

Date March 8, 2010

**ONE YEAR EXTENSION OF LABOR AGREEMENT WITH
MUNICIPAL EMPLOYEES ASSOCIATION**

WHEREAS, in an effort to achieve a two year balanced budget, city staff discussed changes to the city's collective bargaining agreements with all of the employee unions; and

WHEREAS, the Municipal Employees Association ("MEA") agreed to advance a proposal to its membership as explained in the attached Council Communication; and

WHEREAS, in exchange for MEA's agreement to effect such cost saving measures in their labor agreement, the City of Des Moines agreed to extend the labor agreement from June 30, 2011 to June 30, 2012 subject to the approval of the Des Moines City Council; and

WHEREAS, a Memorandum of Understanding, a copy of which is on file with the Des Moines City Clerk, has been prepared outlining the agreement of the parties and approval is recommended.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Des Moines, Iowa:

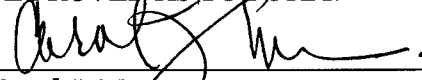
That the Memorandum of Agreement by and between the Municipal Employees Association and the City of Des Moines, Iowa is hereby approved.

BE IT FURTHER RESOLVED, that the Mayor is hereby authorized and directed to sign the Memorandum of Understanding.

(Council Communication Number 10- **124** attached.)

Moved by _____ to adopt.

APPROVED AS TO FORM:



Carol J. Moger
Assistant City Attorney

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE				
COLEMAN				
GRIESS				
HENSLEY				
MAHAFFEY				
MEYER				
MOORE				
TOTAL				
MOTION CARRIED			APPROVED	
_____ Mayor				

CERTIFICATE

I, DIANE RAUH, City Clerk of said City hereby certify that at a meeting of the City Council of said City of Des Moines, held on the above date, among other proceedings the above was adopted.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal the day and year first above written.

City Clerk

**REVISED MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF DES MOINES
AND THE MUNICIPAL EMPLOYEES ASSOCIATION**

This Memorandum of Understanding shall become effective when signed by the appropriate officers of the Municipal Employees Association and the Mayor for the City of Des Moines upon the affirmative vote of the membership of the Municipal Employees Association at a meeting to be held on February 26, 2010 and the approval of the Des Moines City Council at their first regular scheduled meeting thereafter.

1. The current labor agreement between the Municipal Employees Association and the City of Des Moines is extended from June 30, 2011 to June 30, 2012, and said agreement will contain all the terms set forth herein.
2. The increase that was to be effective on June 14, 2010 will be paid in a lump sum either in November 2010 or May 2011 at the election of the employee as provided in paragraph 3. The base pay as provided in Appendix B of the labor agreement will remain unchanged at the same amount as was effective June 15, 2009.
3. Each employee covered by the MEA agreement will receive a lump sum payment equal to 3.25% times their base hourly wage (including the applicable longevity rate) times their normal annual hours of work on either November 2010 or May 2011, at the employee's election. For example, a full time employee would receive 3.25% of their base hourly rate times 2080 hours; a $\frac{3}{4}$ time employee would receive 3.25% of their base hourly rate times 1560 hours; a $\frac{1}{2}$ time employee would receive 3.25% of their base hourly times 1040 hours; a less than $\frac{1}{2}$ time employee would receive 3.25% of their base hourly rate times their average annual hours of work.

The lump sum payment could be directed by each employee into their Deferred Compensation Plan up to the maximum permitted by the IRS following the IRS and plan requirements.

4. Effective June 13, 2011 employees will receive a 3.25% increase in base rates that were effective June 15, 2009.
5. Effective the first pay period of calendar year 2012, Article XXX, Deferred Compensation is amended to increase the City's matching contribution from 2% to 2.5%.
6. Effective the first pay period of calendar year 2012, the labor agreement between the MEA and City of Des Moines is amended to add the following section at the appropriate Article of the agreement:

"Shift Differential

In addition to the established wage rates, the City will pay an hourly premium of twenty-five cents (\$0.25) per hour worked to employees beginning work on or after 2:00 p.m. but before 6:00 a.m. Employees shall not be eligible for a shift differential pursuant to this section as a result of an extension of their regular workday into a shift differential period. Shift differential shall not apply in calculating holiday, vacation, sick leave or any other benefit."

7. For the term of the agreement as amended, the City agrees not to reduce MEA positions through lay off other than those identified as part of the FY11 budget adjustments that are approved by the City Council on or before March 15th, 2010. However, should the City incur financial stress

REVISED MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF DES MOINES AND THE MUNICIPAL EMPLOYEES ASSOCIATION

associated with matters pertaining to the franchise fee, state action that reduces state revenue to the city for FY 11 or FY 12 by more than 5%, then the parties agree that this lay-off commitment may be void, by mutual agreement or by a decision by an arbitrator as to whether such layoffs are in the public interest.

- 8. Effective with the open enrollment for FY11, MEA employees who are currently covered by the City's health plan may opt out of such coverage for each plan year provided: (1) they are not covered by any other City of Des Moines' employee health insurance and (2) they sign an acknowledgement indicating they have in fact alternate health coverage. Such employees shall be eligible to receive an amount equal to 50% of the monthly single premium for that plan year deposited monthly on their behalf into the City's Flexible Spending Account for medical services reimbursement for that employee and any of their eligible dependents. The employee shall be eligible to alter this election at an annual enrollment or for a qualifying event as defined by the health plan.
- 9. MEA employees who are eligible to receive retirement benefits pursuant to IPERS and choose to retire between May 1, 2010 and December 31, 2010 shall be eligible to receive an early retirement incentive. The City will contribute an amount equal to the single premium for health insurance as of the date of their retirement for the MEA health plan for such early retirees who maintain coverage under the City of Des Moines' health plan. This payment shall be for a period not to exceed two years (24 months) from the date of their retirement or until such employee becomes eligible for Medicare, whichever comes first.
- 10. Should any other bargaining unit of the City of Des Moines receive a new voluntary wage settlement entered into after the date of this agreement that provides a base hourly rate increase in excess of 3.25% for either FY11 or FY12, the MEA's general increase for FY12 will be adjusted to reflect the higher amount.
- 11. All other terms and conditions of the labor agreement other than those modifications necessary to effectuate this agreement shall remain the same.

For the City of Des Moines:

_____ Date: _____
 T. M. Franklin Cownie
 Mayor

For the Municipal Employee Association:

_____ Date: _____
 Rita Fromm, Vice President

_____ Date: _____
 Rose Olson, Secretary

_____ Date: _____
 Doug Olson, Treasurer