

February 27, 2018

Kathleen M. McDaniel
Manitowoc City
900 Quay Street,
Manitowoc, WI 54220

Sent via email: kmcdaniel@manitowoc.org

RE: MANITOWOC CITY

Dear Ms. McDaniel:

Thank you for your email from Friday, February 23, 2018 to Karl Lewis of our Contracts Department. Your email was forwarded to my attention to help answer the questions regarding TeamCare and the benefits we provide the DPW and the retirees. I have provided answers below to each of the questions:

1. Does Central States believe the City has any ongoing contractual relationship to retirees?

No. Although we are concerned that the retirees will no longer have insurance benefits upon a withdrawal. The relationship is between the City and its former employees that will lose their retiree healthcare benefits.

2. What would happen if the City made the decision to outsource the work currently done by the Teamsters at DPW? Would retirees lose coverage at that point? There are no plans to do this, we are just trying to get a full understanding of reasons retirees would lose coverage.

Without more details on the outsourcing and specifically whether the outsourced employees would be unionized, it is impossible to answer this hypothetical situation.

3. Several of your answers reference the Central States Trust Agreement. The Participation Agreement that you want us to sign also references this agreement. Could you please provide us with a copy?

The Central States Trust Agreement is available [here](#).

4. If normal groups that sign CBAs aren't required to have participation agreements, and we had a CBA in 2004, why were we required to sign a participation agreement in 2004?

Sorry for the confusion on my original answer. All Employers who participate in the Central States H&W Fund are required to sign a Participation Agreement. The difference between Wisconsin Municipalities and normal groups that sign CBAs is that we do not need a new Participation Agreement every contract for normal groups that sign CBAs, because their CBAs reference Central States, include rates, plan codes, etc. in the body of the CBA. Wisconsin Municipalities do not contain this information in their CBAs, so we require that each Wisconsin municipality signs a Participation Agreement each contact period (usually each year).

- 5. We received a letter from a Jason Childress at TeamCare indicating that employees in the Transit unit had insurance premiums collected after 30 days. Your answer indicated that H&W contributions are required from the date of hire. Which is it?**

Let me clarify. The Fund typically requires H&W contributions on all participating employers no later than after 30 calendar days. However, because Wisconsin Municipalities do not allow for negotiations with the Local Union on the waiting period, we have no other recourse but to rely on the Participation Agreement. The Wisconsin Municipality Participation Agreement calls for health contributions:

“. . . on behalf of each Employee for any period he/she receives, or is entitled to receive compensation. . . “

The Participation Agreement does not mention a waiting period for new hires, and because of Wisconsin Municipality bargaining rules, the Local and the Municipality cannot negotiate a thirty (30) day waiting period, therefore Fund relies on the Participation Agreement language above. In other words, health contributions are required on new hires from date of hire.

- 6. We have reached out to other cities and villages in Wisconsin and found that most of our peers do not have agreements with Central States. Two smaller communities responded that they did. Interestingly, one of those communities had the option to take a single or family plan from Teamcare. We have always been told Teamcare only allows family plans, but we now see this is not the case. Is this something that could be made available to our employees? This is something we receive regular inquiries about, as some of our employees are single or have a spouse who has employer-provided insurance they would prefer.**

Prior to Act 10 being signed into Law in February 2011, the Fund had 42 Wisconsin Municipalities that had agreements that called for Central States H&W participation. Ten (10) of those municipalities terminated from our Fund, but in turn, nine (9) new municipalities joined the Central States H&W Fund. So since Act 10 was signed into law, we reduced from 43 municipalities to 42.

Multi-tier rates are determined on when a group joins TeamCare and the size of the group. Current rules require a participation level of at least 20 or more employees for a Single/Family rate; while four-tier rates are available for groups of 50 or more.

- 7. If the City were to move to City coverage on 1/1/2019 for the DPW employees, would you stop covering retirees?**

In order for retirees to be covered under TeamCare, the corresponding active group must also participate in TeamCare. If an active group withdraws from TeamCare, we will no longer cover the retirees. To protect TeamCare from adverse selection, we cannot allow a group of retirees to remain in the Fund, if the active group either bargains out of the Fund, or is withdrawn from the Fund.

- 8. If a City DPW employee wishes to quit the Teamsters, as is their legal right, what would happen to the remaining unit members for coverage? What would happen to retirees?**

Not sure what you mean by “quit the Teamsters”, but as stated above, if the bargaining unit is dissolved or does not pass the annual recertification set by the State of Wisconsin, then the group can no longer participate in TeamCare. In addition, as answered in 7, the retirees would no longer be able to participate in TeamCare as well.

In addition, it's my understanding that the **Personnel Committee** of Manitowoc City is having a meeting on March 5th at 6:00 p.m. I will be available to attend this meeting to answer any questions the Committee might have. If you have any questions prior to the meeting, please reach out and let me know.

Sincerely,

A handwritten signature in black ink, appearing to read "Mike", is centered below the text "Sincerely,".

Michael Mullane
Director, Marketing Communications and Field Service Group

TeamCare / Central States Funds
9377 W. Higgins Road, Rosemont, IL 60018
(847) 939-2297 - Office
(847) 902-5060 - Mobile
(847) 518-9738 - Fax

mmullane@centralstates.org