERED: That the City Manager be and hereby is requested to provide for 99% payment of health care coverage for the surviving spouses of retirees.

In City Council October 1, 1990.
Adopted by a ye and nay vote:
Yeas 9; Nays 0; Absent 0.
Attest:- Joseph E. Connarton, City Clerk.

A true copy;

ATTEST:-


Joseph E. Connarton
City Clerk



City of Cambridge

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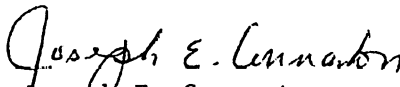
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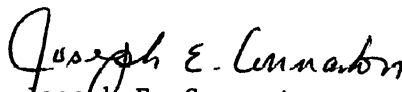
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City of Cambridge

MASSACHUSETTS

In City Council

Sept. 1

1990

Calc. No. I Ken H. 6

	YEA	NAY	ABSENT	PRESENT	
Mr. Ed Cyr	✓				
Mr. Francis H. Duehay	✓				
Mr. Jonathan S. Myers	✓				
Mr. Kenneth E. Reeves	✓				
Mrs. Sheila T. Russell	✓				
Mr. Walter J. Sullivan	✓				
Mr. Timothy J. Toomey, Jr.	✓				
Mr. William H. Walsh	✓				
Mayor Alice K. Wolf	✓				

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City of Cambridge

The Committee on Finance conducted two public hearings relative to the following issues: spouses of deceased retirees paying 50% cost of health insurance benefits, a home rule petition requiring new employees to pay 25% of their health insurance coverage and the placing of limits on individual taxpayer percentage increases regarding property taxes. The public hearings were held on Wednesday, June 6, 1990 and Wednesday, June 13, 1990 beginning at 5:30 p.m. in the Sullivan Chamber, City Hall. Members present were Councillor Ed Cyr, Councillor Jonathan Myers, Councillor William Walsh, Mayor Alice Wolf, Councillor Timothy Toomey, Councillor Sheila Russell, Vice Mayor Kenneth Reeves, and City Clerk Joseph E. Connarton.

Councillor Cyr, Chairman of the Committee opened the meeting of June 6th, by stating it was important to the financial security of the surviving spouses to address the issue of payment by the City for health care benefits for those individuals who often times at the lowest end of the income spectrum, due to the fact they are widows. The Committee heard from City Manager Robert Healy, who stated that although Cambridge is one of the few municipalities which provide for surviving spouse coverage, he would be willing to increase the coverage from 50% to 67% given the fact that eligible spouses are current retirees are entitled to 67% coverage, and therefore such an increase would be equitable. The City Manager further stated such a change would cost \$63,665.00.

Responding to questions from Councillor Cyr and Councillor Toomey, the City Manager stated that to provide 99% coverage to surviving spouses would cost a minimum of \$202,000.00. Furthermore in responding to Councillor Cyr the City Manager stated the average pension of a surviving spouse is approximately \$7,500.00.

Councillor Walsh moved to accept the City Manager's recommendation to increase the coverage for surviving spouses from 50% to 67%. Councillor Toomey to substitute 67% to 99%.

Speaking on the motion, Mayor Wolf inquired as to the number of people covered by this benefit. The City Manager and Director of Personnel were unsure due to the fact that some surviving spouses may have opted for alternative coverage. The City Manager did state, he would provide the committee with additional information within a week. Councillor Cyr moved to table Councillor Toomey's motion pending receipt of the information. The motion carried.

Also at the meeting of June 6th the Committee discussed a proposed home rule bill relative to new employees paying 25% of the cost of their health insurance. City Manager Healy stated that unfortunately some people have misunderstood the purpose of legislation. This proposal if adopted he said, would permit the city and the unions to bargain more freely about this benefit in conjunction with other benefits. Furthermore, he stated that the submission of the legislation was in response to a previously adopted City Council order.

Assistant City Manager for Fiscal Affairs, James Maloney stated, should the legislation be forwarded to the Great and General Court it would provide a win/win for the City and its employees. It would help reduce the escalating cost of health care and open the door for employees to get some additional benefits.

Councillor Cyr questioned whether or not such a proposal had been discussed collectively by city employees or their unions and if any forum for such a discussion existed.

Michael Gardner, Personnel Director responded by stating that the city has an Insurance Advisory Committee which is constituted by law. The City Manager stated the committee actually is larger than the law prescribes due to the fact he has allowed each union president or their designee to serve.

At this time the Committee heard from John "Spike" Lawless, President of the International Association of Firefighters Local 30 who stated he was glad to discuss this issue with the council and would be happy to see the issue before the Insurance Advisory Committee. Furthermore, he stated he thought the adoption of such legislation could have a negative impact for new employees and union membership in general.

The committee also heard from Marie Mahoney Orben, President of the Cambridge Teacher's Association who stated she too was concerned with the impact this legislation could have and believed the Insurance Advisory Committee, which she said, has not met during the past 12 months should be convened and should discuss at length this proposal.

Councillor Russell moved that the City Manager be and hereby is requested to convene the Insurance Advisory Committee in order that a full discussion of the proposed legislation can be held. The motion carried. No further action was taken by the Committee on this proposal.

The Committee reconvened on June 13, 1990 for the purpose of reviewing additional information from the City Manager relative to the number and cost of surviving spouses receiving health care enefits, as well as to discuss placing limits on individual taxpayers percentage increases on property taxes.

Michael Gardner, Personnel Director stated that having discussed the issue with the Retirement Board and by reviewing the employee benefit files of the Personnel Department, he was able to determine that 196 individuals are currently receiving health insurance survivor's benefits and that approximately 188 individuals are eligible but not covered by the city. To put it another way, he said 49% of surviving spouses make no contribution, nor do they participate.

Councillor Duehay questioned whether or not such a benefit should be negotiated at the bargaining table. Mr. Gardner responded by stating this could be looked at in the future.

Councillor Toomey moved that his previous motion now be acted upon; specifically that the City Manager provide for 99% payment of health care coverage for the surviving spouses of retirees.

The motion carried.

Councillor Duehay moved that the matter be referred to be referred to the full City Council without recommendation.

The motion carried. The Committee pursuant to the direction of the Chair then heard from James Maloney, Assistant City Manager for Fiscal Affairs and Sally Powers, Director of Assessment. Councillor Cyr stated he was deeply concerned over the fact he was personally aware of middle aged property owners unable to pay their taxes and wanted the city to develop a plan which could assist such homeowners. He also stated he was interested in knowing the number of "hardship abatements" granted, saying that possibly this could be a way of addressing the problems.

Mr. Maloney stated that he and the Assessors had done some research on this issue pursuant to the previous request of the City Council. He submitted to the Committee a detailed memorandum dated 4/19/90 outlining the research. (copy attached)

Mr. Maloney stated his research covered several states including California, Maryland, Arizona, Iowa and New York, and covered such areas as who is helped and who is hurt by "capping" property tax increases.

Mayor Wolf questioned if such a "cap" created any constitutional issues. Mr. Maloney responded in the affirmative stating a Massachusetts Constitutional amendment would be required if the city sought to change the practice of 100% valuation.

Vice Mayor Reeves questioned whether or not the City Solicitor's office has reviewed the package being considered. Councillor Cyr responded by stating no formal package had yet been prepared but agreed that once something is put together, it should go to the City Solicitor.

Councillor Duehay questioned whether or not it would be possible for any kind of realistic proposal to be submitted to the Council. Councillor Cyr responded in the affirmative stating he believed it was possible that some kind of proposal could in fact be sent to the legislature before the end of this year.

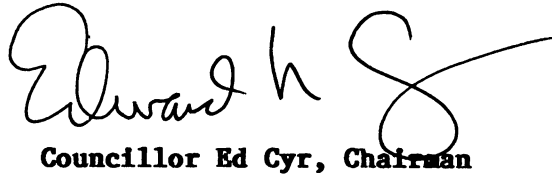
Responding to questions from the chair, Mr. Maloney stated that so-called "tax breaker" legislation is filed each year in the legislature but none have been enacted into law. Relative to abatements, and deferred tax payments Ms. Powers stated that all abatements are outlined by law and the Assessors follow the procedure as prescribed. Furthermore she stated a statute exists which allows for property owners over 65 years of age to defer paying taxes until the property is sold.

Councillor Russell stated she would like to see a better educational process targeting property owners over 65 years of age so they are fully aware of this option.

Councillor Cyr stated he was concerned with the fact too many elderly property owners were failing the asset test to qualify for an elderly abatement and suggested that "hardship abatements" be reviewed. Ms. Powers stated that any change in the format abatement process would have to be adopted by the legislature.

Councillor Cyr stated the City Council may want to develop a set of rules dealing with "hardship" cases since it appears some flexibility for change exists in this area. He requested Mr. Maloney obtain information relative to the general area of tax limits from the Boston Affordable Housing Allowance, tax-breaker legislation from Senator John Olver's office and any appropriate information from the Assessors Office in the City of Boston. The hearing adjourned at 6:45 p.m.

For the Committee

A handwritten signature in black ink, appearing to read "Edward H. Cyr", with a large, stylized "S" or flourish at the end.

Councillor Ed Cyr, Chairman

1. / / Cal # 6
COMMITTEE REPORTS

F-562

Report from Finance Committee regarding hearings to discuss tax abatements for Senior Citizens and taxpayers, home rule legislation on new employees paying 25% of their health insurance and additional health coverage for surviving spouses.

In City Council,

June 25, 1990

Tabled by Mayor
Walt

Report accepted
Order adopted

9-0-0.