

AGREEMENT

ENTERED into this 23<sup>rd</sup> day of April 2009, by and between the CITY OF PROVIDENCE and the RHODE ISLAND LABORERS' DISTRICT COUNCIL on behalf of LOCAL UNION 1033 pursuant to Article XXV and Article XXVII of the parties' Agreement effective July 1, 2008 to June 30, 2011;

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 July 1, 2009 to June 30, 2012; and

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 City of Providence, Rhode Island, and the Rhode Island Laborers' District Council on behalf of Public Employees' Local Union 1033 of the Laborers' International Union of North America, effective July 1, 2008 to June 30, 2011" 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 July 1, 2009 to June 30, 2012 except as expressly modified herein.
2. 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.
3. Article XVIII Section 1(F.) Retirement of City Crossing Guards – Any member employed as a Crossing Guard under the terms of this agreement who retires by June 30, 2009 shall receive, in addition to all benefits provided herein and by law, retiree medical health insurance benefits as outlined in this agreement, effective July 1, 2009 and shall not be required to make a retiree co-share payment until the period commencing July 1, 2010.
4. Article VI – Economic Package – The economic increases (excepting Crossing Guards) shall be as follows and as provided for in the below paragraphs:  
Effective July 1, 2009 - no wage increase for all bargaining unit employees for FY 2010.  
Effective July 1, 2010 - all previously agreed to increases that were heretofore scheduled to be implemented on June 30, 2010, shall be implemented at 11:59 pm on said date and an amount equal to an across-the-board wage increase for all bargaining unit employees of two percent (2.0%), over the June 30, 2010 rate.  
  
Effective January 1, 2011 - an amount equal to an across-the-board wage increase for all bargaining unit employees of one percent (1.0%), over the December 31, 2010 rate.

Effective July 1, 2011 - an amount equal to an across-the-board wage increase for all bargaining unit employees of two percent (2.0%), over the June 30, 2011 rate.

Effective January 1, 2012 - an amount equal to an across-the-board wage increase for all bargaining unit employees of one percent (1.0%), over the December 31, 2011 rate.

5. Article XVIII Section 1 (D). Prior to the effective date of this Agreement, all permanent employees (excepting Crossing Guards) 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 .011 of base wages not to exceed \$600.00 per year.  
Family Plans at .0255 of base wages not to exceed \$1,350.00 per year.

Effective July 1, 2009 (excepting Crossing Guards)

Employees shall share in the cost of their medical health benefits by a payroll pre-tax co-payment deduction for individual plans at .013 of base wages not to exceed fifteen percent of the annual premium/working rate and Family Plans at .0265 of base wages not to exceed 15% of the annual premium/working rate. It is acknowledged that the FY 2010 annual co-payment rates for the Local Union 1033 shall not exceed \$740 for individual plans and \$1,640 for family plans. It is further acknowledged that based on the aforementioned co-payment rates, the weekly contribution for the Local Union 1033 shall not exceed the following; \$14.23 for individual plans and \$31.54 for family plans. It is also acknowledged that the premium /working rate for the purpose of computing the maximum employee co-payment shall be as determined by a consultant selected by the parties and shall not increase by more than 9.5% annually.

Effective July 1, 2010 (excepting Crossing Guards)

Employees shall share in the cost of their medical health benefits by a payroll pre-tax co-payment deduction for Individual Plans at .0145 of base wages not to exceed 15% of the annual premium/working rate and Family Plans at .0285 of base wages not to exceed 15% of the annual premium/working rate which shall be computed based upon the rates provided in the preceding paragraph and adjusted, based upon utilization and paid claims, by a consultant selected by the parties which shall not increase by more than 9.5% over the rates stated in said preceding paragraph.

Effective July 1, 2011 (excepting Crossing Guards)

Employees shall share in the cost of their medical health benefits by a payroll pre-tax co-payment deduction for Individual Plans at .016 of base wages not to exceed 15% of the annual premium/working rate and Family Plans at .035 of base wages not to exceed 15% of the annual premium/working rate which shall be computed based upon the rates computed for the preceding paragraph and adjusted, based

upon utilization and paid claims, by a consultant selected by the parties which shall not increase by more than 9.5% over the rates computed for said preceding paragraph..

6. Article XI For calendar year 2010 only, bargaining unit members shall receive two (2) Floating Holidays. Effective January 1, 2011 said benefit shall be restored to three (3) Floating Holidays.

7. Article XX Section 8 (b) Union Benefit Trust

In order to maintain the level of benefits provided to members of the bargaining unit as well as the Joint City/Union Apprentice program, the Union agrees to prepay the City for FY 09 and FY 10, \$150,000 to cover the cost of the Training Coordinator.

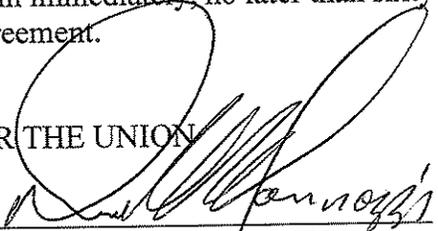
8. Retirement Reform - The parties agree to jointly support amendments to the Employees Retirement System Ordinance as contained in their Proposed Amendment is attached hereto.

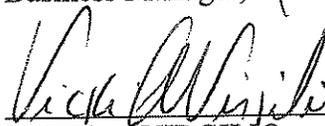
9. The parties hereby agree to meet and confer in an effort to develop a plan to reduce the overtime in the Office of Public Safety Communications.

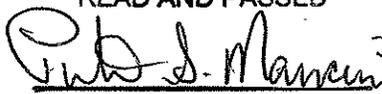
10. Article XXIX – Duration of Agreement

Section 1. The terms and conditions of this Agreement shall be effective July 1, 2009 and shall continue in full force and effect through June 30, 2012 and from year to year thereafter unless either party at least one hundred and twenty (120) days prior to June 30, 2012, gives notice in writing to the other party of its intention to terminate this Agreement, in which event this Agreement shall terminate at the end of the contract year in which said notice is given. In the event that such notice is given, negotiations shall begin immediately, no later than sixty (60) days prior to the termination of the Agreement.

FOR THE UNION

  
DONALD S. IANNAZZI, ESQ.  
Business Manager, Local Union 1033

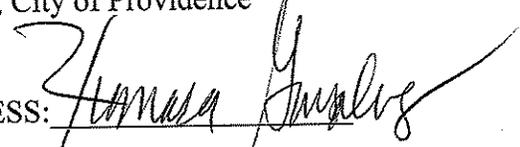
  
VICKI A. VIRGILIO  
President, Local Union 1033  
IN CITY COUNCIL  
JUN 4 2009  
READ AND PASSED

  
PRES.  
  
CLERK

FOR THE EMPLOYER

  
DAVID N. CICILLINE  
Mayor, City of Providence

WITNESS:

  
**APPROVED**  


**MAYOR**

6/15/09



## Finance Department

David N. Cicilline, Mayor | Bruce T. Miller, Finance Director

May 7, 2009

Councilman John Igliazzi,  
Chairman, Committee on Finance  
C/O City Clerk's Office  
Providence City Hall  
Providence, R.I. 02903

Dear Chairman Igliazzi:

For your consideration is the fiscal note pertaining to the proposed amendments to the 1033 contract. The City expects to realize approximately \$3,245,000 in reduced expenditures for the duration of the amended contract period. Please note that the amended contract extends the duration of the contract from June 30, 2011 to June 30, 2012. The substantive changes in the contract can be categorized within the following five areas, changes to; health benefits, wages and other benefits, pension benefits, working conditions and union payments to the City.

### Health Benefits

The union has agreed to increase employee health insurance co-shares. The co-shares are on a sliding scale and are based on employee's salary. The schedule below outlines the increases to the employee co-share amounts and the expected contributions that will be made to the City's health insurance trust fund.

**PROVIDENCE THE CREATIVE CAPITAL**

25 Dorrance Street Providence, Rhode Island 02903 | 401 421 7740 OFFICE

[www.providenceri.com](http://www.providenceri.com)

Fiscal Note: 1033 Amendments

|                                      | Individual | Family | Projected Co-Share Contributions |
|--------------------------------------|------------|--------|----------------------------------|
| <u>Fiscal Year 2010</u>              |            |        |                                  |
| Percent of Base Wage                 | 1.30%      | 2.65%  |                                  |
| Maximum Contribution                 | 800        | 1,650  |                                  |
| Projected Co-Share                   |            |        | 230,000                          |
| <u>Fiscal Year 2011</u>              |            |        |                                  |
| Percent of Base Wage                 | 1.45%      | 2.85%  |                                  |
| Maximum Contribution                 | 900        | 1,900  |                                  |
| Projected Co-Share                   |            |        | 250,000                          |
| <u>Fiscal Year 2012</u>              |            |        |                                  |
| Percent of Base Wage                 | 1.60%      | 3.50%  |                                  |
| Maximum Contribution                 | 1,050      | 2,200  |                                  |
| Projected Co-Share                   |            |        | 320,000                          |
| Total Projected co-pay contributions |            |        | <u>800,000</u>                   |

Wages and Other Benefits

- The City will defer paying salary increases for fiscal year 2010 one year, thereby extending the length of the agreement one year. Although there is no change in the cumulative impact of salary increases by deferring payment one year, this will reduce the Fiscal Year 2010 budget by \$1,000,000. Furthermore, the City will add an additional 1% salary increase December 31, 2011. This will increase the budget by approximately \$150,000 in FY 2012.
- The Union has agreed to reduce the amount of overtime incurred at the Communications department. It is projected that these savings will approximate \$100,000 per year, or \$300,000 over the duration of the contract.
- The City will eliminate one vacation or floating holiday for FY 2010. It is projected that savings will approximate \$120,000 per year. It should be noted that the reduction in this benefit will reduce the City's accrued uncompensated balance liability on the financial statements.

Pension Benefits

Fiscal Note: 1033 Amendments

- For those employees hired after July 1, 2004 the minimum retirement age shall be age 60 with 10 years of service or 30 years of service with an early retirement reduction of 5% per year.
- For those employees hired after July 1, 2009 the minimum retirement age shall be age 62 with 10 years of service or 30 years of service.
- Decrease the disability allowance for new disabled pensioners to fifty percent. It should be noted that no savings have been identified with this initiative at this time.
- The City will offer to pay full longevity to City Crossing Guards that retire prior to June 30, 2009. Accordingly, the Crossing Guards who take this option will not make a Health Insurance co-payment for the first two years of retirement. No cost or savings were attributed to this option.

The City expects to realize \$300,000 per year on its actuarial pension contribution, or \$1,200,000 from FY 2009 through FY 2012.

Working Conditions

- The City is eliminating the option to be paid by check, thereby; employees shall have the choice to be paid by either ACH deposit or by debit card.
- The City is eliminating the weekly pay cycle and will implement a bi-weekly cycle.

The City expects to realize \$300,000 in annual savings, or \$900,000 over the duration of this contract by implementing these changes.

Union Payments

- The Union shall prepay the City its share of the training coordinator for FY 2010. This will decrease the City's FY 2009 expenditures by \$75,000.

The schedule below summarizes the projected savings.

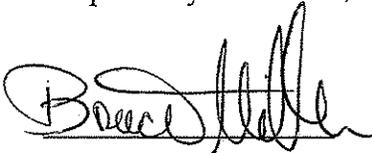
|                                   |                |
|-----------------------------------|----------------|
| <u>Health Benefits co-payment</u> |                |
| Fiscal Year 2009                  | 230,000        |
| Fiscal Year 2010                  | 250,000        |
| Fiscal Year 2011                  | 320,000        |
| Subtotal                          | <u>800,000</u> |
| <u>Wage Freeze</u>                |                |

Fiscal Note: 1033 Amendments

|   |                         |
|---|-------------------------|
| Fiscal Year 2010  | 1,000,000               |
| Fiscal Year 2012  | (150,000)               |
|   | <u>(1,000,000)</u>      |
| Subtotal  | <u>(150,000)</u>        |
| <u>Retirement</u>   |                         |
| Various Changes to benefits   | 1,200,000               |
| <u>Uncompensated Balances</u>   |                         |
| Eliminate 1 vacation day and floating holiday from accrual                      | 120,000                 |
| <u>Bi-Weekly Payroll and Direct Deposit</u>                                     |                         |
| Change to a bi-weekly payroll schedule and require direct deposit or debit card | 900,000                 |
| <u>Prepayment of Training Coordinator</u>                                       | 75,000                  |
| <u>Reduction of overtime in Communications</u>                                  | 300,000                 |
|   | <u><u>3,245,000</u></u> |
| TOTAL   | <u><u>3,245,000</u></u> |

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

Respectfully Submitted;



Bruce T. Miller  
Finance Director



Mayor of Providence

David N. Cicilline

May 7, 2009

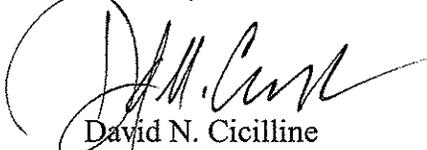
Ms. Anna M. Stetson  
City Clerk  
Providence City Hall  
Providence, RI 02903

Dear Ms. Stetson:

Enclosed with this correspondence please find a copy of the tentative amended agreement by and between the City of Providence, Rhode Island and the Rhode Island Laborers' District Council on behalf of Public Service Employees' Local Union 1033 of the Laborers' International Union of North America, AFL-CIO.

I hereby submit the enclosed tentative amended agreement to the Providence City Council for ratification.

Sincerely,

  
David N. Cicilline  
Mayor

Enc.