

THE CITY OF PROVIDENCE
STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

RESOLUTION OF THE CITY COUNCIL

No. 591

Approved December 9, 2011

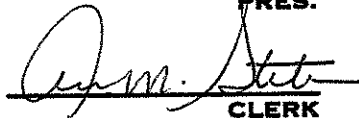
Resolution Together with the accompanying copy of Collective Bargaining Agreement by and between the Providence School Board and Rhode Island Council 94, AFSCME; AFLO-CIO, on behalf of Local 1339, Providence Clerical Employees for the period of September 1, 2007 through August 31, 2009.

IN CITY COUNCIL


DEC 01 2011

READ AND PASSED


PRES.


CLERK

I HEREBY APPROVE.


Mayor

Date: 12/9/11



CITY OF PROVIDENCE

Angel Taveras, Mayor

October 19, 2011

HAND-DELIVERED

Honorable Michael A. Solomon
President
Providence City Council
Providence City Hall
Providence, RI 02903

RE: Local 1339 Contracts

Dear President Solomon:

Please find enclosed with this correspondence three agreements by and between the City of Providence and Local 1339, Rhode Island Council 94, AFSCME, AFL-CIO for the period of September 1, 2007 through August 31, 2009; September 2009 through August 31, 2012; and September 1, 2012 through August 31, 2015.

I hereby submit the enclosed agreements to the Providence City Council for ratification.

Sincerely,

Angel Taveras
Mayor

Enclosures

OFFICE OF THE MAYOR

Providence City Hall | 25 Dorrance Street Providence, Rhode Island 02905

401 421 2489 ph | 401 455 8823 fax

www.providenceri.com

TENTATIVE AGREEMENT

ENTERED into this 19th day of October 2011, by and between the CITY OF PROVIDENCE and RHODE ISLAND COUNCIL 94, AFSCME, AFL-CIO, on behalf of LOCAL 1339, PROVIDENCE CLERICAL EMPLOYEES. THE PARTIES HEREBY AGREE pursuant to Article 16 and Article 26 of the parties' Agreement effective September 1, 2004 to August 31, 2007;

WHEREAS, the parties hereto have conducted good faith negotiations pursuant to Title 28, Chapters 7 and 9.4 of the Rhode Island General Laws, as amended; and

WHEREAS, the parties' negotiations have resulted in Agreement for a Collective Bargaining Agreement, effective and September 1, 2007 to August 31, 2009;

WHEREAS, the parties hereto desire to codify their AGREEMENT and be bound by the same.

THE PARTIES HEREBY AGREE

1. The document titled "Agreement between the PROVIDENCE SCHOOL BOARD and RHODE ISLAND COUNCIL 94, AFSCME, AFL-CIO, on behalf of LOCAL 1339, PROVIDENCE CLERICAL EMPLOYEES, effective September 1, 2004 to August 31, 2007" is herein incorporated by reference as if fully reproduced. The terms and conditions of this Agreement shall continue and remain in effect for the period of September 1, 2007 to August 31, 2009 except as expressly modified herein.

2. Article 4 Section 4.3. **Health Care Co-Shares** - Prior to the effective date of this Agreement, all permanent employees shall co-share in the cost of healthcare benefits provided in this Article through pre-tax weekly payroll deduction (if permissible by law) as follows:

Individual Plans at .0165 of base wages not to exceed \$650.00 per year. Family Plans at .029 of base wages not to exceed \$1,250.00 per year.

Effective August 1, 2009

Employees shall share in the cost of their medical health benefits by a payroll pre-tax co-payment deduction for individual plans at .0165 of base wages and Family Plans at .029 of base wages. It is acknowledged that the FY 2010 annual co-payment rates for the Clerical Union shall not exceed \$740 for individual plans and \$1,640 for family plans.

3. Article 6 – Salary Schedule – **Economic Package:**

In lieu of a three-percent (3.0%) compounded salary increase for the period of September 1, 2008 through August 31, 2009, members shall receive vacation days equivalent to retroactive monies due to said members. The salary of members shall not increase as a result of the previously stated salary increase. Said vacation days shall be held in a separate bank and shall not be credited against the maximum accrual as set forth in Article 10 of this Agreement.

Members may utilize, up to 5 days of said vacation time per year in accordance with Article 10.1(b) of this Agreement. Members shall be reimbursed for any unused vacation days under this Section upon retirement.

4. Article 26 – Duration of Agreement

Section 1. The terms and conditions of this Agreement shall be effective September 1, 2007 and shall continue in full force and effect through August 31, 2009.

Further, this Agreement shall become effective upon the execution thereof by the parties and shall terminate on August 31, 2009 provided, however, that the provisions of this Agreement shall be automatically renewed from year to year unless either party shall be given written notice by the other party at least 120 days before any subsequent termination date, that it desires to negotiate, amend or modify any or all Articles or Sections of this Agreement.

Further, if at the time this Agreement would otherwise terminate, the parties are negotiating for a new agreement, the terms and conditions excluding any wage increase hereof shall continue in effect so long as such negotiations continue.

In the event that either party desires to terminate this Agreement, written notice must be given to the other party not less than ten (10) days prior to the termination date which shall not be before August 31, 2009.

FOR THE CITY OF PROVIDENCE:


ANGEL TAVERAS, MAYOR

FOR LOCAL 1339, COUNCIL 94
AFSCME, PROVIDENCE,
RHODE ISLAND SCHOOL
CLERICAL EMPLOYEES:


JO-ANNE MICHELETTI, PRESIDENT

Approved as to form and correctness


JEFFREY PADWA,
CITY SOLICITOR

Date:

10/13/11

Providence School Department
Eight Year Cost of Proposed Agreement with 1339
2008-2015

<u>1339 Savings Category</u>	<u>Year 1</u> <u>(07/08)</u>	<u>Year 2</u> <u>(08/09)</u>	<u>Year 3</u> <u>(09/10)</u>	<u>Year 4</u> <u>(10/11)</u>	<u>Year 5</u> <u>(11/12)</u>	<u>Year 6</u> <u>(12/13)</u>	<u>Year 7</u> <u>(13/14)</u>	<u>Year 8</u> <u>(14/15)</u>
Vacation days in lieu of retro pay	-	-	-	-	-	-	-	-
Reduction of 13 Positions					(678,790)	(814,580)	(814,580)	(814,580)
4% increase 9/1/2013							280,064	280,064
4% increase 9/1/2014								291,267
Certain Clerical Upgrades					181,486	181,486	181,486	181,486
Sub total	\$ -	\$ -	\$ -	\$ -	\$ (497,303)	\$ (633,094)	\$ (353,030)	\$ (61,763)
<u>Medical Co Shares</u>								
Healthcare - employee payment changes	-				(3,061)	(7,653)	(291,765)	(298,724)
One Year Savings	\$ -	\$ -	\$ -	\$ -	\$ (500,365)	\$ (640,747)	\$ (644,795)	\$ (360,487)
Cumulative Savings	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,141,112)	\$ (1,785,906)	\$ (2,146,393)
Total Projected Fiscal Note Savings FY 08-15							\$ (2,146,393)	
Other Savings Derived From 1339 Members								
Estimated Budgetary Savings of Compounded Raises					(680,000)			
	\$ -	\$ -	\$ -	\$ -	\$ (680,000)	\$ -	\$ -	\$ -
Total District Budgetary Savings FY 08-15							\$ (2,826,393)	

Addition Information:

- * 6 years without cost of living raises
- * FY 14 and FY 15 both have 4% raises
- * New Hires as of 9/1/09 no longer receive post Medicare health benefits paid for by the employer
- * Additional vacation days in lieu of compounded salary increase for the period of 9-1-08 through 5-1-11.

ANGEL TAVERAS
Mayor

SUSAN F. LUSI, PH.D.
Superintendent



Providence Public School District
Office of Deputy CFO/Controller
797 Westminster Street
Providence, RI 02903-4045
tel. 401.456-9435
fax 401. 456-9252
www.providenceschools.org

October 19, 2011

Dear Chairman Igliazzi:

For your consideration is the fiscal note pertaining to the proposed changes to the Clerical Union (Local 1339) contract. The City expects to realize approximately \$2,146,393 in reduced expenditures for the duration of the contracts. These new contracts cover the period of September 1, 2007 through August 31, 2015. This agreement covers 225 full time members. The substantive changes in the contract can be categorized within the following three areas; number of employees, wages and health benefits.

Employee Reductions

- Through negotiations, 13 net positions were eliminated from the bargaining unit. The savings for FY 2012 is \$678,790 and \$814,580 for all subsequent years.

Wages

- 58 clerical positions will be upgraded from Group I to Group III or Group III to Group V. The total cost for FY 2012 is \$181,486 and all subsequent years.
- Wages will increase four percent on September 1, 2013 and an additional four percent on September 1, 2014. The total cost is \$851,395.
- Raises for the period of September 1, 2008 through May 1, 2011 will not be compensated with pay increases but instead will be realized with additional vacation days (approximately 35 per member). Although this compensation will not immediately be recognized as an expense, it is a future liability of the district that may be recognized as a future expense depending on how the vacation days are used.

Health Benefits

- Effective July 1, 2013, employees with annual base wages of \$50,000 or more shall co-share in the cost of healthcare insurance benefits through pre-tax weekly payroll deduction by the payment of 18% of the negotiated working rate. Employees with annual base wages that are less than \$50,000 shall co-share in the cost of healthcare insurance benefits through pre-tax weekly payroll deduction by the payment of 15% of the negotiated working rate. Effective July 1, 2014, employees with annual base wages of \$50,000 or more shall co-share in the cost of healthcare insurance benefits through pre-tax weekly payroll deduction by the payment of 20% of the negotiated working rate. Employees with annual base wages that are less than \$50,000 shall co-share in the cost of healthcare insurance benefits through pre-tax weekly payroll deduction by the payment of 15% of the negotiated working rate. The total projected savings are \$601,203.

An Equal Opportunity Employer. The Providence School Department does not discriminate on the basis of race, age, sex, religion, sexual orientation, gender identity or expression, national origin, color, disability or veteran status. Vision: The Providence Public School District will be a national leader in educating urban youth. Mission: The Providence Public School District will prepare all students to succeed in the nation's colleges and universities, and in their chosen professions.

The following table summarizes the savings and costs of the agreement:

**Eight Year Cost of Proposed Agreement with 1339
2008-2015**

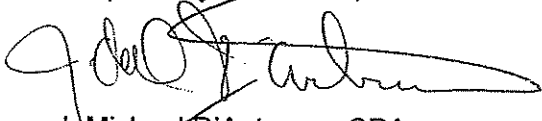
<u>1339 Savings Category</u>	<u>Year 1 (07/08)</u>	<u>Year 2 (08/09)</u>	<u>Year 3 (09/10)</u>	<u>Year 4 (10/11)</u>	<u>Year 5 (11/12)</u>	<u>Year 6 (12/13)</u>	<u>Year 7 (13/14)</u>	<u>Year 8 (14/15)</u>
Vacation Days in Lieu of Retro Pay	-	-	-	-	-	-	-	-
Reduction of 13 Positions					(678,790)	(814,580)	(814,580)	(814,580)
4% increase 9/1/2013							280,064	280,064
4% increase 9/1/2014								291,267
Certain Clerical Upgrades					181,486	181,486	181,486	181,486
Sub total	\$ -	\$ -	\$ -	\$ -	\$ (497,303)	\$ (633,094)	\$ (353,030)	\$ (61,763)
<u>Medical Co Shares</u>								
Healthcare - employee payment changes	-				(3,061)	(7,653)	(291,765)	(298,724)
One Year Savings	\$ -	\$ -	\$ -	\$ -	\$ (500,365)	\$ (640,747)	(644,795)	(360,487)
Cumulative Savings	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,141,112)	\$ (1,785,906)	\$ (2,146,393)
Total Projected Fiscal Note Savings FY 08-15								<u>\$ (2,146,393)</u>
<u>Other Savings Derived From 1339 Members</u>								
Estimated Budgetary Savings of Compounded Raises					(680,000)			
	\$ -	\$ -	\$ -	\$ -	\$ (680,000)	\$ -	\$ -	\$ -
Total District Budgetary Savings FY 08-15								<u>\$ (2,826,393)</u>

Addition Information:

- * 6 years without cost of living raises
- * FY 14 and FY 15 both have 4% raises
- * New Hires as of 9/1/09 no longer receive post Medicare health benefits paid for by the employer
- * Additional vacation days in lieu of compounded salary increase for the period of 9-1-08 through 5-1-11.

Thank you for your consideration and should you have any questions please feel free to contact me to discuss.

Respectfully Submitted,



**J. Michael D'Antuono, CPA
Deputy Chief Financial Officer/Controller**

An Equal Opportunity Employer. The Providence School Department does not discriminate on the basis of race, age, sex, religion, sexual orientation, gender identity or expression, national origin, color, disability or veteran status. Vision: The Providence Public School District will be a national leader in educating urban youth. Mission: The Providence Public School District will prepare all students to succeed in the nation's colleges and universities, and in their chosen professions.



Office of the Internal Auditor

Memorandum

To: City Council Members

From: Matthew M. Clarkin, Jr., Internal Auditor *NMC*

Date: October 19, 2011

Re: Review of Tentative Agreements with Local 1339, Rhode Island Council 94, AFSCME, AFL-CIO

There are three separate Tentative Agreements between the City and Local 1339, Rhode Island Council 94, AFSCME, AFL-CIO currently before the City Council. These Tentative Agreements cover the periods: September 1, 2007 through August 31, 2009; September 2009 through August 31, 2012; and September 1, 2012 through August 31, 2015. Local 1339 currently represent 210 school department employees.

Additional Vacation Days In Lieu of Salary Increases

Summary:

In lieu of a three-percent (3.0%) salary increase for the period September 1, 2008 through August 31, 2009, Local 1339 members will receive additional vacation days equivalent to the monies that would be due from the 3.0% salary increase. These vacation days will be held in a bank that is separate from the member's accrued vacation days. Members will be allowed to utilize a maximum of five vacation days annually from this separate bank.

In lieu of a second three-percent (3.0%) salary increase for the period September 1, 2009 through May 1, 2011, Local 1339 members will receive additional vacation days equivalent to the monies that would be due from a 3.0% salary increase. These vacation days will be held in a bank that is separate from the member's accrued vacation days. Members will be allowed to utilize a maximum of five vacation days annually from this separate bank.

Findings:

Based upon data received from the school department, the three-percent (3.0%) salary increases will result in an additional thirty-five (35) vacation days being set aside for current Local 1339-represented employees. Employees can utilize up to five vacation days per year and will be paid 100% of the remaining balance of these vacation days upon separation from city employment. In addition, these employees will be eligible to receive up to fifty-five (55) vacation days from their “normal vacation pool” upon separation from city employment.

The school department’s current total liability for the additional 35 vacation days is approximately \$346,500.

Across-the-Board-Salary Increases

Summary:

A four-percent (4.0%) across-the-board salary increase is provided effective September 1, 2013 and is followed by a second four-percent (4.0%) across-the-board salary increase effective September 1, 2014.

Fiscal Year	Effective Date	Salary Increase
2008	September 1, 2007	0.00%
2009	September 1, 2008	0.00%
2010	September 1, 2009	0.00%
2011	September 1, 2010	0.00%
2012	September 1, 2011	0.00%
2013	September 1, 2012	0.00%
2014	September 1, 2013	4.00%
2015	September 1, 2014	4.00%

Findings:

The four-percent (4.0%) across-the-board salary increases will cost the school department approximately \$274,000 in fiscal 2014, an additional \$285,000 in fiscal 2015, and a total of \$832,000 during the period of the Tentative Agreement.

Effective Date	%	Fiscal Year				
		2012	2013	2014	2015	2012-2015
September 1, 2014	4.00%	\$0	\$0	\$273,707	\$273,707	\$547,415
September 1, 2013	4.00%	\$0	\$0	\$0	\$284,656	\$284,656
September 1, 2012	0.00%	\$0	\$0	\$0	\$0	\$0
September 1, 2011	0.00%	\$0	\$0	\$0	\$0	\$0
September 1, 2010	0.00%	\$0	\$0	\$0	\$0	\$0
September 1, 2009	0.00%					
September 1, 2008	0.00%					
		\$0	\$0	\$273,707	\$558,363	\$832,070

Salary Upgrades

Summary:

Effective September 1, 2011, the compensation for the positions Stock Clerk, Mail Clerk, and Receiving Clerk is increased to Group 3 (\$28,113-33,836) from Group 1 (\$26,325 – 32,157). In addition, the position of Secretary to Principal, School-Based Site Secretary to Director, Secretary to CEO and Secretary to Coordinator is upgraded to Group 5 (\$30,870-36,579) from Group 3 (\$28,113-33,836).

Findings:

A total of fifty-eight (58) positions will be affected by these salary upgrades. It projected that these salary upgrades will result in additional payroll costs of approximately \$151,000 in fiscal 2012 and a total cost of \$713,000 during the period of the Tentative Agreement (fiscal years 2012-2015).

Healthcare Co-shares

Summary:

The healthcare co-shares for Local 1339-represented employees are currently based on a percentage of wages. As of July 1, 2013, employee co-shares will be based upon a percentage of the negotiated healthcare working rate. Below is a summary of the changes to healthcare co-shares in these Tentative Agreements.

Current - Local 1339-represented employees' healthcare co-share payments is based upon .0165 of base wages for individual health plans not to exceed \$650 per year and .029 of base wages for family health plans not to exceed \$1,250 per year.

FY2012 – The maximum employee healthcare co-shares will increase from \$650 to \$740 for individual health plans and from \$1,250 to \$1,640 for family health plans.

Fiscal 2014 – Effective July 1, 2013, Local 1339-represented employees with an annual base wage of \$50,000 or more will contribute through pre-tax weekly payroll deduction a healthcare co-share of 18% of the annual working rate. Employees with an annual base wage of less than \$50,000 will contribute through pre-tax weekly payroll deduction a healthcare co-share of 15% of the negotiated working rate.

Fiscal 2015 – Effective July 1, 2014, Local 1339-represented employees with an annual base wage of \$50,000 or more will contribute through pre-tax weekly payroll deduction a healthcare co-share of 20% of the annual working rate. Employees with an annual base wage of less than \$50,000 will contribute through pre-tax weekly payroll deduction a healthcare co-share of 15% of the negotiated working rate.

The annual increase to the healthcare working rate is capped at a 9.5%, regardless of the actual calculation of the city's medical consultant, Mercer.

Findings:

It is projected that the above changes to the employee healthcare co-shares will result in total savings of approximately \$600,000 over the period of these Tentative Agreements. Savings in school department's medical expenditures through these changes begin in earnest during fiscal 2014.

Summary of Tentative Agreements

The Tentative Agreements with Local 1339 avoid increased salary costs for six consecutive fiscal years, through the offering additional vacation days that can be used over time or paid as severance at the time of separation from city employment. The use of vacation days in place of retroactive payments results in savings in the current and future school budgets. An approximate liability of \$346,500 based upon current salaries is created from the establishment of a new pool of vacation days.

Salary upgrades for various clerk and secretary positions is included in these Tentative Agreements and the total cost is approximately \$713,000 during the period of the Agreements.

Finally, these Tentative Agreements require that Local 1339-represented employees share a greater portion of the cost of their healthcare. Beginning in fiscal 2014, healthcare co-shares will be based on a percentage of the working rate rather than the employee's salary.

The total net cost of these Agreements over the period September 1, 2007 through August 31, 2015 is approximately \$944,000.

Financial Summary - Local 1339 Tentative Agreement						
		Fiscal Year				2012-2015
-		2012	2013	2014	2015	Total
Across-the-Board Salaries:						
September 1, 2014	4.00%	\$0	\$0	\$273,707	\$273,707	\$547,415
September 1, 2013	4.00%	\$0	\$0	\$0	\$284,656	\$284,656
September 1, 2012	0.00%	\$0	\$0	\$0	\$0	\$0
September 1, 2011	0.00%	\$0	\$0	\$0	\$0	\$0
September 1, 2010	0.00%	\$0	\$0	\$0	\$0	\$0
September 1, 2009	0.00%	\$0	\$0	\$0	\$0	\$0
September 1, 2008	0.00%	\$0	\$0	\$0	\$0	\$0
September 1, 2007	0.00%	\$0	\$0	\$0	\$0	\$0
		\$0	\$0	\$273,707	\$558,363	\$832,070
Salary Upgrades for Certain Positions		\$151,238	\$187,370	\$187,370	\$187,370	\$713,348
Medical Co-shares		(\$3,061)	(\$7,653)	(\$291,765)	(\$298,724)	(\$601,203)
Net Total		\$148,177	\$179,717	\$169,312	\$447,009	\$944,215

Exhibit D

MEMORANDUM OF AGREEMENT

This Agreement is entered this 8 day of September, 2011 by and between the Providence School Board (Board) and LOCAL 1339, Council 94, AFSCME, Providence, Rhode Island School Clerical Employees (Union);

THE PARTIES HEREBY AGREE

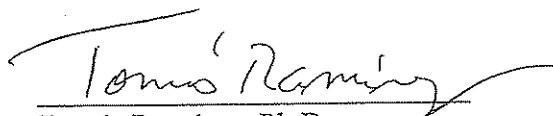
1. Recognizing the continuing requirement to provide the most effective and efficient public services, the parties hereto are committed to meet and confer in good faith to address the needs of the City and its Citizenry and all methods of providing services to the Citizenry including consolidating City Departments and Agencies as well as Offices and Divisions of the School Department and those of the City.
2. That upon execution of this Agreement, the School Board shall eliminate the following positions:
 - a. Secretary to the Coordinator/Administrator - Special Education
 - b. Secretary Assistant - Plant
 - c. Secretary to the Director - Leadership
 - d. Non Public Book Clerk - Warehouse
 - e. Secretary to Controller - Controller
 - f. Auto Bus Route Clerk - Transportation
 - g. General Clerk - Asa Messer Elementary School (.40)
 - h. Clerk - Flynn Elementary School
 - i. Secretary Elementary Principal - Flynn Elementary School
 - J. Clerk - West Broadway Elementary School
 - k. Secretary Elementary Principal - West Broadway Elementary School
 - l. General Clerk - Reservoir Avenue Elementary School (.60)
 - m. Clerk Elementary School - Windmill Elementary School
 - n. Secretary Elementary Principal - Windmill Elementary School
 - o. Secretary to Mid Principal - Bridgham Middle School
 - p. General Clerk - Bridgham Middle School
 - q. Guidance Clerk - Bridgham Middle School
3. Local 1339, individually and collectively, voluntarily agrees to waive all rights it may now have or have had under the grievance and/or arbitration provisions of their respective collective bargaining agreements to grieve or contest the elimination of the positions stated in Section 2 of this Agreement and further agrees to waive any rights the Union may have to contest the above referenced eliminated positions before the Rhode Island State Labor Relations Board or in any other administrative or legal forum.

4. Should any of the school-based positions listed in Section 2 be reinstated due to the reopening of a school, any employee who was permanently assigned to such a position and was displaced through this Agreement will have return rights to their former assignment.

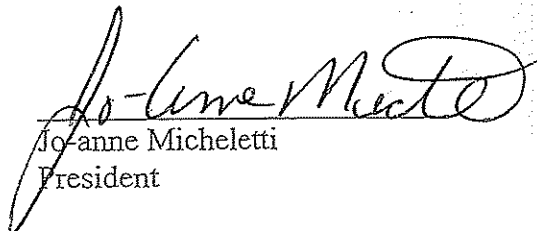
5. The parties hereto acknowledge and agree that this Agreement does not constitute admission of liability on the part of any party, does not constitute a practice or precedent of the parties and shall not be used in any future legal proceeding for any purpose whatsoever except to enforce the provisions of this Agreement as contained herein.

FOR THE PROVIDENCE
SCHOOL BOARD

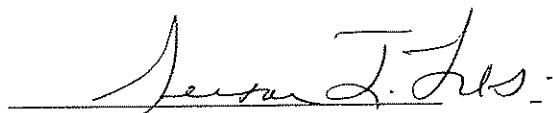
FOR LOCAL 1339, COUNCIL 94 AFSCME,
PROVIDENCE RHODE ISLAND SCHOOL
CLERICAL EMPLOYEES:



Tomás Ramírez, Ph.D.
Acting Assistant Superintendent for
Human Resources and Labor Relations



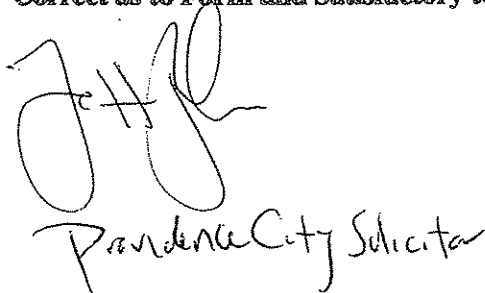
Joanne Micheletti
President



Susan F. Lusi, Ph.D.
Superintendent of Schools

Nina Pande
Vice President, Providence School Board

Correct as to Form and Satisfactory to Me:



Providence City Solicitor