


REVISED

 CITY OF DES MOINES	Agenda Item:
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COUNCIL COMMUNICATION City Manager's Office

GENERAL INFORMATION

Agenda Date: 12/19/2005
Agenda Item Type: Resolution
No.:

Communication No.: 05-732
Roll Call

Submitted by: Thomas G. Turner, Human Resources Director

SUBJECT—

New Labor Agreements with Library Unit 10 (Clerks – International Association of Machinists and Aerospace Workers); Library Unit 11 (Professionals – IAMAW); Municipal Employees Association (MEA); Central Iowa Public Employees Council (CIPEC) and Des Moines Police Bargaining Unit Association (PBU).

SYNOPSIS—

Receive and file the two Library Unit agreements that have been ratified by the membership and awaiting approval by the Library Board of Trustees and approve and authorize the Mayor to sign labor agreements ratified by the membership of the MEA, CIPEC and PBU unions.

FISCAL IMPACT—

Insurance Premiums will be reduced by more than \$1 Million due to CIPEC and PBU agreements to accept the Supervisory, Management and Professional (SPM) health plan. Estimated costs compared to the planned FY06 costs of the agreements are included as an attachment to this communication.

RECOMMENDATION—

Approve

BACKGROUND—

Seven different bargaining units represent City employees. Six of those were subject to negotiation this year – Library Unit 10, Library Unit 11, MEA, CIPEC, PBU and American Federation of State, County and Municipal Employees (AFSCME – Housing Services). The other bargaining unit is the Des Moines Professional Fire Fighters Association, Local 4. Local 4 is in the first year of a three-year agreement negotiated and approved in early 2005. Five of the six unions whose agreements expire on June 30, 2006 have reached new agreements with the City. The other union, AFSCME, has yet to commence negotiations.

All five unions have provided notification that their membership has voted to ratify the new labor agreements. A summary of each agreement is provided below. Additionally, the actual settlement agreement is attached for your review.

Library Unit 10 – Clerks

The clerks are represented by the Machinists Union. They have ratified a two-year agreement for the period July 1, 2006 through June 30, 2008. The agreement increases their City paid life insurance from \$15,000 to \$25,000. Additionally, the employees will begin to pay \$1 per month toward the cost of family dental coverage. The dental maximum benefit was increased from \$750 to \$1000 per year. These employees already contribute 5% of the difference between the single and family premium for family health insurance coverage. The union agreed to an increase in the office visit co-payment from \$10 to \$20 and an increase in the non-generic drug co-payment from \$15 to \$20. Wages are increased 3.25% each year of the agreement.

Library Unit 11 – Professionals

The professionals (Librarians and Assistant Librarians) are represented by the Machinists Union. They have ratified a two-year agreement for the period July 1, 2006 through June 30, 2008. The employees will begin to pay \$1 per month toward the cost of family dental coverage. The dental maximum benefit was increased from \$750 to \$1000 per year. These employees already contribute 5% of the difference between the single and family premium for family health insurance coverage. The union agreed to an increase in the office visit co-payment from \$10 to \$20 and an increase in the non-generic drug co-payment from \$15 to \$20. Wages are increased 3.25% each year of the agreement.

Municipal Employees Association

The MEA union has agreed to a new two-year agreement for the period July 1, 2006 through June 30, 2008. The agreement includes the establishment of standby pay for employees required to be available for overtime duty of one hour of “C” time for each day the employee has the standby duty. The dental insurance maximum annual coverage was increased to \$1000 per insured and a contribution of \$1 a month for family dental was established. The Long Term Disability plan was increased to match that of CIPEC and SPM at 66 2/3% after a ninety-day elimination period. The Section 125 spending account plan will be amended to reflect recent IRS changes permitting over the counter drug reimbursement and a longer period to incur expense and receive reimbursement beginning in calendar year 2007. The health plan was amended to increase the office visit co-payment from \$10 to \$15 effective January 1, 2007.

Additionally, the non-generic drug co-payment will be increased from \$15 to \$20 on the same date. For an 18-month period ending December 31, 2007, MEA employees will be permitted (as provided in the fire labor agreement) to request reimbursement of up to \$3 per each generic drug script. The union agreed to a wage increase of 3.25% each year of the agreement.

Central Iowa Public Employees Council

CIPEC agreed to a modification of their current agreement as well as a three-year extension expiring June 30, 2009. CIPEC has agreed to accept the SPM health plan beginning January 1, 2006. They will also receive a 1% wage increase effective January 1, 2006. For a 30-month period beginning January 1, 2006 and ending July 1, 2008, CIPEC employees will be permitted (as provided in the fire labor agreement) to request reimbursement of up to \$3 per each generic drug script. CIPEC will receive a 3.25% increase each July 1 during the term of the agreement. Additionally, they will have their deferred compensation match increased from 100% of the first 2% of deferral to 100% of the first 2.5% of deferral effective July 1, 2007. CIPEC will also have their annual maximum dental benefit increased to

\$1000 effective January 1, 2006. The union has agreed to a cap on the City's contributions to their Post Employment Health Plan (or VEBA) at \$1350 per year. Currently there is no cap in the agreement. The level established in 2000 was 3% of the average CIPEC employee annual pay without limit. CIPEC also will have their Section 125 spending account plan amended to reflect recent IRS changes permitting over the counter drug reimbursement and a longer period to incur expense and receive reimbursement beginning in calendar year 2006.

Des Moines Police Bargaining Unit Association

The PBU has agreed to modify their current agreement as well as the establishment of a new three-year agreement expiring on June 30, 2009. The Union has agreed to accept the SPM health plan effective February 1, 2006. The Police Union employees will each receive a cash payment of \$400 before taxes in consideration of this early change in their insurance. Other changes include an increase in the clothing allowance from \$560 to \$600 per year; an increase from in the bilingual pay from \$200 to \$600 per year; an increase in the bomb squad pay of \$500 per year; the provision of on-call compensation at the rate of one hour of "C" time per each day an officer has the duty; establishment of a shift differential for officers that work shifts starting after 2:30 p.m. and before 6:30 a.m. of \$0.25 per hour; an increase in the longevity pay to parallel across the board pay increases including a special adjustment in the first year of the agreement to reflect the increase the union did not receive in the arbitration case in 2005; an increase in the deferred compensation match from 2% to 2.5% beginning July 1, 2007; an increase in their life insurance effective July 1, 2006 from \$15,000 to \$25,000; for a 29-month period beginning February 1, 2006 and ending July 1, 2008, PBU employees will be permitted (as provided in the fire labor agreement) to request reimbursement of up to \$3 per each generic drug script; the employees will receive a 3.25% wage increase each July 1 during the term of the agreement.

