



Agenda Item:

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COUNCIL COMMUNICATION

City Manager's Office

GENERAL INFORMATION

Agenda Date: 02/23/04
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Communication

Roll Call

Submitted by: Thomas G. Turner, Human Resources Director

SUBJECT—

New library union labor agreements.

SYNOPSIS—

Receive and file the two new library labor agreements for the period July 1, 2004 through June 30, 2006.

FISCAL IMPACT—

Health insurance changes will reduce cost of this benefit by \$64,000 from planned FY04 expense. This change is already reflected in the FY04 budget.

RECOMMENDATION—

Approve

BACKGROUND—

The Des Moines Public Library has two separate bargaining units represented by the International Association of Machinists and Aerospace Workers (IAMAW). One unit is comprised of clerical and maintenance classifications and the other unit is comprised of professional librarians. Each of these units has a labor agreement expiring on June 30, 2004.

Both have reached new agreements with the library that have been ratified by their respective membership. The Library Board of Trustees approved these labor agreements at their meeting on February 10, 2004.

Each unit agreed to a 3% general wage increase for each of the two years. This is an amount consistent with budgetary plans and projections. Additionally, the IAMAW agreed to change the medical plan to provide for wider application of the deductible and co-insurance to include hospitalizations and other services. Other health plan changes included an increased deductible from \$100 per person to \$250 for a single and \$500 for a family. Out of pocket maximums were increased from \$500 for single and \$1000 per family to \$750 for single and \$1500 for family. Co-insurance will be 90% paid by the plan and 10% by the employee until the out of pocket maximum is reached. Office visits co-payments were increased from \$5 to \$10. Drug co-payments were increased from \$0 for generic and \$5 for brand name to \$5 for generic and \$15 for brand name. These changes, when reviewed by Wellmark, resulted in a reduction in the renewal premium for FY05 of 11.67%.

	<u>Single</u>	<u>Family</u>
FY05 Premium w/o change	\$417.03	\$1,042.55
FY05 Premium WITH change	\$385.17	\$ 962.93
Monthly Reduction	\$ 31.86	\$ 79.62

This reduction saves the library \$54,000 from planned premium payments based on February enrollments and coverage selection.

Additionally, both unions agree to contribute 5% of the difference between the cost of the single and family health plans for those electing family coverage. The monthly contribution will be \$28.89 based on Wellmark's quoted rates. This contribution will provide a further reduction of \$10,400 per year in the cost of health insurance.