

## FOR BOARD ACTION

Agenda Item # 5

Meeting Date: 6/25/13

**SUBJECT:** Memorandum of Understanding between the City of Rochester and the International Brotherhood of Electrical Workers Local 949 Outside Group  
SLP DECOMMISSIONING PLAN / HEALTH CARE SAVINGS PLAN

**PREPARED BY:** Wally Schlink, Director of Power Resources

ITEM DESCRIPTION:

At the May 14, 2013 RPU Board meeting the Board approved and the City Council later concurred, two documents that defined the Retirement / Resignation Program for the Power Resources Division at Silver Lake Plant. The documents defined the terms & conditions as well as the eligibility criteria for participation and the Agreement and General Release Form that would be executed between the employee and the City. The funding of the program was also approved as part of the same action.

The program spells out in the incentive payment portion of the program the intent of the City to discuss with the bargaining unit representatives the designation of those funds to be deposited into the Minnesota State Retirement System (MSRS) Health Care Savings Plan (HCSP).

The MSRS has received a private letter ruling establishing the HCSP as a tax-exempt benefit; it is also authorized to offer this program to state employees as well as other governmental subdivisions. The City and its employees have been participating in the MSRS HCSP as a negotiate method of payout for accumulated sick and vacation leave upon separation for a number of years.

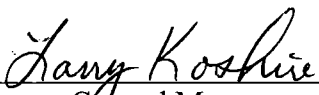
For the retirement / resignation incentive funds to be eligible for the same treatment as a contribution to the HCSP, the action must be negotiated or agreed to by both the bargaining unit and employer and written into the collective bargaining agreement or Memorandum of Understanding (MOU).

Staff and the City HR Department have met with the International Brotherhood of Electrical Workers Local 949 which represents specific classifications of employees defined in the Power Resources SLP decommissioning plan and agreed to submit a MOU for their ratification process.

The bargaining unit has ratified the attached MOU and staff supports the execution by the governing entities.

UTILITY BOARD ACTION REQUESTED:

Staff recommends the Board approve and execute the Memorandum of Understanding between the City of Rochester Minnesota and the International Brotherhood of Electrical Workers, Local 949 outside group and recommend approval and execution of a like action to the City Council.

  
General Manager

6-20-13  
Date

**MEMORANDUM OF UNDERSTANDING  
BETWEEN THE CITY OF ROCHESTER AND  
THE INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS**

**SLP DECOMMISSIONING PLAN/HEALTH CARE SAVINGS PLAN**

The City of Rochester, Minnesota, (Employer), acting through its Public Utility Board, and the International Brotherhood of Electrical Workers, (IBEW), Local 949, are parties to a Collective Bargaining Agreement (CBA) in effect from January 1, 2013 through December 31, 2014.

In consideration of the decommissioning plan of the Silver Lake Power Resource Plant, the Employer will offer a voluntary Early Retirement/Resignation Incentive Program (Incentive Program) to Power Resources Division full-time employees who are eligible to receive a retirement annuity from the Public Employees Retirement Association (PERA) of Minnesota by December 31, 2015. The Incentive Program will be in effect between the dates of July 15, 2013 and December 31, 2015.

Employees who agree to participate in the Early Retirement/Resignation Incentive Program will receive a lump-sum amount equal to one (1) week of base wages (calculated at the rate of pay in effect at time of separation) for each full year of employment (rounded up to the nearest whole number). The Employer and IBEW agree that for each employee who participates in the Incentive Program, one hundred percent (100%) of the Incentive Program monetary payment shall be deposited into the employee's individual Minnesota State Retirement System (MSRS) Health Care Savings Plan. This deposit shall be made in the pay period during, or directly following, the last day of the employee's employment with the City of Rochester.

This Memorandum of Understanding represents the complete and total agreement between the Employer and IBEW on this matter and shall expire on December 31, 2015. The parties have caused this Memorandum of Understanding to be executed by their duly authorized representatives on the dates indicated below.

**City of Rochester**

**IBEW, Local 949**

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Business Representative

\_\_\_\_\_  
City Clerk

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

**Rochester Public Utilities Board**

\_\_\_\_\_  
President

\_\_\_\_\_  
Date



## RESOLUTION

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, that the Common Council of the said City is requested to approve a Memorandum of Understanding between the City of Rochester Minnesota and the International Brotherhood of Electrical Workers, Local 949 (Outside Group), and that the Common Council authorize the Mayor and the City Clerk to execute the agreement for:

SLP Decommissioning Plan/Health Care Savings Plan

Passed by the Public Utility Board of the City of Rochester, Minnesota this 25<sup>th</sup> day of June, 2013.

---

President

---

Secretary