



Date: February 22, 2006
To: John Szerlag, City Manager
From: Peggy E. Clifton, Human Resources Director
Re: **Agenda Item** – Contract Ratification – American Federation of State, County and Municipal Employees (AFSCME) and City of Troy

RECOMMENDATION

City management supports and recommends approval of the tentative agreement for a three-year collective bargaining agreement between the City of Troy and AFSCME (hourly employees).

BACKGROUND

On February 10, 2006, the City and AFSCME bargaining committees reached a tentative agreement for a three-year collective bargaining agreement. This agreement would replace the contract that expires June 30, 2006. The AFSCME membership plans to conduct a ratification meeting within the next two weeks.

This agreement is the 10th collective bargaining agreement to be achieved using the Interest-Based Bargaining method in which both sides discuss possible solutions to “issues” rather than holding to “positions” or “demands”.

This tentative agreement provides a mutually satisfactory solution to the issues raised by both parties in negotiations, continues to bring more consistency in benefits among employee groups, and includes cost-saving measures, consistent with our stated goals. We have succeeded in agreeing on a significant cost savings measure in retiree medical insurance, and a reasonable wage increase that is competitive both internally and externally. A summary of the tentative agreement is attached for your review.

PEC/bjm

Attachment

TENTATIVE AGREEMENT SUMMARY
City of Troy and AFSCME
2006-2009 Collective Bargaining Agreement

ISSUE

SOLUTION

Wages

3% per year, 3 year contract

Retiree Medical Insur.

- a. For employees hired after 7/1/06, retiree health insurance replaced with a Retirement Health Savings (RHS) plan; contribution rates: employer - 4%, employee - 2%
- b. Clarified eligibility for retiree health insurance and definition of "two person coverage"

Hospitalization/Medical Insur.

- a. Eliminated dual coverage for employees who are married to each other; that employee not eligible for cash-in-lieu payment (with the exception of current employees receiving the cash-in-lieu payment)
- b. Employee portion of cost for family continuation to be deducted bi-weekly instead of monthly

Overtime

Agreement that City will attempt to post overtime on a daily basis will continue until the automated system is operational