

ORDINANCE NO. 6086

**AN ORDINANCE AMENDING THE 2011 – 2013 COLLECTIVE
BARGAINING AGREEMENT BETWEEN THE CITY OF FAIRBANKS
AND THE PUBLIC SAFETY EMPLOYEES ASSOCIATION**

WHEREAS, the Public Safety Employees Association (PSEA) represents the members of the Fairbanks Police Department and the Fairbanks Emergency Communications Center; and

WHEREAS, the PSEA participates in the Public Safety Employees Association Health Trust for health care coverage to its Bargaining Unit; and

WHEREAS, the PSEA Health Trust is dissolving and covered Bargaining Units will be transferred and received coverage from the Alaska State Employees Association (ASEA) Health Trust, and

WHEREAS, the ASEA Health Trust requires an employer contribution rate of \$1432 per month for entry into the ASEA Health Trust Plan; and

WHEREAS, the City desires to maintain insurance coverage for its PSEA covered employees.

NOW, THEREFORE, BE IT ENACTED BY THE CITY COUNCIL OF THE CITY OF FAIRBANKS, ALASKA, as follows:

Section 1: The attached Addendum to the 2011 – 2013 CBA between the City of Fairbanks and the Public Safety Employees Association, Fairbanks Police Department Employees Association Chapter is ratified by the City Council.

Section 2: For the costs shown in the attached Fiscal Note, costs are to be covered by the existing Department Budget.

Section 3: This Ordinance shall become effective on 1st Day of November 2018.



Jim Matherly, Mayor

AYES: Rogers, Bagwill, Therrien, Cleworth, Huntington
NAYS: Pruhs
ABSENT: None
ADOPTED: October 22, 2018

ATTEST:



Danielle Snider, CMC, City Clerk

APPROVED AS TO FORM:



Paul J Ewers, City Attorney

**CITY OF FAIRBANKS
FISCAL NOTE**

I. REQUEST:

Ordinance or Resolution 6086

Abbreviated Title: AMENDING THE 2011-2013 PSEA CONTRACT

Department(s): POLICE AND DISPATCH

Does the adoption of this ordinance or resolution authorize:

1) additional costs beyond the current adopted budget? Yes X No _____

2) additional support or maintenance costs? Yes X No _____

If yes, what is the estimate? Estimated 3% increase each year

3) additional positions beyond the current adopted budget? Yes _____ No X

If yes, how many positions? _____

If yes, type of positions? _____ (F - Full Time, P - Part Time, T - Temporary)

II. FINANCIAL DETAIL:

PROJECTS:	2018	2019	2020	2021	Total
Police ASEA Health Insurance	\$15,040	\$150,240	\$154,747.20	\$159,390	\$479,417
Dispatch ASEA Health Insurance	\$5,715	\$57,092	\$58,804.76	\$60,569	\$182,181
TOTAL	\$20,755	\$207,332	\$213,552	\$219,959	\$661,598

FUNDING SOURCE:	2018	2019	2020	2021	Total
General Fund	\$20,755	\$207,332	\$213,552	\$219,959	\$661,598
					\$0
					\$0
TOTAL	\$20,755	\$207,332	\$213,552	\$219,959	\$661,598

The fiscal note represents the City's costs of providing ASEA health to PSEA members under a modification to the current contract. Normal annual increases are 3% (or less), as calculated above. The 2018 amounts will be covered from 2018 existing wage budgets.

Reviewed by Finance Department:

Initial CR

Date 10/1/2018

Amendment to the Existing PSEA Contract

City of Fairbanks (City)

And

Public Safety Employees Association (PSEA)

The City and PSEA entered into a collective bargaining agreement (CBA), effective 2011-2013. The City and PSEA have agreed to amend the current contract Section 9.2 Health Benefits :

Section 9.2 Health Benefits, will amend the following:

Section 9.2 Health Benefits.

- A. For each member, the City shall contribute \$1,000 per month to PSEA's Health and Welfare Trust Plan effective 1/1/2011. ~~Effective 1/1/2012, this contribution shall increase to \$1,050 per month and effective 1/1/2013 this contribution shall increase to \$1,100 per month.~~ Effective 8/16/12, this contribution shall increase to \$1,040 per month. (Updated 12/23/11)
- B. The City agrees to maintain a pre-tax deduction account at the election of each employee as allowed under federal law for the purpose of setting aside monies for the purpose of subsidizing uncovered costs of medical insurance. The City will contribute \$1200.00 per year per employee, pro-rated monthly, to a pre-tax IRS section 125 plan to be used for qualified expenses (un-reimbursed health care, employee premium costs, child care, etc.).

Changes outside contract language:

In January 2017 the amount of \$1,040.00 was increased 4% to \$1,081.60 which is reflected in the current budget.

To:

Section 9.2 Health Benefits

- A. Beginning 11/01/2018 the City shall contribute \$1,332.00 per month for each member, to the Association's applicable insurance plan.**

Beginning 01/01/2019 the City shall contribute \$1432.00 per month for each member, to the Association's applicable insurance plan.

B. The City will offer an employee-funded IRS Section 125 plan.

The City's current \$100.00 contribution to the 125 plan, as outlined in section 9.2.B, will be discontinued December 31st 2018.