

From: [douglas.krathwohl](#)
To: [Leticia Miguel](#)
Subject: council packet for June 5th.
Date: Thursday, June 1, 2023 10:41:30 AM
Attachments: [IMG_20230601_0001.pdf](#)

This is the packet for June 5th. (second sending)
Thanks, DDK

San Pablo City Council Meeting – June 5, 2023

Comment Subject: Medical Benefits Provided for Retired San Pablo Executives

BACKGROUND: In January 2023, a group of City of San Pablo retirees covered under the Executive Management Memorandums of Understanding (MOU 2001-2014) were notified that they would no longer be receiving the lifetime medical benefit reimbursement negotiated under that MOU, if they had converted to Medicare Part B. Medicare conversion is required by PERS at age 65, and is the only health care coverage available to retirees. Our MOU specifically guarantees a lifetime medical benefit for the retiree and spouse, at the level of coverage they had at retirement, and provides for increases to maintain that level. It allows for a premium reduction only when that premium is reduced on Medicare eligibility, a death etc. It does not provide for the coverage to end, nor does it limit it.

We completely disagree with this reinterpretation and course of action. It is not supported by the MOU language that is cited by the City Staff and appears to be an arbitrary and entirely subjective reinterpretation of the 23-year lifetime benefit provision. This benefit is a significant reason we chose to remain with the City, even when it's finances were far more limited than now.

Since this action was implemented, requests for an audit, legal analysis or other information supporting this decision have been denied. Requests to speak with the City Manager have gone unanswered. We have only been told by the HR Manager that our MOU does not provide for Medicare Part B, *and that further information about it is privileged and unavailable to us.*

This decision has had considerable financial impact over the past six months, especially on retirees who have significant health issues. Our benefits were negotiated and contracted in good faith to loyal employees 23 years ago, and now the City is going to renege? Will you also be informing your current Executive Management Staff, whose MOU contains the same lifetime medical benefit clause as ours that it has been changed to end at age 65?

We ask that the City Council review this matter and acknowledge that Medicare Part B is mandated at age 65, and is therefore the only health insurance available to retirees and within the scope of the lifetime medical benefit mandated in our MOU's.

We have several affected parties that wish to comment, including three police chiefs, a city manager and a finance director. We also have signed testimonials from two former city council members who approved and voted to approve our lifetime medical benefit.

Attachments:

- (1) Douglas Krathwohl (7 pages); Subject Background June 5, 2023, Statement, City Letter 2023, Executive MOU Excerpt, PERS Medicare Notice
- (2) Joseph Aita, (1 page) Statement
- (3) Walt Schuld, (2 pages) Statement, City letter 2014 Excerpt
- (4) Bradley Ward, (1 page) Statement
- (5) Brock Arner, (2 pages) Statement
- (6) Shirley Wysinger (1 page) Statement
- (7) Johnny Palmer (1 page) Statement

San Pablo City Council Meeting- Comment Section- June 5, 2023

My name is Douglas Krathwohl and I retired as San Pablo Police Chief 1 Jan 2006, as an Executive Management member. I was afforded a lifetime medical benefit which is enumerated in a letter of acceptance from the City and in my existing MOU. I have received these benefits from the City of San Pablo until January 2023 when I was informed by the City that "there is no provision in the MOU that provides that the City to reimburse a retiree for the cost of Medicare part B." **There was no acknowledgement of the lifetime medical benefit that is provided in the same MOU.**

I completely disagree with this course of action. It is not supported by the MOU language, and appears to be an entirely subjective *reinterpretation* of the lifetime benefit provision by current City staff.

There is no provision in the Executive Management MOU to stop reimbursing the retiree for their lifetime medical care, or to reduce coverage. As stated in section 4: "The City shall pay the monthly supplemental allowance for the life of the retiree, or if the retiree has died, to the retiree's spouse." It is to be paid at the cost level it was when I retired, and even increased when the cost of the plan increases (section 3). The only provisions for the level of funding to decrease are outlined in section 5, as when the monthly premium cost is reduced based upon Medicare eligibility, a death etc.

Medicare Part B is our medical coverage, Part A is hospital only. Medicare coverage is mandated as outlined in the PERS bulletin included, and the procedure to pay Medicare related costs is outlined on the CalPers website. PERS cannot pay for Medicare, the retiree must do so and provide proof they are enrolled in order to have any type of supplemental coverage through CalPers, which I do have. *I would have no primary medical coverage if not for Medicare Part B, which is inconsistent with the lifetime medical coverage provision of Executive Management MOUs since 2001.*

I asked the city attorney for the legal basis the City has to deny this benefit, if any, and to alter an approved existing contractual benefit. I have also attempted to contact the City Manager, who did not return my call. The response I received from staff included another copy of my MOU; no audit or supporting legal information as it was "privileged." It is therefore, the reinterpretation of the MOU by City staff that has created this unfortunate situation, and not the MOU. **We ask that the City revisit this decision, and acknowledge that mandated Medicare Part B is the health insurance of retirees over 65 years of age and therefore within the scope of the lifetime medical benefit provision of our MOU.**

Douglas Krathwohl

January 5, 2023

Douglas Krathwohl
[REDACTED]



CITY OF SAN PABLO
City of New Directions

Dear Mr. Krathwohl,

The City of San Pablo ("City") recently conducted an audit of its retiree health payments. It has come to our attention that through an administrative error in calculating monthly payments for retiree medical contributions, the City overpaid you in the amount of \$2,509.00 from July 2021 through December 2022.

According to the Memorandum of Understanding between the City of San Pablo and The San Pablo Executive Employees group at the time of your retirement, there is no provision in the MOU that provides that the City is to reimburse a retiree for the cost of Medicare Part B. The City has been reimbursing you the cost of Medicare Part B in error and will discontinue that part of the reimbursement starting in January 2023.

Attached is an accounting of the amount to which you were correctly entitled each month, and the overpayments incorrectly made to your account.

The City is obligated to collect the overpayments in order to avoid an impermissible gift of public funds.

The City proposes three potential options for repayment of the excess amounts, as follows:

1. Repayment of entire excess in a one-time lump sum;
2. Repayment in 12 monthly installments;
3. Repayment in 24 monthly installments;

Please see the attached agreement. Upon choosing one of the above options, please complete and return the agreement to the City at the following address:

Alicia Platt, Human Resources Manager
City of San Pablo
Human Resources
1000 Gateway Avenue
San Pablo, CA 94806

If you believe the City should be reimbursing you for Medicare Part B, please provide me a copy of the agreement or documentation for further consideration. Please contact me by email at AliciaP@sanpabloca.gov or by phone at (510) 215-3002, if you have any questions or concerns.

Sincerely,

Alicia Platt
Human Resources Manager

Enclosure

The City shall provide a monthly supplemental allowance to Executive Management employees who retire under service retirement as regulated by the Public Employees Retirement System. To be eligible for the monthly supplemental allowance, the retired Executive Management employee must meet the following conditions:

- 1) The employee shall have served with the City for at least 5 consecutive years immediately prior to retirement.
- 2) The employee shall have been enrolled in the City's medical and dental plan, one year prior to retirement.
- 3) The monthly supplemental allowance is limited to the cost of medical and dental plans (employee, employee + 1, or family, whichever is applicable) which the employee is enrolled in at the time of retirement, less the City required contribution paid directly to P.E.R.S. on behalf of the retiree. The allowance shall be increased if the cost of such plans increases. Although nothing in this section shall prevent a retiree from changing health plans, any such change in health plans shall not result in a higher monthly supplemental allowance.
- 4) The City shall pay the monthly supplemental allowance for life of the retiree, or if the retiree has died, to the retiree's spouse. For these purposes, the retiree's spouse is defined as the individual that the retiree is married to at the time of application for retirement.
- 5) The monthly supplemental allowance shall be decreased when the premium is reduced based upon Medicare eligibility, in the event that the retiree or retiree's spouse dies, when family eligibility ceases, when the retiree changes to a medical plan with lesser premiums than the medical plan premiums at the time of retirement, or retiree receives medical coverage from another source (e.g. other employment, spouse). If the retiree remarries, the monthly supplemental allowance will not increase to include the cost of the new spouse or family.
- 6) The City's obligation to pay the monthly supplemental allowance is conditioned upon receipt of a declaration, sworn by the retiree (or surviving spouse) upon penalty of perjury on a form provided by City, that retiree (surviving spouse) remains eligible for medical coverage under this policy and is not receiving medical coverage from another source and that the retiree (surviving spouse) has received the monthly supplemental allowance from San Pablo and has not received health insurance coverage from another source during the preceding six months. Such declaration must be received by City at least twice a year, no later than January 31st and July 31st. City will terminate the monthly supplemental allowance until notice is received in a timely manner. The supplemental allowance shall resume on a prorated

basis upon receipt of the required declaration. No retroactive payments shall be made.

Should retiree (surviving spouse) lose coverage from the other source (employment, spouse), the monthly supplemental allowance will resume upon receipt of the required declaration, and will continue only until any of the above listed events (item 5) occur."

- 7) The supplemental allowance shall be subject to all applicable Federal and State income tax regulations.

SECTION XVI. LIFE INSURANCE

The City shall pay premiums on a sixty thousand dollars (\$60,000) life insurance policy for Executive Management Employees. An additional Life Insurance policy shall be made available to dependents of the employee, as mandated by the existing Life Insurance Program, at the total expense of the employee.

SECTION XVII. AUTOMOBILE ALLOWANCE

Monthly automobile allowances shall be as follows:

Finance Director	\$300.00
Chief of Police (Use of City Vehicle)	-0-

SECTION XVIII. LONGEVITY

Upon attaining fifteen (15) years as City employees, the Community Services Director and Public Works Director shall receive an additional three percent (3%) of base salary, as a longevity incentive.

SECTION XIX. BENEFITS UPON TERMINATION

Employees who terminate employment shall be paid in a lump sum for all accrued vacation leave earned prior to the effective date of termination. No such payment shall be made for vacation accumulated contrary to the provisions of this Agreement.

Accrual of salary and benefits paid to an employee shall cease upon termination of employment, except as follows: If employee is terminated by City for reasons other than disciplinary, he/she shall receive an amount equal to three (3) months of his/her regular salary as Severance Pay, on the last day of actual work, and three (3) months of City-paid Medical and Dental coverage.



Office of Employer and Member Health Services
 P.O. Box 942714
 Sacramento, CA 94229-2714
 (888) CalPERS (225-7377)
 TDD - (916) 795-3240
 FAX - (916) 795-1277

384
 San Pablo
 Notice 069 (Rev.04/05)
 PA Active

12/16/2005

NOTICE 69

Douglas D Krathwohl



REQUIREMENTS TO CONTINUE HEALTH COVERAGE AT RETIREMENT

Congratulations on your recent retirement! We want to share with you updated information on how to carry your CalPERS health coverage into retirement. Enrollment in a CalPERS Medicare health plan is not automatic when you retire.

At Retirement To obtain CalPERS health benefit coverage in retirement, your retirement date must be no more than 120 days from your separation from employment.

Retirement Within 30 days of Separation Your health coverage will automatically continue into retirement if your retirement date is within 30 days of the date you separated from employment (or less than one full pay period). Check your retirement warrant to verify that the health plan and premium deductions are correct.

Retirement Between 31 and 120 days of Separation Because your premiums will lapse, CalPERS will cancel your coverage if your retirement date is more than 30, but less than 120, days after the date you separated from employment. However, you can enroll by contacting CalPERS at 1-888-225-7377 within 60 days of your retirement date. You may also enroll during any future Open Enrollment Period.

Retirement After 120 days of Separation You are not entitled to enroll in the CalPERS Health Program if you retire more than 120 days after separation.

Medicare Notice California law specifies that Medicare-eligible health plan enrollees cannot be enrolled in a basic health plan. Within 90 days of retirement, you and any enrolled dependents, who are eligible for Medicare Parts A and B, must enroll in Medicare and transfer to a Medicare Health plan. If you or your enrolled dependents are ineligible for Medicare, you must provide proof of ineligibility to CalPERS within 90 days of retirement.

Questions regarding Medicare eligibility must be directed to the Social Security Administration at (800) 772-1213 or your local Social Security office.

Under Age 65 If you are under age 65 and you are eligible for Medicare benefits (Parts A & B) based on Social Security Administration's determination of disability, you must enroll in Medicare Part B and transfer to a Medicare health benefits plan.

REQUIREMENTS TO CONTINUE HEALTH COVERAGE AT RETIREMENT

(continued)

Age 65 and Over

When you retire from active employment and your CalPERS coverage ends, you and your Medicare-eligible dependents must immediately enroll in Medicare and transfer to a CalPERS Medicare health benefits plan.

To enroll in Medicare, go to your local Social Security office and apply for Medicare Part B during your Special Enrollment Period (SEP). Your SEP is a chance to enroll in Medicare after you are no longer covered by a CalPERS health plan through active employment.

The SEP is an 8-month period following the last month you were covered by a CalPERS health plan. You may enroll while you are still working or wait until your health coverage ends. To avoid a lapse in your CalPERS coverage, you must enroll in Medicare immediately after your health coverage ends.

You will be required to complete a *Certification of Medicare Status* form, and if you or your dependents are Medicare eligible, provide:

- A copy of your Medicare card or a copy of your Notice of Entitlement from the Social Security Administration indicating Medicare Part A and Part B.
- Documentation of your deferred enrollment in Part B if you plan to continue working after age 65. (Copy of your pay stub showing health plan enrollment or name of employer and health plan identification.)

If ineligible for Medicare, provide:

- Documentation from the Social Security Administration of your Medicare ineligibility. A current copy of "Your Social Security Statement" or letter of Medicare ineligibility from the Social Security Administration is sufficient.
-

My name is Joseph P. Aita, retired San Pablo Police Chief (June 4, 2010) and Executive Management member. Upon retirement, I was provided a lifetime medical benefit which is documented in my existing MOU with the City of San Pablo. I have received this benefit, without issue, until receiving an unregistered letter from City of San Pablo's HR Director, Alicia Platt on February 23, 2023, stating the following:

"The City of San Pablo ("City") recently conducted an audit of its retiree health payments. It has come to our attention that through an administrative error in calculating monthly payments for retiree medical contributions, the City overpaid you in the amount of \$6,910.90 from July 2021 through December 2022. According to the (MOU) between the City of San Pablo and the San Pablo Executive Employees group at the time of your retirement, there is no provision in the MOU that provides that the City is to reimburse a retiree for the cost of Medicare Part B. The City has been reimbursing you the cost of Medicare Part B in error and has discontinued that part of the reimbursement starting in January 2023."

This action is not supported by the language in the MOU, and I strongly disagree with the auditor's subjective reinterpretation of this lifetime benefit afforded Executive Management members. Moreover, there is **no** provision in the MOU to stop reimbursement, or to reduce coverage.

Considering the City has refused to respond to requests to provide the legal basis for denying this benefit and altering an approved existing contractual benefit, it is assumed they are relying on one or more subsections of Section XV – Retirement and Survivor Benefit. 4 (a) states; *the premium is reduced based on Medicare eligibility*. This does not apply because my premium was not reduced when I became eligible for Medicare. Medicare Part B is my mandated medical coverage as outlined in the PERS bulletin, and the procedure to pay Medicare related costs is outlined on the CalPERS website. None of the exceptions to Section XV apply, or justify, an arbitrary change in our current medical coverage by the city.

I find it peculiar and insulting, that there has been no cooperative response from city staff members after repeated attempts to meet and discuss this issue. Retirees have a right to ask questions of city staff, and as a public entity the City has an obligation to meet in good faith. Arbitrarily reinterpreting a retiree's MOU without any attempt to clarify in detail the reasons for doing so is unacceptable, unprofessional, and arrogant.

Thank you,

Joseph P. Aita, Retired Chief
San Pablo Police Department

May 21, 2023

To: San Pablo City Council
Matt Rodriguez, City Manager

From: Walt Schuld, Ret. Chief of Police/Asst. City Manager

Subject: Retiree Medical Benefits

I retired as a San Pablo Police Chief and Assistant City Manager in May 2014 after 31 years of service. I also returned for six months as an Interim Assistant City Manager in 2014-15 and again as Interim Chief of Police in 2017. One of my retirement benefits is lifetime medical which is enumerated in the Memorandum of Understanding (MOU) between the Executive Management Group and the City of San Pablo (2014). There is also a subsequent memorandum reaffirming those medical benefits (see attached). The memorandum clearly states on page two "a lifetime monthly Supplemental Allowance for Retirees will cover the cost of you and your wife's medical plan premiums (2-party) once you are retired pursuant to the Public Employee's Retirement System (CalPERS)."

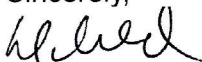
I was informed by other retirees that the city was taking away part of the lifetime benefit after age 65 based on an audit. I left a message for the city manager in early April to discuss this issue, but no one would return my call. Most concerning is that I have not been notified that this benefit will be taken away from me at age 65. If not for other retirees, I would have been blindsided by this decision.

Past City Managers, Councilmembers, and employees who were part of the negotiations and benefited from the MOU knew the intent of the lifetime medical benefit was for the city to provide all the costs associated with medical premiums, which the city has done for years. However, if the intent of Retiree Medical is in question a few simple phone calls to past City Managers, Councilmembers, and employees can and will make it clear the intent of the language.

There may be a wording loophole/interpretation that a staff member believes he or she found in the MOU which will save the city some money. However, there is a difference between what the city can do and what the city should do ethically. It is unethical to promise a benefit, know the intent of that benefit, and then knowingly take it away because of a reinterpretation of the wording.

To add insult to injury, I discovered after retiring that PERS was docking me two years of retirement for working as an Assistant City Manager and Chief of Police. Unbeknownst to me at the time, PERS rules state a sworn employee cannot also serve simultaneously in the position of a non-sworn employee. Human resources did not warn me about this regulation. PERS would not budge on the ruling, and I did not receive any compensation from the city. I lost tens of thousands of dollars over the years because I took on extra work and responsibility for the city. Now when I turn 65, it appears I will also lose part of another benefit that was promised if this decision stands.

I do not want anything that was not promised to me. I worked honorably for over three decades for the residents of San Pablo and during that time I have not worked for an unethical City Council or City Government. Therefore, I am asking the City Council and City Management to revisit its decision on this issue. This affects retirees who were some of the most hardworking and loyal employees.

Sincerely,

Walt Schuld

September 19, 2014

Mr. Walt Schuld



CITY OF SAN PABLO
City of New Directions

Re: Benefits upon Retirement

Dear Mr. Schuld,

Summarized below is information regarding your benefits through the City of San Pablo due to your pending retirement. Your last day worked will be Thursday, May 1, 2014.

Medical Plan & Supplemental Allowance

Your medical coverage as an active employee will expire on **May 31, 2014.**

As per Section XV (C) of the Executive Management Schedule of Benefits a lifetime monthly Supplemental Allowance for Retirees will cover the cost of you and your wife's medical plan premiums (2 party) once you are retired pursuant to the Public Employee's Retirement System (CalPERS).

As a CalPERS retiree, your medical coverage will be identical to your current plan. A portion of the monthly premiums would be deducted (by CalPERS) from your retirement check. You pay only a portion of the premiums because the City will remit directly to PERS the required employer contribution.

The calculation below summarizes your monthly supplemental allowance [Section XV (C)]:

\$1,673.00	-	2-party Blue Shield Access+ Bay Area
- 119.00	-	1party PEMHCA contribution paid directly by City to PERS
\$1,554.18	-	Reimbursed to Walt Schuld by the City (checks will be mailed to you by AFA, at the beginning of each month.

The Monthly Supplemental funds from American Fidelity Assurance (AFA) will either be mailed or deposited to your account via direct deposit, depending on your preference. If in the future you need to contact AFA, please call Ashley McDonnell, our Account Manager, at (831) 224-7374.

Bradley Ward CPA, MBA
City of San Pablo Finance Director (retired)

May 29, 2023

Mayor Pineda and Members of the City Council

I was the Finance Director for the City of San Pablo, from 1992 until 2013. I was hired during a difficult transitory period when financial reports were not being done in a timely manner, and several substandard personnel were let go. I spent many days and nights getting the city's financial records in order, and won awards from GFOA and the first ever CAFR for San Pablo. In 2013 when I was to retire, I stayed to help the new finance director for over a year and was instrumental in the issuance of a new \$55 million dollar bond in 2014.

I still work in San Pablo, as the controller of San Pablo EDC. I didn't say no to Leslay Choy when she needed help, and I provided it.

On May 23, 2023, my faith in the city was shattered when I received a letter from Alicia Platt, Human Resources Manager when she asked me to reimburse the city for \$2,509 which she later changed to \$18,523.20. In her attachment she states that "Retiree acknowledges that due to an administrative error .. City has overpaid Retiree" without evidence or documentation on how she arrived at this conclusion. How can I acknowledge something when I have not been provided with information on how this administrative error occurred? Numerous attempts by our group to get information on how this was determined have not been productive. Perhaps if we asked for the minutes from the ELG meetings we would be more successful. However, I am afraid she will just say this is a personnel matter and is confidential.

The financial impact of this action is devastating, and hurts as much as the way I was treated. It seems that the many hours I spent making San Pablo a better place are for naught. I thought I had a contractual retirement benefit I could count on, which was an incentive for me to work for San Pablo as long as I did.

I ask that the City Council review this very serious matter, and initiate remedial measures to restore our benefit as it was intended.

Bradley Ward
City Finance Director
Retired

Mayor Pineda and Members of the City Council

My name is Brock Arner and I was the City Manager of San Pablo from July of 2001 until my retirement in May of 2010. I assisted the Council in recruiting current City Manager Matt Rodriguez.

The purpose of this letter is to give you a factual history of the Council's commitment to reward management personnel with lifetime medical insurance if they retired from PERS while serving San Palo after having incurred at least five years of service to the City prior to their retirement. The Council utilized this policy to retain qualified management staff and it has worked.

As an aside, there were just 12 applicants for the position of City Manager in 2001 and I was not initially one of those applicants. I was serving as the interim Community Development Manager for the City. Former Mayor Sharon Brown invited me to lunch and strongly encouraged me to apply for the open City Manager's position because none of the other applicants were sufficiently competent to work with Council in providing services to the City's residents and its businesses. I agreed to her suggestion and then Councilmembers, Sharon Brown, Joe Gomes, Barbara Vigel, Shirley Wysinger and Johnnie Palmer unanimously selected me.

I was fifty-four when I was sworn into office as the next City Manager in San Pablo. Candidly I did not consider any openings in other cities despite the offer of higher salaries because I was approaching

retirement and valued the City's policy of providing insurance coverage to its retiring management staff.

I think that Carol Robinson was the first person to be covered by this policy. She began retirement health coverage when her husband, former City Manager, Rory Robinson, passed away in 2000. So, this policy of providing retired management staff with the same health coverages as current employees has been honored by the City for more than twenty years.

Please follow the plain reading of the agreement and its spirit as shown by the signed agreement that was adopted the former City Council and its management staff. Please direct the City Manager to reimburse eligible retirees who have been provided Part B coverage for more than twenty years.

To: San Pablo City Council

From: Shirley Wysinger, *Former Mayor, City Council member*

Subject: Executive Management MOU, Retiree Medical Benefit

My name is Shirley Wysinger and I served as a San Pablo City Council member for twelve years, which included two terms as Mayor.

I recently learned that an action by the City to eliminate Medicare Part B benefit reimbursements, affects at least a dozen or more Executive Management senior retirees. Furthermore, the City has not provided any of the retirees with justification to eliminate that benefit, other than staff's own reinterpretation of the existing language in our MOU. Needless to say, elimination of this benefit creates an unforeseen and serious burden for all of the affected retirees.

The Executive Management MOU that established the Lifetime Medical supplemental allowance, was unanimously adopted by the City Council in 2000 and the language has remained the same in all of the subsequent MOUs. As a voting member of that Council, I assure you that it was *intended to be a Lifetime Benefit* as described, not a limited benefit ending at age 65 or it would have said so.

The provision for a lifetime medical benefit necessarily includes mandatory Medicare after age 65, since it is the only health insurance available to retirees, and is mandated by PERS.

Vested contractual benefits should not be vulnerable to later dismissal by City management without legal authority or recourse, simply because they disagree with them.

I ask that the City direct staff to meet with us to review and discuss this matter and resolve it.

Thank you,


Shirley Wysinger
Former Mayor, Council Member



To: San Pablo City Council

From: Johnny Palmer, *Retired Mayor, City Council member*

Subject: Executive Management MOU, Retiree Medical Benefit

My name is Johnny Palmer and I served as a San Pablo City Council member from 1994 until 2002, which included two terms as Mayor.

In January of this year, the City of San Pablo informed me that it would no longer provide my monthly medical supplemental allowance, which is contrary to the provisions of the City Executive Management MOU under which I retired from the City. I was told that there was an audit of the benefits I was paid, and I was overpaid by \$1100 which I was required to repay. The City has not made an audit report available to me, or any of the other retirees that I am aware of to support that decision.

I have since learned that this action by the City affects at least a dozen other Executive Management senior retirees, including those on mandatory Medicare. The City has not provided any of the retirees with their justification to eliminate our benefits, other than their **reinterpretation** of the existing language in our MOU. Needless to say, elimination of this benefit creates an unforeseen burden for all of us, including me who had cancer surgery last week.

The Executive Management MOU that established the Lifetime Medical supplemental allowance, was unanimously adopted by the City Council in 2000 and the language has remained the same in all of the subsequent MOUs. **As a voting member of that Council, I assure you that it was intended to be a Lifetime Benefit as described, not a limited benefit ending at age 65 or it would have said so.** Vested contractual benefits should not be vulnerable to later dismissal by City management without legal authority or recourse, who simply disagree with them.

I ask that the City reconsider this action, and recognize that the provision for a lifetime medical benefit necessarily includes mandatory Medicare after age 65, since it is the only health insurance available to retirees.

Thank you,



Johnny Palmer
Retired Mayor, Council Member

