



TO: Elizabeth Pauli, City Manager
FROM: Dylan Carlson, Division Manager, Labor Relations
Karen Short, Human Resources Consultant, Senior
Shelby Fritz, Director, Human Resources
Kari Louie, Assistant Director, Human Resources
COPY: City Council and City Clerk
SUBJECT: Resolution – Authorize execution of a Letter of Agreement with the District Lodge #160 on behalf of Local Lodge #282 of the International Association of Machinists and Aerospace Workers, Supervisors’ Unit – March 7, 2023
DATE: February 16, 2023

SUMMARY AND PURPOSE:

A resolution authorizing the execution of a Letter of Agreement with the District Lodge #160 on behalf of Local Lodge #282 of the International Association of Machinists and Aerospace Workers, Supervisors’ Unit regarding deposits to a Voluntary Employee Beneficiary Association (VEBA) account for employees.

BACKGROUND:

The resolution will authorize the execution of a Letter of Agreement with the District Lodge #160 on behalf of Local Lodge #282 of the International Association of Machinists and Aerospace Workers, Supervisors’ Unit. The collective bargaining agreement was adopted by Resolution 40495, on December 3, 2019.

The letter provides for the addition of a new Article 19 – Health Reimbursement Arrangement (HRA) to be added to the Collective Bargaining Agreement. All bargaining unit employees shall participate in the HRA VEBA program as described in the agreement. The language provides that employees will receive a deposit of unused and accrued leave (sick leave, vacation leave, and PTO) to a VEBA account upon the employee’s retirement or death. It also provides for an employee contribution to VEBA of \$50 per pay period. Deposits and contributions to VEBA may be adjusted by the Union no more than once per year, with at least 30 days’ written notice to the Human Resources Director of any change in amount.

In addition, it provides that bargaining unit employees will no longer be eligible for the annual voluntary PTO cash out per TMC Section 1.12.248. Annually, in the second pay period of May of each year, beginning in 2023, each employee with more than 650 hours of PTO accrued will be required to have the full amount over 650 hours deposited into the employee’s VEBA account. The cash value of the PTO shall be based on the rate for the classification in which the employee holds permanent appointment.

COMMUNITY ENGAGEMENT/ CUSTOMER RESEARCH:

The agreement has been reached with the District Lodge #160 on behalf of Local Lodge #282 of the International Association of Machinists and Aerospace Workers, Supervisors’ Unit, and was bargained in good faith.

2025 STRATEGIC PRIORITIES:

Economy/Workforce: Moderate Opportunity

Explain how your legislation will affect the selected indicator(s).

This legislation supports the responsible and sustainable management of City funds.



ALTERNATIVES:

Presumably, your recommendation is not the only potential course of action; please discuss other alternatives or actions that City Council or staff could take. Please use table below.

Alternative(s)	Positive Impact(s)	Negative Impact(s)
Do not approve execution of the Letter of Agreement	N/A	unknown

EVALUATION AND FOLLOW UP:

STAFF/SPONSOR RECOMMENDATION:

Authorization from the City Council by resolution is required to execute the Letter of Agreement with the District Lodge #160 on behalf of Local Lodge #282 of the International Association of Machinists and Aerospace Workers, Supervisors' Unit.

FISCAL IMPACT:

There will be minimal administrative costs associated with implementation of this agreement. Department Directors are responsible for adhering to their overall levels of appropriation.

What Funding is being used to support the expense?

Are the expenditures and revenues planned and budgeted in this biennium's current budget?

Yes

Are there financial costs or other impacts of not implementing the legislation?

No

Will the legislation have an ongoing/recurring fiscal impact?

Yes

Will the legislation change the City's FTE/personnel counts?

No

ATTACHMENTS:

Letter of Agreement