

MEMORANDUM OF UNDERSTANDING
to the
AGREEMENT
by and between
CITY OF DES MOINES, WASHINGTON
and
PUBLIC, PROFESSIONAL & OFFICE-CLERICAL EMPLOYEES AND DRIVERS
LOCAL UNION NO. 763
(Representing the Public Works, Parks and Marina Employees)

January 01, 2017 through December 31, 2019

IT IS UNDERSTOOD AND AGREED by the parties, City of Des Moines, Washington (hereafter "the Employer"), and Teamsters Local Union No. 763 (hereafter "the Union"), to enter into this agreement as follows:

WHEREAS; the Employer and the Union negotiated a collective bargaining agreement for the period of January 01, 2017 through December 31, 2019;

WHEREAS; the Employer and the Union negotiated and agreed to language related to Article 11;

WHEREAS; the Union has proposed to modify the Teamster pension diversion language to exclude contributions on cash-outs upon separation of employment.

THEREFORE; the Employer and the Union agreed to the following language change effective April 1, 2018:

ARTICLE XI HEALTH, WELFARE, and RETIREMENT

11.1 Medical Insurance - Regular full-time employees and regular part-time employees budgeted for thirty (30) hours or more per week shall be eligible to participate in the City's medical insurance plans. Premiums shall be paid by the City on behalf of all full-time employees and on behalf of all part-time employees budgeted for thirty (30) or more per week on a pro rata basis according to the following schedule:

- 1) The City will pay ninety percent (90%) of the employee's premium and eighty percent (80%) of the spouse and dependents' premiums for the following Association of Washington Cities Health Insurance Plans:
 - i. HealthFirst Plan; changing to HealthFirst 250 at the earliest feasible date in 2017
 - ii. Group Health Cooperative \$10.00 Copay Plan; changing to Kaiser Permanente \$200 Deductible Plan at the earliest feasible date in 2017
- 2) The City will pay one hundred percent (100%) of the eligible employee's premium and ninety percent (90%) of the spouse and dependents' premiums for the Association of Washington Cities High Deductible Health Plans with Regence and Kaiser Permanente.

or more hours per week, the Employer shall contribute an amount equal to five percent (5%) of base pay and employees shall contribute an amount equal to six and two-tenths percent (6.2%) of base pay. Vesting of the City's share of the 401(a) plan is as follows: after two years of service - 25%, after three years of service - 50%, after four years of service - 75%, and after five years of service - 100%.

11.9 The Employer shall pay into the Labor and Industries system as required by law for all employees covered by this agreement.

11.10 Section 125 Plan - Effective January 1, 2008, the City shall allow an employee to participate in a Section 125 Plan if he/she so desires.

11.11 Western Conference of Teamsters Pension Trust - On November 18, 2015, The Union held an election to determine whether the Public Works and Parks employees wanted to participate in the Western Conference of Teamsters Pension Trust. The Union certifies herein that such an election occurred and that bargaining unit members by majority vote determined that they wished to participate. Effective January 1, 2016, all bargaining unit members as recognized in the Collective Bargaining Agreement shall participate in the Western Conference of Teamsters Pension Trust Fund (the "Trust Fund"). Contributions shall be made for all bargaining unit members as recognized in the Collective Bargaining Agreement, based on the previous month's compensable hours, starting with compensable hours earned in January, 2016, and paid in the February, 2016, pay warrants. Said contributions shall be made by all bargaining unit members through a pre-tax payroll diversion from their monthly earnings for all compensable hours to the Trust Fund's "basic plan" in the manner set forth below. The "basic plan" for purposes of this Agreement means the Trust plan that does not include a Program for Early Retirement (PEER).

Notwithstanding any provision to the contrary that may be contained elsewhere within this Agreement, the Employer shall pay the Teamsters Pension contribution set forth within Section 11.11.2 on behalf of all regular employees performing bargaining unit work; and for purposes of this Section the bargaining unit shall be defined as follows:

All employees hired and/or performing work within the classifications of Appendix "A" shall be included within the scope of the bargaining unit. The scope of the bargaining unit shall exclude all employees of the Employer performing work historically known as "seasonal or summer work".

Specifically excluded from the unit shall be employees working on a seasonal basis that perform "seasonal or summer work" upon the Employer owned property regardless of the method compensated or the location of the work performed.

The scope of this Agreement shall not be expanded by the continuation of the practice of bargaining unit employees performing "seasonal or summer work" so assigned. Provided however the terms of this Agreement shall apply whenever bargaining unit employees perform non-bargaining unit "seasonal or summer work".

No person or third party beneficiary shall interpret this Agreement such that "seasonal or summer work" shall be considered bargaining unit work regardless of the similarity of work, tools, supervision, or other characteristic. The Union specifically and unequivocally disclaims any work performed by "seasonal or summer work" and confirms that such work is not bargaining unit work for the purpose of this section.

- 11.11.1 The total amount due to the Trust Fund for each monthly payroll period shall be remitted to the Administrator for the Trust Fund in a lump sum by the City on or before the 20th of each month for all compensated hours during the preceding month. The Employer shall abide by rules as may be established by the Trustees of said Trust Fund to facilitate the determination of the reporting and recording of the contribution amounts paid for all bargaining unit employees.
- 11.11.2 The Employer shall pay one dollar and fifty cents (\$1.50) per hour into the Western Conference of Teamsters Pension Trust on account of each member of the bargaining unit for which each hour for which compensation was paid. The one dollar and fifty cents (\$1.50) per hour contribution will be through a payroll diversion on a pre-tax basis.
 - 11.11.2.1 For the purposes of this Article compensable hours shall include but not be limited to, all hours worked, vacation or sick leave that is used by the employee and all other forms of hourly compensation. Compensable hours shall not include any cash out of vacation or sick leave benefits upon separation of service for any reason.
- 11.11.3 The pre-tax hourly diversions provided for in Section 11.11.2 may be increased by a majority vote of the affected classification. In the event this occurs the Employer and the Union will execute a Letter of Agreement modifying Section 11.11.2.

PUBLIC, PROFESSIONAL & OFFICE-CLERICAL EMPLOYEES AND DRIVERS LOCAL UNION NO. 763, affiliated with the International Brotherhood of Teamsters

By Scott A. Sullivan
Scott A. Sullivan
Secretary-Treasurer

Date: 5-11-18

CITY OF DES MOINES, WASHINGTON

By Michael F. Matthias
Michael F. Matthias
City Manager

Date: 5-17-18