



TO: T.C. Broadnax, City Manager
FROM: Joy St. Germain, Director, Human Resources
Karen Short, Human Resources Senior Analyst
COPY: City Council and City Clerk
SUBJECT: Resolution authorizing execution of a collective bargaining agreement with the Tacoma Joint Labor Committee – November 22, 2016
DATE: November 14, 2016

SUMMARY:

A resolution authorizing execution of a collective bargaining agreement negotiated between the City of Tacoma and the Tacoma Joint Labor Committee, effective January 1, 2017 through December 31, 2018.

STRATEGIC POLICY PRIORITY:

The requested resolution aligns with the City Council’s Strategic Policy Priority to encourage and promote an open, effective, results-oriented organization by providing for employee health and welfare benefits as negotiated in good faith with the Tacoma Joint Labor Committee.

BACKGROUND:

This resolution will authorize the execution of a proposed two-year agreement with the Tacoma Joint Labor Committee, effective January 1, 2017 through December 31, 2018. The agreement is scheduled for consideration by the Public Utility Board as a Resolution on November 9, 2014.

The Unions which comprise the Tacoma Joint Labor Committee are: Professional & Technical Employees, Local 17; Tacoma Firefighters, Local 31; Teamsters Local Union No 117; Washington State Council of County and City Employees, Local 120; International Association of Machinists & Aerospace Workers, Local 160; Teamsters Local 313; and International Brotherhood of Electrical Workers, Local 483.

The proposed collective bargaining agreement provides for the continuation of employee benefits for the term of the two-year agreement. The City will continue to pay the full premium cost for dental and vision insurance for eligible full-time employees, and employee premium contributions toward medical insurance coverage remain unchanged. Beginning in 2017:

- Employees who wish to add a new domestic partner to City of Tacoma health and welfare plans must meet state requirements for a valid registered domestic partnership.
- Permanent employees who fail to timely enroll in medical coverage will be enrolled in the City’s default medical plan. Temporary employees who fail to timely enroll will be determined to have waived coverage.
- Employees and eligible dependents may not be insured on more than one City medical, dental or vision plan.
- Employees may opt out of City medical, dental and vision insurance plans with proof of other coverage.
- Sick Leave with pay will be provided to employees in a temporary status, at the same rate as regular City employees. Sick leave will be prorated for part-time employees.
- Temporary employees will still be eligible to participate in the Wellness Program, but will no longer be eligible to receive the Wellness Incentive credit.



- The City will amend its Family and Medical Leave Act (FMLA) policy to allow each parent of a newborn or newly adopted or placed foster child twelve (12) weeks of FMLA to care for the new child.
- The City will offer a choice of the Regence PPO plan, the Regence HDHP, and the Group Health HMO as options for medical coverage.
- Lowered Out-of-Pocket maximums of \$3,000 Individual/\$6,000 Family for employees enrolled in in the Regence high-deductible health plan (HDHP).
- The Group Health plan will no longer be offered to City of Tacoma retirees. The City will offer the Regence PPO and the Regence HDHP as options for continued medical coverage at the time of retirement.

ISSUE:

Authorize execution of the agreement to provide benefits for employees represented by the unions that comprise the Tacoma Joint Labor Committee. An agreement is needed to proceed with employee open enrollment processes, and plan design changes.

RECOMMENDATION:

It is recommended that the City Council take the necessary action to approve the execution of this agreement.

FISCAL IMPACT:

Fiscal impact information is provided by the Office of Management and Budget.

Due to lower than anticipated costs and changes to the City's health care plans included in the 2017-2018 collective bargaining agreement between the City of Tacoma and the Tacoma Joint Labor Committee, staff has budgeted \$132,733,326 in expenses for the Health Care Trust Fund in 2017-2018. The Health Care Trust Fund budget includes medical, vision, Employee Assistance Program (EAP), flexible spending, and wellness initiative funding. Additionally, the City is planning to spend \$11,646,051 in dental benefits through three dental providers.