

RESOLUTION NO. 1366

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DES MOINES, WASHINGTON, regarding salaries, wages and benefits for non-represented employees for the period January 1, 2017, through December 31, 2019.

WHEREAS, this Resolution pertains to all regular employees, excluding those who are represented by labor organizations, specifically, Teamsters Local 763, Des Moines Police Guild, and Des Moines Police Management Association, and

WHEREAS, the City's non-represented employees fall into three groups: General Employees, those who are eligible for overtime compensation under the Fair Labor Standards Act (FLSA); Exempt Employees, those who are exempt under the FLSA; and the remaining exempt employees known as Directors, which for purposes of this Resolution includes all department heads, the Assistant Chief of Police, the Chief Operations Officer, and the City Manager, and

WHEREAS, in December 2016, the General Employees and Exempt Employees entered into memorandums of understanding with the City formally acknowledging that they are not collective bargaining organizations, preferring to seek mutual understanding for employees and city management in an informal, collaborative process to discuss issues of concern in the workforce without being bound by the constraints of chapter 41.56 RCW, and

WHEREAS, the parties further agreed that the City will treat non-represented employees equitably in relation to those represented by labor unions in accordance with DMMC 2.12.10, with the exception of the constraints of bargaining units with binding arbitration which necessitates a different outcome for certain uniformed groups of employees, and

WHEREAS, the City Council recently approved a Collective Bargaining Agreement with Teamsters Local Union Number 763 for the period January 1, 2017, through December 31, 2019, and

WHEREAS, the Association of Washington Cities is eliminating its highest cost medical plans, the HealthFirst and Kaiser Permanente \$10 Copay plans, effective January 1, 2018; while the Teamsters agreed to replace those plan choices with the HealthFirst 250 and Kaiser Permanente \$200 Deductible plans

effective August 1, 2017, the Non-represented employees will do likewise effective January 1, 2018, and

WHEREAS, the City Council has determined that it is in the best interest of the citizens of Des Moines for the City to provide wage increases and benefit adjustments to non-represented employees consistent with the Teamsters Agreement; now, therefore,

THE CITY COUNCIL OF THE CITY OF DES MOINES RESOLVES AS FOLLOWS:

Sec. 1. The City hereby provides the following for its regular non-represented employees effective January 1, 2017, and remaining in effect as follows until December 31, 2019. All provisions of past resolutions, agreements or memorandums of understanding between the City and the General Employees and the Exempt Employees not modified by this Resolution remain in full force and effect. All personnel rules and regulations as may be promulgated according to DMMC 2.12.10 shall govern unless expressly contrary to this Resolution.

Sec. 2. Salaries and wages. Salaries and wages shall be increased as follows, maintaining the established differentials between pay steps and ranges:

(1) 1.36% increase effective January 1, 2017, providing a 0.36% retroactive pay increase in addition to the 1.0% increase already implemented per Resolution No. 1355; such retroactive pay increase shall apply to current employees on the payroll as of the date of Council approval of this Resolution;

(2) 1.9% increase effective January 1, 2018; and

(3) 1.9% increase effective January 1, 2019.

Sec. 3. Medical plan options. Effective January 1, 2018, the City shall pay medical premiums and make Health Reimbursement Arrangement (HRA) contributions for eligible employees with the following options:

(1) The City will pay 90% of eligible employee's premium and 80% of the spouse and dependents' premiums for the HealthFirst 250 and the Kaiser Permanente \$200 Deductible health insurance plans. For employees enrolling in these plans, the City

will make the following annual contributions to the employee's HRA VEBA: \$580 for employee only coverage; or \$1,130 for any family coverage. For new hire employees, HRA VEBA funding will be prorated based on the number of months covered for the remainder of the calendar year.

(2) The City will pay 100% of eligible employee's premium and 90% of the spouse and dependents' premiums for the Regence High Deductible Health Plan (HDHP) and the Kaiser Permanente HDHP; for employees enrolling in these plans, the City will provide a notional Health Reimbursement Arrangement (HRA) of \$1,500 for employee only coverage, or \$3,000 for any family coverage. The City will fund the notional HRA by preloading a benefits debit card for each employee on an annual basis. Once the deductible has been met, and the employee has also paid coinsurance costs \$1,500 above and beyond the deductible for employee only coverage, or \$3,000 above and beyond the deductible for any family coverage, the City will pay any further coinsurance costs which apply to the employee's annual out-of-pocket limit. Any unused balance in the notional HRA will be rolled into the employee's HRA VEBA account in April of the following year. For new hire employees, notional HRA funding will be prorated based on the number of months covered for the remainder of the calendar year.

(3) If an employee opts out of the City's medical plans entirely, the employee will receive their choice of cash or Section 457 deferred compensation payments in lieu of the medical benefits. Such payment will be equal to twenty-five percent (25%) of the City's savings, based on the maximum medical plan premiums available plus the HRA contributions the City would have paid for the employee and any spouse and/or dependents who are eligible for City medical coverage. To be eligible for such payments, the employee must provide proof of comprehensive group coverage under another medical insurance plan through an employer or other entity that covers all individuals in a group. Individual medical insurance purchased on an individual or family basis does not qualify under this plan. The City reserves the right to suspend or discontinue such payment in lieu of City medical coverage for future years. Employees will be notified during the open enrollment period if this option is suspended or discontinued.

Sec. 4. Sick leave cash out to HRA VEBA upon separation. Upon the separation from service of an employee in good standing with at least 10 years of service with the City of

Des Moines, or upon the death of any employee regardless of years of service, the City will cash out 25% of the employee's sick leave balance or 200 hours, whichever is less. For employees with at least 20 years of service, the City will cash out 400 hours or 50% of the employee's sick leave balance, whichever is less. Employees who are discharged or resign in lieu of discharge are not eligible for this cash out benefit. As a tax savings to the employee, the City shall pay any sick leave cash out provided under this Section by contributing the entire cash-out value of all unused sick leave hours accrued and available to the employee's HRA VEBA account.

Sec. 5. Vacation. Each regular full-time employee shall accrue vacation leave at the following rates:

<u>Earned</u>	<u>Years of Employment</u>	<u>Vacation Hours</u>
	0 - 3 years	8 hours per month
	4 - 6 years	10 hours per month
	7 - 10 years	12 hours per month
	11 - 15 years	14 hours per month
	16+ years	16 hours per month

(1) **Vacation carry over reduction.** The maximum vacation hours that can be carried over from one calendar year to the next, which had ranged between 255 to 315 hours based on years of employment, will be reduced to 240 hours for all employees. To allow time to implement this change, all employees who are in excess of 240 hours shall make a good faith effort to reduce their vacation bank down to the new maximum of 240 hours by December 31, 2019.

(2) **Vacation carry over maximum.** Employees are encouraged to use vacation in the year it is earned. The maximum vacation hours that any employee can carry over from one calendar year to the next is 240 hours. However, where City operations make it impractical for an employee to use his/her vacation time, the City Manager may authorize the employee to carry over more hours, provided that the employee submits a request to carry over the additional hours that explains why he/she could not use all the hours over the maximum carry over amount in that year and details a plan to make sure he/she will not carry over more than the maximum the following year. This request must be endorsed by the department director.

Sec. 6. Conflicts. Where a conflict exists between the terms of this Resolution and the Des Moines Personnel Manual, this Resolution shall control.

Sec. 7. Ratification and confirmation. Any acts consistent with the authority and prior to the effective date of this Resolution are hereby ratified and confirmed.

ADOPTED BY the City Council of the City of Des Moines, Washington this 24th day of August, 2017, and signed in authentication thereof this 24th day of August, 2017.



M A Y O R

APPROVED AS TO FORM:



City Attorney

ATTEST:



City Clerk