

December 12, 2019

TO: Mayor Julie Moore Wolfe & Decatur City Council Members

FROM: Scot Wrighton, City Manager

RE: AFSCME Contract Extension

Presented for consideration is a new collective bargaining agreement with the local Council 31 unit of the American Federation of State County & Municipal Employees (AFSCME). The existing agreement expires on December 31, 2020. The new (proposed) agreement will expire on December 31, 2022. This AFSCME labor union chapter represents non-management, non-sworn public safety positions and non-exempt employees in the Public Works Department, Finance Department, Community Development Department and the Police Department.

Benefits (other than medical) in the existing contract pertaining to calendar year 2020 are left in place without revision. In each of the following two years, covered members' salaries will increase by 2.25%. In addition, most of the contract's provisions concerning group medical benefits are re-written. All other provisions of the existing AFSCME collective bargaining agreement remain unchanged through 2022. For several months, the city has been trying to make changes in the structure of its group employee medical plan so that there is more commonality and consistency between different employee groups. If all employees are covered by the same plan with commonality of benefits, it makes it easier and less costly for the city to administer, and it enables the city to get better rates on third party administrator and excess insurance fees. The city's group employee health insurance program costs nearly \$10 million annually; so we must keep finding ways to offer these important benefits to our employees more efficiently.

The city asked all of its employee groups to help us achieve this commonality of benefit structure—as it is a matter subject to collective bargaining. The police and fire unions refused our requests, electing instead to negotiate any medical changes only as part of a larger revision to their entire collective bargaining contracts. However, AFSCME agreed to the city's request and, in the process, worked with management to extend their contract for two additional years without any other contract revisions, except base salary changes.

It is recommended that the resolution and new contract be approved.