



TO: T.C. Broadnax, City Manager
FROM: Karen Short, Senior Human Resources Analyst
Joy St. Germain, Human Resources Director
COPY: City Council and City Clerk
SUBJECT: Resolution authorizing execution of agreements with the Tacoma Joint Labor Committee and Tacoma Police Union, Local 6, I.U.P.A. – December 17, 2013
DATE: December 11, 2013

SUMMARY:

A resolution authorizing execution of an agreement negotiated between the City of Tacoma and the Tacoma Joint Labor Committee, and a corresponding Memorandum of Agreement with the Tacoma Police Union, Local 6, I.U.P.A.

BACKGROUND:

This resolution will allow for the execution of the proposed one-year agreement with the Tacoma Joint Labor Committee, effective January 1, 2014 through December 31, 2014, and a corresponding Memorandum of Agreement with the Tacoma Police Union, Local 6, I.U.P.A.

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 agreements include provisions for an increased commitment to enhancing the employee wellness program, and changes to medical insurance plans for out of pocket maximums, emergency room copays, and prescription copays. The City and employees will take a one-month rate holiday in January 2014 during which neither the City nor employees will be responsible for paying additional money into the City's Health Care Trust, and based on year-end 2013 reserves, may take an additional rate holiday in December 2014.

The agreement with the Tacoma Joint Labor Committee will be implemented in the successor collective bargaining agreement effective January 1, 2014 through December 31, 2014, and negotiations will continue during said term with a goal of reaching an agreement on a comprehensive successor CBA before the end of 2014.

ISSUE:

Authorize execution of the agreements that provide for benefits for employees represented by the unions that comprise the Tacoma Joint Labor Committee, and Tacoma Police Union, Local 6, I.U.P.A. Agreements are needed to proceed with employee open enrollment processes, and medical care plan design changes.



RECOMMENDATION:

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

FISCAL IMPACT:

Due to lower than anticipated medical costs and changes to the City's health care plans included in the 2014 tentative agreement with the Joint Labor Committee, staff estimates that the City will save approximately \$4.3 million in the 2013/2014 Budget across all funds, including \$1.2 million in General Fund savings. Much of the estimated \$1.2 million in General Fund medical savings was taken into account in the 2013/2014 Mid-Biennial Adjustment for the General Fund.

During the health care holiday, the City and employees will not contribute additional funding to the Health Care Trust Fund. The Health Care Trust Fund will spend down the reserves to cover monthly health care expenses. Each one-month holiday will result in approximately \$4.6 million in employer savings (based on actual employer contributions), including \$1.4 million in General Fund savings, and an additional \$0.2 million in employee savings.