

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date:	February 13, 2012
	Agenda Item No.	60
	Roll Call No.	[_____]
	Communication No.	<u>12-061</u>
	Submitted by:	James Wells, Human Resources Director

AGENDA HEADING:

Approval of collective bargaining agreements with Police Bargaining Unit (PBU), Gold Braid Organization (GBO), Central Iowa Public Employees Council (CIPEC) and Municipal Employees Association (MEA) for the period July 1, 2012 through June 30, 2015.

SYNOPSIS:

The City has reached voluntary agreements with the four bargaining units with contracts expiring June 30, 2012. Negotiations were successful in meeting the City’s primary bargaining goals. These were:

- Stay within the parameters of the proposed budget,
- Increase employee health insurance contributions, and
- Promote employee awareness of their own health through the health plan

The average net compensation increase for all groups averages 1.27%/year for the three years and is the lowest net increase in over a decade. Two bargaining units will begin health insurance premium contributions for the first time and the other two units will increase their contributions as a percentage of premium, which in year 3 of the contracts (fiscal year 2015) range from 5% - 8.5% of the family premium. All four agreements introduce a voluntary health plan option that doubles deductibles, increases out-of-pocket maximums and co-pays for office visits and prescription drugs, which if elected, will decrease the employee premium contribution and may lower health plan claim cost. Employee premium contributions and options for employees to reduce their own health care cost invest employees in their health benefit and is the principal tenet in an employee wellness program.

All four bargaining units were cooperative in recognizing the City’s challenging fiscal situation and are applauded for their approach to bargaining.

Staff recommends approval of all four agreements for the period July 1, 2012 through June 30, 2015.

FISCAL IMPACT:

Amount: The financial impact of the agreements is consistent with the proposed budget and no budgetary adjustments are needed in what has already been presented to City Council.

Funding Source: Employee wage and benefit costs are funded in each City department’s budget.

ADDITIONAL INFORMATION:

The City has bargaining relationships with eight collective bargaining units. Four of the eight agreements expire June 30, 2012. The other four will expire twelve months later. Bargaining began in

earnest with all four groups last October and the City now has reached voluntary agreements with all four.

Each unit bargained for issues important to them and consequently each agreement is unique, however negotiations primarily centered on wages and benefits. As stated above, a goal of bargaining was to keep labor cost within budget, which projected labor cost increases of 1.75%. The City was successful in reaching this goal. The net compensation increase for all four bargaining units is projected at 1.40% in fiscal year 2013, 0.78% in fiscal year 2014 and 1.63% in fiscal year 2015. The average increase for all three years is 1.27%. This was accomplished by wage increases the lowest in over a decade and the introduction of and increases in employee health premium contributions. The specific details of each agreement follow.

Police Bargaining Unit (PBU) includes approximately 290 Police Officers and Senior Police Officers. The agreement provides across-the-board (ATB) wage increases of 2.0% on July 1, 2012, 1.50% on July 1, 2013, 1.25% on January 1, 2014, 2.0% on July 1, 2014, and 1.25% on January 1, 2015. A majority of employees covered by the PBU currently do not contribute anything towards their health insurance. Some employees participate in an "HMO" option and currently contribute \$17/month for this plan. Beginning in year one of this agreement, all PBU employees will begin contributing a percentage of premium. Effective July 1, 2012, employees in the standard plan will contribute 1.5% of the single and family premium and 5% of the single and family premium for the HMO option. Beginning July 1, 2013, employees in the standard plan electing single coverage will contribute 2.5% of the premium and 5% for family coverage. Employees covered by the "HMO" plan electing single coverage will contribute 6% of the single premium and 8.5% of the family premium. Other provisions agreed to include an increase in tuition reimbursement from \$1,200 to \$2,400, and an increase in hazardous duty pay of \$200 per year up from \$1,000 for members of the Bomb Squad, Clandestine Lab Team, Weapons of Mass Destruction Team and a new Dive Team unit.

Gold Braid Organization includes approximately one-half (37) of the Police Department's Sergeants, Lieutenants and Captains. This agreement is also for three years and includes the same ATB wage adjustments as the PBU. To address pay-compression between sworn police ranks, an additional step will be added to the GBO Sergeant, Lieutenant and Captain pay-grades for employees serving five consecutive years in their job classification. The additional step in the first year will be one-half of one percent (.5%) greater than the current top step and then increase an additional .5% in each of the next two contract years for a total of 1.5%. GBO employees will also receive an increase in tuition reimbursement from \$1,200 to \$2,400. GBO employees do not currently make a contribution for single coverage and pay five percent of the difference between the single and family premium for family coverage, which equates to approximately 3% of the family premium. Beginning July 1, 2012, employees electing single coverage will contribute 2% of the single premium and 4% of the family premium. Effective July 1, 2013, employee contributions increase to 2.25% of the single premium and 4.5% of the family premium. Effective July 1, 2014, contributions increase to 2.5% of the single premium and 5% of the family premium.

Municipal Employees Association (MEA) represents a diverse group of approximately 385 employees from clerical support to inspectors to 911 dispatchers. This agreement is for three years beginning July 1, 2012. MEA agreed to ATB wage adjustments identical to PBU and GBO. Tuition reimbursement will increase to \$2,400 per year and eligible MEA employees will receive a prescription safety glass allowance. Employees will receive a full-day holiday to be used during fiscal year 2013. MEA employees currently do not contribute towards single health coverage and for family coverage contribute 5% of the difference between single and family coverage, which equates to approximately 3% of the family premium. Beginning July 1, 2012, employees will make premium contributions of

1% of the premium for single coverage and 3% of the premium for family coverage. Effective July 1, 2013, employees begin contributing 2.0% of the premium for single coverage and 4.0% of the premium for family coverage. Effective July 1, 2014, premium contributions increase to 2.5% for single coverage and 5% for family coverage.

Central Iowa Public Employees Council (CIPEC) represents ~450 employees working in various trades, such as laborers, truck drivers and equipment operators. CIPEC employees will receive the same ATB wage increases as the other three bargaining units. CIPEC employees will begin making premium contributions for the first time. Beginning July 1, 2012, employees will make premium contributions of 1% for single coverage and 2% for family coverage. On July 1, 2013, employee contributions increase to 1.5% of the premium for single coverage and 3.0% of the premium for family coverage. Effective July 1, 2014, contributions increase to 2.5% for a single coverage and 5% for family coverage. CIPEC employees currently receive a city contribution of \$480/year into a flexible spending account and \$1,350/year into a post-employment health plan. These two contributions totaling \$1,830 will be eliminated and in return the City will contribute \$1,500/year into a health reimbursement account. Senior Refuse Collectors will receive a pay upgrade of one-half a pay-grade or approximately \$.42/hr. The shoe allowance all CIPEC employees receive will increase \$25/year each year of the agreement.

PREVIOUS COUNCIL ACTION(S): NONE

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

For more information on this and other agenda items, please call the City Clerk's Office at 515-283-4209 or visit the Clerk's Office on the second floor of City Hall, 400 Robert D. Ray Drive. Council agendas are available to the public at the City Clerk's Office on Thursday afternoon preceding Monday's Council meeting. Citizens can also request to receive meeting notices and agendas by email by calling the Clerk's Office or sending their request via email to cityclerk@dmgov.org.