RESOLUTION APPROVING A COLLECTIVE BARGAINING AGREEMENT WITH CSEA, LOCAL 2001, SEIU, GOUNDS MAINTENANCE UNIT FOR THE PERIOD JULY 1, 2013 THROUGH JUNE 30, 2017

WHEREAS, a tentative agreement has been reached with CSEA, Local 2001, SEIU, which represents members of the Grounds Maintenance Unit; and

WHEREAS, this agreement contains articles that are in conflict with various ordinances, rules, and regulations of the Town of West Hartford or require funding to implement the agreement;

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF WEST HARTFORD that the tentative agreement with CSEA, Local 2001, SEIU, Grounds Maintenance Unit is approved and the Town Manager is directed to execute and implement such agreement.

VAN WINKLE
11/10/15

FISCAL IMPACT STATEMENT

Subject: **Proposed Agreement with CSEA, Local 2001, SEIU Grounds Maintenance Unit**

Background:

A tentative agreement was reached with the Grounds Maintenance bargaining unit relating to wages, hours, and conditions of employment. It has been ratified by the bargaining unit and is submitted to the Town Council for consideration and decision to either approve or reject such agreement.

Issues:

The tentative agreement contains the following changes to the existing collective bargaining agreement with the Professional & Management bargaining unit:

1. **Article IX, Section 1 – Wages**.

   Pay ranges will increase by the following percentages:

July 1, 2013	2.00%
July 1, 2014	2.00%
July 1, 2015	2.25%
July 1, 2016	2.25%

   The cost of this proposal in the 2013-2014 fiscal year is $23,943 or 2% of this unit's payroll plus additional payments, by the Town, of $1,556 in Social Security contributions and $347 in Medicare tax.

   The cost of this proposal in the 2014-2015 fiscal year is $24,460, or 2% of this unit's payroll plus additional payments, by the Town, of $1,590 in Social Security contributions and $355 in Medicare tax.

   The cost of this proposal in the 2015-2016 fiscal year is $28,111 or 2.25% of this unit's payroll plus additional payments, by the Town, of $1,827 in Social Security contributions and $408 in Medicare tax.

   The cost of this proposal in the 2016-2017 fiscal year is $28,794, or 2.25% of this unit's payroll plus additional payments, by the Town, of $1,872 in Social Security contributions and $418 in Medicare tax.

2. **Article VIII, Section 11 – Insurance and Pension** – Employee Contribution to the Pension Plan

   This proposal increases employee contributions toward their pension benefit. Effective and retroactive to July 1, 2014, an employee contribution shall increase an additional .5% to 3.5% of gross compensation; 4.0% effective and retroactive to July 1, 2015; 4.5% effective July 1, 2016; and 5.0% effective June 30, 2017. The proposal also provides that the employee contribution in effect on June 30, 2017 shall extend into the next contract period. Additionally, the proposal provides that an employee hired after the date of ratification shall continue their contribution to the pension fund through the entire term of employment without reduction, regardless of years of service.

   The projected additional employee contribution in the 2014-15 fiscal year is $6,247.
   The projected additional employee contribution in the 2015-16 fiscal year is $6,399.
   The projected additional employee contribution in the 2016-17 fiscal year is $6,554.

3. **Article VIII, Section 11 – Insurance and Pension** – New Pension Plan Part E

   This proposal provides that employees hired on or after the date of ratification will become members of the Town of West Hartford Pension Plan, Part E. Part E is a "hybrid" plan composed of a defined benefit and defined contribution component. Part E members will contribute 3% of their base wages to the Plan. The defined benefit shall be calculated as 1% per year of credited service times the employee's final rate of compensation up to a maximum of 35 years. Additionally, the Town shall contribute an amount equal to 2.25% of the employee's base wage to an IRS 401(a) Plan. The Employee shall also allocate 2.25% of his/her base wage to the Plan. All other eligibility criteria remain unchanged.

   The overall impact of this provision will be a 50% reduction in future pension plan liabilities.

4. **Article VIII, Section 11 – Insurance and Pension** – Treatment of Pre-86 Service for Social Security Offset

   This proposal allows for an adjustment of credited service for members with years of service prior to January 1, 1986 who are subject to a social security benefit offset. For members with service prior to January 1, 1986 who have total Town service exceeding 30 years, the years of service subject to the offset will be adjusted by the amount of service worked beyond the maximum of 30 years.

   The cost of this proposal is very limited due to the number of impacted employees remaining in this unit, the pre-1986 wages paid to the employee and the maximum retirement allowance provided under the Pension Plan.

5. **Article VIII, Section 11 – Insurance and Pension** – Deferred Compensation

This proposal increases the Town's match to an employee's deferred compensation program by .75% effective January 1, 2016 not to exceed 1.95% of an employee's annual base pay.

The actual cost impact of this proposal is dependent upon employee participation in the savings plan.

6. **Article VIII, Section 1 – Insurance and Pension** – High Deductible Health Plan

This proposal modifies the Town's health insurance coverage offered to employees by providing an additional option besides the traditional Preferred Provider Organization (PPO) plan. All active and future eligible employees will be allowed to participate in a High Deductible Health Plan (HDHP) with Health Savings Account (HSA) health plan effective January 1, 2016. The Town will set up and maintain the HDHP and HSA program.

The Town shall fund 50% of the annual deductible for participants in the HDHP option.

The initial cost impact of this proposal is difficult to estimate due to the fact that the HDHP will be offered as an option. The cost differential between the HDHP and the PPO is approximately 18%.

7. **Article VIII, Section 11 – Insurance and Pension-** Pension Cola Refund

This provision provides for a refund of employee contributions for a Pension Cola benefit. Additionally, employees will have no rights now or in the future to a Cola Adjustment to their pension benefit.

There is no cost impact to this proposal. The original design of this benefit was cost neutral. Therefore, the reimbursement of the funds will be offset by a reduction in future liabilities.

8. **Article VIII, Section 11 – Insurance and Pension-** Pension Purchase of Previous Service

This provision provides for a refund of employee contributions towards previous eligible Municipal or Government service.

There is no cost impact to this proposal. The original design of this benefit was cost neutral. Therefore, the reimbursement of the funds will be offset by a reduction in future liabilities.

9. **Article IX, Section 1 – Wages - Stipend for** - CDL Class A License

This provision provides for a stipend of $1.50 per hour for any employee that obtains and maintains a (Commercial Driver's License) CDL Class A Motor Vehicle License.

The cost of this provision is approximately $7500 based on current staffing. However, the provision allows greater flexibility in utilizing larger equipment at and around worksites.

10. **Article X, Hours of Work and Overtime, Section 7**- Meal Money

This provision provides for a deposit of $300 into the employee's deferred compensation plan in lieu of a check for $300 paid to the employee on July 1, of each fiscal year.

There is no cost impact to this proposal.

11. **Article VIII, Section 1 – Insurance and Pension** – Employee Contribution to Health Insurance Plan

This provision addresses the premium cost share employees contribute toward the cost of health insurance coverage. This proposal increases employee contribution to 17% of the fully insured rate for the Town's PPO plan or 16% of the fully insured rate for members who elect to participate in the High Deductible Health Plan, not to exceed three percent (3%) of the employee's annual earnings calculated from base pay.

The cost impact of this proposal is an additional 13% increase in employee contributions and a corresponding 13% decrease in the Town's contributions towards the cost of health care.

12. **Article VIII, Section 2 – Insurance and Pension** – Increase in Prescription Co-Payments

This proposal modifies the prescription drug program by increasing generic co-pays to $10 and instituting a formulary with co-pays of $25 for brand preferred and $40 for brand non-preferred drugs. The mail order co-pays shall be $20 for generic drugs, $50 for brand preferred and $80 for brand non-preferred drugs.

The cost impact of this proposal is reduction of approximately 12% in prescription drug expenses for the Town.

13. **Article VIII, Section 1 – Insurance and Pension** – PPO Health Plan Design Changes

This proposal modifies provisions of the Town's Preferred Provider Organization (PPO) health plan, effective upon ratification, by increasing the in-network co-pay for office visits to $20 per visit; increases the in-network emergency room deductible, if not admitted to $125 per visit; and establishes a $100 co-pay for in-network, in-patient hospital admission.

The cost impact of this proposal is a reduction of approximately 5% in health care expenses for the Town.

14. **Article VIII, Section 3 – Insurance and Pension** – Retiree Health and Prescription Drug Plan

This proposal applies to employees hired on or after the date of ratification, who retire with a normal, unreduced pension benefit with eligibility at age 65 with 15 years of service or age 62 with 35 years of service. Employees shall be required to pay 50% of the fully insured rate for the individual or dependent coverage elected. The health program shall be the same as current active members until the retiree reaches Medicare eligibility. The proposal also provides the employee will continue to make a health plan contribution to the Town for as long as the retiree is receiving health benefits through the Town's insurance plans, including the Medicare Supplement Plan.

The overall impact will be a 50% reduction in future retiree health care liabilities.

15. **Article VIII, Section 3 – Insurance and Pension** – Retiree Health and Prescription Drug Plan

This proposal permits employees who are otherwise eligible to receive retiree health care benefits immediately upon separation from Town service and elect to opt-out of coverage, to elect coverage in the future, as if they had elected coverage at the time of retirement.

This provision avoids potential costs to the Town's health plan.

16. **Article VIII – Section 6 Insurance and Pension** – Life Insurance

This proposal modifies the life insurance benefit for active employees from $50,000 to the greater of one times the employee's base annual salary or $60,000.

The cost impact of this proposal is an increase of $450 in life insurance premiums.

17. **Article V – Holidays** –

This proposal converts the Lincoln's Birthday holiday to a floating holiday and renames Washington's Birthday to President's Day. Employees shall be permitted to take the floating holiday with pay during the fiscal year at a time mutually agreed to between the employee and their supervisor.

There is no cost impact to this proposal, but increases productivity by offering Town services one additional day.

18. **Article VII – Sick Leave** – Treatment Upon Separation

This proposal eliminates payment of sick leave accrual for employees hired after the date of ratification who retire from Town service.

The cost impact of this proposal is to reduce the pay-out of accrued sick leave for employees who retire under the Pension Plan immediately upon separation from service. This proposal eliminates sick leave payout. Specific cost impact cannot be determined because employees have not yet been hired and payouts would not occur until their retirement and would be based upon wages paid at that time.

19. **Article XIII – Section 8 Seniority and Layoffs –** Contracting out Provisions

This proposal continues the provision prohibiting contracting out of services provided by this unit, when there is resultant loss of wages or hours to this unit.

There is no fiscal impact associated with this provision.

20. **Article IV – Grievance Procedure**

This proposal separates Section 1 of this Article in the existing contract into a separate Article titled "Disciplinary Action". All other sections of the existing Article IV remains the same and the contract once ratified by all parties will be renumbered.

There is no fiscal impact associated with this provision.

21. **MOU – Family and Medical Leave Act, as Amended**

The proposal incorporates updated provisions of the Family and Medical Leave Act into the contract relating to Military Caregiver and Family Member with Serious Injury or Illness Incurred in the Line of Duty.

There is no fiscal impact associated with this provision.

22. **Article XIV – Duration**

Dates for the duration of the bargaining unit agreement are proposed to be changed to July 1, 2013 through June 30, 2017.

There is no cost impact to this provision.