

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date:	January 28, 2013
	Agenda Item No.	55
	Roll Call No.	<u>13-0166</u>
	Communication No.	<u>13-039</u>
	Submitted by:	James R. Wells, Human Resources Director

AGENDA HEADING:

Approval of collective bargaining agreement with American Federation of State, County and Municipal Employees (AFSCME) Council 61 and the City of Des Moines for the period of July 1, 2013 through June 30, 2016.

SYNOPSIS:

AFSCME Council 61 represents approximately 33 City employees doing work for the Des Moines Public Housing Authority. The labor agreement between AFSCME and the City of Des Moines expires June 30, 2013. Consistent with Iowa law the parties met and negotiated a successor agreement.

The term of this agreement is for three (3) years beginning July 1, 2013. The new contract includes language changes to clarify current practices and adjustments to employee wages and benefits. The wage and benefit changes are:

1. Employees will receive an across-the-board wage increase of 2.25% effective July 1, 2013; a 2% increase effective July 1, 2014; and a 2% increase effective July 1, 2015.
2. Deferred compensation match increase from 2% to 2.5%.
3. Health insurance premium contributions increase from current contribution rate of 2% for single coverage and 5% of the difference between the single and family premium for family coverage (which equates to 3% of the family premium) to: 4% of the single or family premium beginning July 1, 2013; 5% of the single or family premium beginning July 1, 2014 and 6% of the single or family premium beginning July 1, 2015.
4. New health plan design that doubles the deductible from \$250/\$500 to \$500/\$1,000; increases out-of-pocket maximum from \$750/\$1,500 to \$1,000/\$2,000; increases office co-pay from \$20 to \$25 and introduces a three-tier drug co-pay of \$5/generic, \$25 formulary, and \$25 non-formulary.
5. Wellness incentive plan that reduces employees' health premium contributions by 1% if they complete an annual bio-metric health assessment and follow-up health coaching if recommended.

FISCAL IMPACT:

Amount: The three year total cost of this agreement is estimated at \$150,000 or an average per year increase of 1.9%. The cost of the Wellness incentive is estimated at \$15,000 per year.

Funding Source: Employee wage and benefit costs are funded in the Housing Department budget. The cost for the Wellness bio-metric screening and health coaching will be paid from the employee wellness budget.

ADDITIONAL INFORMATION:

Both parties bargained in good faith to reach a voluntary settlement. AFSCME members have ratified the agreement. The City's bargaining team of James Wells (Human Resource Director), Carol Moser (Assistant City Attorney) and Scott Littell (Housing Services Accounting Manager) found that the AFSCME team took a positive and productive approach during negotiations.

PREVIOUS COUNCIL ACTION(S):

Date: December 20, 2010

Roll Call Number: [10-2117](#)

Action: [Collective](#) Bargaining Agreement with AFSCME, Council 61 and its affiliated Local 3673. ([Council Communication No. 10-762](#)). Moved by Coleman to adopt. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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