

Reply to Common Council File No.000988

From DOA-Budget and Management Division

June 14, 2002

Ref: 00003

Common Council File 000988 contains a resolution to ratify and confirm the final labor agreement between the City and the International Association of Machinists and Aerospace Workers, District No. 10, AFL-CIO (IAMAW). The agreement covers wages, hours and conditions of employment for the period of January 1, 2001 through December 31, 2002. The IAMAW represents 21 city employees.

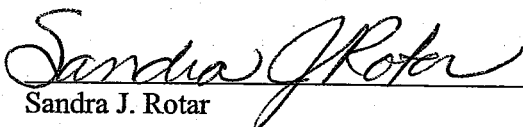
This agreement provides annual salary increases of 2.5% for 2001 and 3.0% for 2002. **The estimated cost of these increases is \$20,935 in 2001 and \$46,685 in 2002 (includes salary increases, overtime and rollups).** The cumulative cost over the two-year life of the contract is \$67,620. Funds for these costs are provided in the Wages Supplement Fund.

**Pension, Life Insurance and FICA costs related to the salary increases are estimated at \$9,324 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 contribution of employees enrolled in the Basic Plan to \$50 per month for single enrollment and \$100 per month for family enrollment (from \$40 and \$80) starting January 2002, an increase in the Major Medical lifetime maximum for employees enrolled in the Basic Plan from \$250,000 to \$500,000, an increase in shift, weekend and holiday differential by five cents per shift, an increase of \$10 for safety shoe allowance (\$105 to \$115), an increase of \$50 in tuition and textbook reimbursement to \$700 annually, an increase of \$0.15 cents per hour for the attainment of certain certifications in the classification of Fire Equipment Mechanic and a revision of years needed for additional vacation. **The net effect of these changes is anticipated to be \$14,765 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 APPROVING A 2001-2002 LABOR AGREEMENT WITH THE INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE WORKERS, DISTRICT NO. 10, AFL-CIO.**

  
Sandra J. Rotar  
Budget and Management Team Leader

Finance:000988sr.doc