

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date:	March 8, 2013
	Agenda Item No.	42
	Roll Call No.	<u>13-0426</u>
	Communication No.	<u>13-123</u>
	Submitted by:	James R. Wells, Human Resources Director

AGENDA HEADING:

Approval of collective bargaining agreement with Des Moines Association of Professional Firefighters Local No. 4 (Local 4) and the City of Des Moines for the period July 1, 2013 through June 30, 2016.

SYNOPSIS:

Local 4 represents approximately 265 employees in the Fire Department. These employees provide fire suppression, emergency medical services and fire inspection. The labor agreement between Local 4 and the City of Des Moines expires June 30, 2013. Consistent with Iowa law the parties met and negotiated a successor agreement.

Bargaining goals included parity with settlement trends and other City bargaining units, higher premium contributions, and a wellness program. This voluntary agreement met these targets. For example, employee health premium contributions will increase and depending on the plan and coverage elected contributions will increase from \$0 to 9.5% of premium and in year three are beyond what any other bargaining unit will contribute in the final year of their agreement. A wellness program is included that incents employees to participate in a wellness program that includes a health risk assessment and health coaching, if recommended. Employees can also lower their premium contribution by selecting a lower cost health plan. These health insurance changes provide employees choices and financially invest them in their health care decisions. The increase in total compensation is similar to the four agreements settled last year and recent settlements trends. The direct cost of this agreement averages 1.67% per year with another .5% for wage and benefit for impact costs, such as City match on retirement plans and taxes.

FISCAL IMPACT:

Amount: The cost for the first year of the bargaining agreement is included in the adopted operating budget. Total salary and benefit cost will increase approximately \$700,000 in the first year (FY 2014) and is within budget. Estimated cost for the wellness incentive plan is \$50,000 per year and will be paid from the health and wellness fund.

Funding Source: Employee salary and benefit cost are paid from the Fire Department’s operating budget.

ADDITIONAL INFORMATION:

The term of this agreement is for three (3) years beginning July 1, 2013. The new contract includes language changes and adjustments to employee wages and benefits. The language items clarified

current practices, cleaned-up obsolete language, and removed a provision that complicated bargaining by linking wages to other cities.

Included in the wage and benefit changes are:

1. Split year across-the-board wage adjustment for each year of the agreement as follows: 1.5% on July 1, 2013; 1.25% on January 1, 2014; 2.0% on July 1, 2014; 1.5% on January 1, 2015; 1.5% on July 1, 2015; 1.0% on January 1, 2016; and an additional step added to each pay range of 1.0% on July 1, 2013, .50% on July 1, 2014 and .50% on July 1, 2015.
2. New health insurance plan option consisting of higher office visit co-pays, deductibles, out-of-pocket maximums, and three tier prescription drug plan.
3. Increase in employee health insurance premium contributions. Current monthly contributions for the most used health plan, Option 1, are \$0 for single coverage and \$17 for family coverage. Employees in the HMO option currently pay \$16.00 for either single or family coverage. Contributions for all plans will change to a percentage of premiums and in year three (3) the premium contributions for Options 1 and 2 will be 3% for single coverage and 6% for family coverage. Employees electing the HMO options will contribute 6% for single coverage and 9.5% for family coverage.
4. Wellness incentive plan that reduces employees' health premium contributions if they complete an annual bio-metric health assessment and follow-up health coaching, if recommended. Employees who are non-smokers enrolled in the Option 1 or HMO health plan can reduce their premiums by 1% and employees enrolled in the new Option 2 health plan can reduce their premiums by 2%. Ongoing health risk assessments provide an objective means to measure health improvement.
5. Tuition reimbursement increase from \$1,200 to \$2,400 per year.
6. Clothing allowance increase for Fire Investigators from \$400 to \$600 per year and increase in safety boot allowance for Fire mechanics from \$100 to \$200 per year.
7. Life Insurance change from \$10,000 to \$25,000 for employees with less than 5 years of service and 1 x annual salary for employees with 5 years or more of service.
8. Specialty Team pay adjustment for employees assigned to the Water Rescue Team or Technical Rescue Team in the amount of \$400 in fiscal year 2014, \$600 in 2015 and \$800 in 2016.
9. Change in longevity schedule by advancing tiers 2 through 6 by one year consistent with the other City employee groups.

Direct cost of negotiated wage and benefit items for the three year term of this agreement are:

Wages	\$1,800,000
Specialty Team Pay	\$ 70,000
Longevity	\$ \$97,000
Tuition Incr.	\$ 65,000
Clothing	\$ 2,300
Life Ins.	\$ 19,000
Health Insurance Changes	\$ (650,000)
Total	\$1,403,300

PREVIOUS COUNCIL ACTION(S):

Date: October 25, 2010

Roll Call Number: [10-1790](#)

Action: [Approving](#) two-year extension of Labor Agreement with Des Moines Association of Professional Fire Fighters, Local No. 4. Sponsor: Mayor Cownie. ([Council Communication No. 10-656](#)). Moved by Hensley to adopt. Motion Carried 7-0.

Date: November 20, 2006

Roll Call Number: [06-2329](#)

Action: [Extensions](#) of Collective Bargaining Agreements for Central Iowa Public Employee Council (CIPEC), Municipal Employees Association (MEA), Des Moines Association of Professional Firefighters, Local 4 (Fire), Des Moines Police Bargaining Unit Association (Police) and American Federation of State, County and Municipal Employees, Council Local 3673 (AFSCME). ([Council Communication No. 06-739](#)). Moved by Hensley to adopt. Motion Carried 6-0.

Date: February 7, 2005

Roll Call Number: 05-354

Action: Approve the new labor agreement between the City of Des Moines and the Des Moines Association of Professional Fire Fighters, Local No. 4 for the period July 1, 2005 through June 30, 2008 and authorize the Mayor to sign the new agreement on behalf of the City.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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