

FOR BOARD ACTION

Agenda Item # 3

Meeting Date:

9/15/09

SUBJECT:

IBEW/Inside Group – Wage Concessions and Furlough Plan

PREPARED BY:

Susan Parker, Director of Corporate Services

Linda Hillenbrand, Human Resources Director

ITEM DESCRIPTION:

The International Brotherhood of Electrical Workers (IBEW), representing office and clerical employees, Local 949, at Rochester Public Utilities currently have a Collective Bargaining Agreement with the City of Rochester in effect from January 1, 2008 through December 31, 2010. IBEW has agreed to enter into this Memorandum of Understanding which includes the implementation of a furlough plan and wage concessions for 2010.

FOR CAPITAL PURCHASES/BIDS/MAJOR PROJECTS:

Not Applicable

UTILITY BOARD ACTION REQUESTED:

It is recommended that the Board request the Common Council to approve the Memorandum of Understanding with the IBEW Local 949 Inside bargaining group per the terms, and to authorize the City Clerk and Mayor to execute the Memorandum of Understanding.


General Manager


Date

ROCHESTER PUBLIC UTILITIES

MEMORANDUM OF UNDERSTANDING FURLOUGH PLAN

The City of Rochester, Minnesota, (Employer) and The International Brotherhood of Electrical Workers, representing office and clerical employees (IBEW), Local 949, are parties to a Collective Bargaining Agreement (CBA) in effect from January 1, 2008 through December 31, 2010.

In the face of declining sales and uncertain economic times, Rochester Public Utilities (RPU), a department of the Employer, is striving to maintain an organizational goal of a zero percent rate increase in 2010. With the anticipation of the continued economic challenges into 2010 and expected shortfall in the budget, RPU is taking measures to remain fiscally sound in these uncertain times while maintaining a high level of reliable service. As a result, the above-mentioned parties have entered into this Memorandum of Understanding (MOU) establishing a furlough plan in order to avoid or minimize employee layoffs.

This furlough plan is mutually agreed to by both parties as a cost-reduction strategy and will be implemented as follows:

1. Full-time employees will take 56 furlough hours (unpaid reduction in work hours) as requested by the City of Rochester Administrator between the dates of October 8, 2009 and July 1, 2010 and 40 hours between July 2, 2010 and December 16, 2010. These furlough hours will be prorated for any part-time, benefit-eligible employee within this bargaining union. The employees agree to record this furlough leave time as directed by the Human Resources Department.
2. Employees may not use more than 8 hours of furlough leave within any payroll week and may take a minimum of one hour per day. Coordination of furlough time with other leave time will require ongoing communication between employees and management. Supervisory approval must be obtained for any requested furlough leave and if employees do not request and schedule the furlough leave within the timeframes noted above, management reserves the right to schedule the leave. Employees agree not to use furlough leave time which could result in the creation of increased costs for the Employer.
3. Furlough leave will not impact vacation or sick leave accruals, disqualify employees from other benefits for which they are currently eligible, or impact bargaining unit seniority. The annual vacation rollover cap of two times the annual vacation accrual will be increased by 80 hours after the last pay date in December, 2010.
4. Employees utilizing other leave options for personal reasons, a medical condition, or Family Medical Leave, will be required to participate in this furlough plan.
5. The Employer will honor the 2010 wage schedule outlined in the current CBA, however, all base-rate step adjustments will be suspended from January 1, 2010 through December 31, 2010.
6. The Employer will monitor the financial condition of the City through 2010 and if justification for the furlough hours is no longer warranted as evidenced by an improved long-term, fore-

casted City budget, the City Administrator may reduce the amount of furlough leave to be taken. No reimbursements will be made to employees who have taken excess furlough leave. Upon request from the Union, a furlough usage list will be provided for this bargaining unit.

This MOU will expire on December 31, 2010.

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

President

City Clerk

Business Manager

Date

Steward

Date

Rochester Public Utilities Board

President

Date



RESOLUTION

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, that the Board requests the Common Council of the said City to approve the Memorandum of Understanding with the IBEW Local 949 Inside bargaining group per the terms, and to authorize the City Clerk and Mayor to execute the Memorandum of Understanding.

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 15th day of September, 2009.

President

Secretary