

Reply to Common Council File No.000991

From DOA-Budget and Management Division

November 15, 2001

Ref: 01003

Common Council File 000991 contains a resolution to ratify and confirm the final labor agreement between the City and Local #75, Journeymen Plumbers' and Gas Fitters' Union, AFL-CIO. The agreement covers wages, hours and conditions of employment for the period of January 1, 2001 through December 31, 2002. Local #75 represents 11 city employees.


This agreement provides annual salary increases of 2.5% for 2001 and 3.0% for 2002. **The estimated cost of these increases is \$13,847 in 2001 and \$30,880 in 2002 (includes salary increases, overtime and rollups).** The cumulative cost over the two-year life of the contract is \$44,727. Funds for these costs are provided in the Wages Supplement Fund.

Pension, Life Insurance and FICA costs related to the salary increases are estimated at \$6,370 over the life of the contract. Although the cost increase related to pension benefits is attributed to the year in which salary costs and benefits are changed, the actual cost depends on the actuarial assumptions and pension fund earnings.

Other contract changes include: An increase in the Major Medical lifetime maximum for employees enrolled in the Basic Plan from \$250,000 to \$500,000, a continuation of the Sick Leave Control Incentive Program through 2002, and a revision of years needed for additional vacation. **The net effect of these changes is anticipated to be \$4,919 over the life of the contract.**

Any ordinance changes necessary for the implementation of this contract will be discussed in separate Common Council File(s).

RECOMMENDATION: ADOPT THE RESOLUTION INCLUDED IN THIS FILE APPROVING A 2001-2002 LABOR AGREEMENT WITH LOCAL #75, AFL-CIO.


Sandra J. Rotar
Budget and Management Team Leader