



TO: Board of Selectmen

FROM: Kathleen Buch, Town Administrator  
Laurie G. Dunn, Director of Human Resources  
Jennifer Charneski, Finance Director

DATE: February 2, 2018

SUBJECT: Public Works Employees' Union Contract Settlement

The Town's bargaining team reached an agreement on a successor contract with the Darien Public Works Employee's Union for the contract that expired on June 30, 2017. Following negotiations that started last March and concluded with a mediation session on January 10, 2018, the parties settled on a three (3) year contract covering the July 1, 2017 to June 30, 2020 period. This unit represents 32 employees in the Public Works and Parks & Recreation Departments. The average annual increase in cost of this contract is less than 1/100<sup>th</sup> of a mill per year. This assumes status quo in staffing and premiums.

The major economic items are as follows:

**Wages:**

- 7/01/17 – 2.25%
- 7/01/18 – 2.25%
- 7/01/19 – 2.00%

The general wage increases are less than the average negotiated and arbitrated settlements in the State. Over fifty percent of the members of this bargaining unit are at the top step as of 07/01/17. As such, they will only receive the general wage increase for the life of this contract. By the end of the contract, nearly 2/3 of the members will be at top step. When considering those members still receive step, and assuming there are no changes in personnel over the period of the contract, the average cost increase over the period of the contract is 3%. Should there be retirements during the period of this contract; the overall cost of the contract would be reduced.

### **Medical changes effective 7/01/18:**

- Current medical plan *plus* MAC B\* pharmacy with the following increases in employees' premium cost share:
  - 7/01/18 – increase (from 6%) to 8%
  - 7/01/19 – increase to 8.5%
  - 6/30/20 – increase to 9.5%

\* MAC B – The Employee is responsible for the lowest copay, plus the cost difference between the brand and generic if the brand is dispensed when requested by the employee. If brand is dispensed because the physician wrote “dispense as written, no substitutes” then the Employee only pays the brand copay.

- Costs savings in FY 19 are estimated at \$11,720 and an additional \$2,678 in FY 20 and a further \$5,356 in FY21. These savings are based on the current premiums and make no assumptions for rate increases. The increase on the last day of the contract ensures that a premium increase is already in place while negotiating the next contract.
- The Town shall provide an optional *buy-up* dental plan that includes tooth implant and adult orthodontia and the Town shall not pay more than the cost of the existing basic dental plan.
- The Town shall make available a group vision plan and the Town shall pay 50% of the premium cost. The estimated cost to the Town, if all members took advantage of the plan, is \$3,000 in FY 19.

### **Language Changes - Favorable to the Town**

- Biweekly Payroll - Transition from weekly to biweekly payroll following contract ratification, mandatory direct deposit, and move to a Friday pay date if the Darien Police Association agrees to the same (UPSEU has already agreed they would do so). The savings from switching to the biweekly payroll will be shared with Public Works Employees' Union members in the first year with each member receiving a one-time lump sum bonus of \$750. The savings to the Town are estimated at \$24,647 per year. This does reflect the fact that the Finance Department staff will now be able to take on additional work as a result.
- Check Off Dues – Align dues with new biweekly pay schedule.
- Sick Leave – For new employees hired on and after July 1, 2017, move from 10 years of service to 15 years of service before accruing at a higher rate and the rate decreases from 1.5 (18 days per year) to 1.25 (15 days per year) days of sick leave per month.
- Probationary Period – Increase the probation period from four (4) months to six (6) months.
- Vacancies – Reduce the internal posting period from seven (7) to five (5) calendar days. To be given consideration as an internal *employee applicant*, a complete application must be submitted by the employee within the first ten (10) calendar days of the position being posted internally.

### **Language Changes - Favorable to the Union**

- **Tool Allowance** – Small increase from \$300 to \$400 to the tool allowance for the Equipment Mechanic and Equipment Mechanic II position. Addition of the following two positions to the tool allowance list: Facilities Maintenance Mechanic - \$400; Building Maintainer - \$150. The estimated increase in cost of this provision is \$900.
- **Bereavement Leave** – Change to the same language as the Darien Town Hall Employees' Union language on bereavement leave. Increase from up to three (3) to up to five (5) workdays granted to an employee who has a death in the immediate family.
- **Union Leave** – Annually provide up to twenty (20) hours of leave collectively for union officers to conduct union business. Requires that such leave must be recorded on the union officer's timesheet. Previously, there was a Memorandum of Understanding granting eighty (80) hours of union leave. The estimated savings to the Town based on the reduction in total leave hours available is \$2,064.

### **Summary**

The proposed contract settlement is a fair outcome and makes strides in curbing the Town's health care costs by increasing the premium cost share for employees, while also advancing administrative efficiencies.

cc: Board of Finance  
RTM Finance & Budget Committee