

MEMORANDUM OF AGREEMENT

AFSCME, DISTRICT COUNCIL 47

AND THE

CITY OF PHILADELPHIA

JUNE 30, 1996

**TERM OF AGREEMENT**

This Agreement shall be for four (4) years from July 1, 1996 to June 30, 2000.

*M*

## WAGES

1. All permanent full-time employees in classes represented by District Council 47 who are on the active payroll as of the date of ratification of this Memorandum of Agreement shall receive a one thousand one hundred dollar (\$1,100) lump sum ratification bonus. The aforesaid lump sum bonus will not be added to the employees' base pay rates. The payment of the aforesaid lump sum bonus will be made within fifteen (15) days of written notification to the City of the Union's ratification of the Memorandum of Agreement.

A permanent employee who is on a leave of absence without pay as of July 1, 1996 will be eligible for the lump sum ratification bonus only if he/she returns to the active payroll before October 1, 1996 and remains on the active payroll for at least sixty (60) consecutive calendar days.

2. Effective December 15, 1997, there shall be a three percent (3%) increase in each step of each pay range of the District Council 47 pay plan.
3. Effective December 15, 1998, there shall be a three percent (3%) increase in each step of each pay range of the District Council 47 pay plan.
4. Effective March 15, 2000, there shall be a four percent (4%) increase in each step of each pay range of the District Council 47 pay plan.

**HOLIDAYS**

**Veterans Day will be restored as a recognized paid City holiday beginning in calendar year 1997 (fiscal year 1998).**

*me*

## HEALTH AND WELFARE

The Health and Welfare Benefit shall continue as defined in the Collective Bargaining Agreement between the City and District Council 47 covering the period July 1, 1992 through June 30, 1996 (the "1992-96 Agreement"), except for the following changes:

### 1. City Contribution:

If the Union opts to continue to provide benefits through the Joint Program, the current formula for determining the City monthly payment for full-time employees shall be eliminated and the following formula adopted:

For the twelve month period beginning July 1, 1996 - The actual monthly dollar contribution amount being paid as of June 30, 1996 shall continue unchanged until June 30, 1997.

For the twelve month period beginning July 1, 1997 - The actual monthly dollar contribution amount being paid as of June 30, 1997 shall be increased by three percent (3%) and shall continue at that contribution rate until June 30, 1998.

For the twelve month period beginning July 1, 1998 - The actual monthly dollar contribution amount being paid as of June 30, 1998 shall be increased in an amount equal to the percentage derived from the following formula:

75% of the average rate of increase in the three largest Philadelphia HMOs (calculated as has been the practice of the parties under the 1992-96 Agreement) and 25% of the rate of increase in the average annual CPI for medical care only for the Philadelphia region for calendar 1997 over calendar 1996. [For example, if the average HMO increase is 4% and the medical care component of the CPI increases by 8% then the City's monthly payment would increase by 5%].

For the twelve month period beginning July 1, 1999 - The actual monthly dollar contribution amount being paid as of June 30, 1999 shall be increased in an amount equal to the percentage derived from the following formula:

75% of the average rate of increase in the three largest Philadelphia HMOs (calculated as has been the practice of the parties under the 1992-96 Agreement) and 25% of the rate of increase in the average annual CPI for medical care only for the Philadelphia region for calendar 1998 over calendar 1997.

2. Retirees:

For employees retiring on or after July 1, 1996, the City shall continue the contributions provided for above in Paragraph 1 for each full-time employee who is enrolled in the Union's benefit fund and who is terminating employment after ten (10) years of continuous service to immediately become pensioned under one of the City's pension plans during the four (4) years following retirement from City service. However, the ten (10) years of service need not be continuous, if the amount of service needed to complete ten (10) years was begun through re-employment or reinstatement within one year of his/her last previous separation; it is also provided that such re-employed or reinstated employee may not be entitled to more than one four (4) year period of paid health-welfare payments.

3. Labor-Management Commission:

A Labor-Management Commission will be created to identify potential cost savings in connection with the maintenance of high quality health care for City employees, including the potential of pooled purchasing and/or consolidation of the existing health benefits administration structure. The Commission shall complete its report no later than March 1, 1997 and the City and the Union will meet and discuss potential changes to the current system of health benefits delivery.

## REDESIGNING GOVERNMENT INITIATIVE

1. The City and the Union agree to initiate a two-year pilot program to foster greater labor-management cooperation, to improve the delivery of public services, to achieve economies in the cost of such services and to empower City workers to participate in decision making concerning their jobs. This program shall be known as the Redesigning Government Initiative (RGI).
2. To encourage full participation in this major initiative, the City agrees that there will be no layoffs or demotions as a result of contracting out during the first two years of this collective bargaining agreement.
3. The RGI program shall be directed by a seven member coordination group (the "RGI Committee"). Three members will be named by the City and three members named by the Union. The representatives of the parties shall select the seventh member of the RGI Committee, who will be an independent authority on public service and labor management cooperation.
4. The RGI committee shall select five to ten specific functions or processes as the initial subjects of the program. These subjects may include both specific City units that had been considered for competitive contracting and/or more general labor-management concerns related to the overall goals of the RGI (such as City training programs and attendance policies). In each targeted area, the RGI committee will determine the appropriate structure and composition of a labor management team that will serve as the primary agent of change. This team will evaluate the targeted work area or subject to identify areas where change can improve the competitiveness of the City workforce.
5. Before the end of the two-year pilot program, the City and the Union shall meet and discuss the possible continuation of the RGI program. If no agreement is reached, on July 1, 1998, the following requirements for contracting out from the 1992-96 Agreement shall become effective:

The City may contract out City functions, services, locations, or sites at or in which work is presently performed by employees in the bargaining unit represented by District Council 47, only if: (i) the work can be performed more economically by an outside contractor as opposed to employees represented by the Union; and (ii) the City shall give no less than thirty (30) days prior written notice to the District Council before issuing a formal Request for Proposal or a formal Bid Solicitation Package, in order to afford the Union an opportunity to meet and discuss whether the work can be performed more economically by an outside contractor as opposed to employees represented by the Union.

The above shall not apply if the total value of a contract is less than \$10,000 in a fiscal year, is funded by any source other than operating budget funds, or involves an emergency or temporary situation. The City shall not sever any contract in order to take advantage of the \$10,000 exemption.

6. During the two year RGI pilot program, the City agreement that there will be no layoffs or demotions as a result of contracting out shall apply instead of the requirements set forth in paragraph 5 above. During this period, the City may contract out City functions, services, locations, or sites at or in which work is currently performed by employees in the bargaining unit represented by District Council 47 without resort to the requirements of paragraph 5 only if contracting out does not result in layoffs or demotions. It is agreed and understood, however, that a goal of the RGI program is to minimize the use of contracting out by making government service more effective and economical.
7. In implementing the RGI program, both the City and the Union shall retain all rights provided by law, regulation, and this collective bargaining agreement. No matter addressed by the RGI Committee shall be subject to the grievance and arbitration procedure contained in this collective bargaining agreement. Any disputes which arise over the implementation or administration of the RGI program shall be referred to the RGI Committee to develop mutually acceptable resolutions.
8. The No Layoff Clause in the 1992-96 Agreement shall continue in full force until June 30, 2000. On June 30, 2000, this clause shall expire and can be extended only by agreement of the parties whether or not the other terms and conditions of this agreement continue in effect.



## MILEAGE

When privately owned passenger vehicles are used for official business under proper authorization, the rate of reimbursement shall be thirty-one cents (31¢) per mile. The Department will process reimbursement requests in a timely manner.

## CHILD CARE ACCOUNT

The City will add, effective January 1, 1997, a pre-Federal income tax Dependent Care Reimbursement Account for bargaining unit members in accordance with Section 125 of the Internal Revenue Code and applicable federal regulations. Participation in the Dependent Care Reimbursement Account will be governed by Sections 129 and 125 of the Internal Revenue Code and the applicable regulations thereunder, and by the administrative rules currently in place for the City Administered Plan. Generally, participants may make, prior to each plan year, an irrevocable election to place money in this account through payroll deduction to pay for eligible dependent care expenses. Any money not used to pay for eligible dependent care expenses incurred during the plan year will be forfeited. Employees who experience a change in family status within the meaning of the applicable Federal regulations applying to this pre-tax account may in certain circumstances enroll after the start of a plan year, or stop further deductions during the year.

**PENSION**

Paragraph 42 (A) 4 of the 1992-96 Agreement shall be amended to reflect the current practice of calculating average final compensation based upon the three (3) highest years of salary as opposed to the three (3) years immediately preceding retirement:

“4. Revise the definition of "Average Final Compensation" of the Retirement System Ordinance to be the annual average of the total compensation earned by an employee during the three (3) calendar or three (3) anniversary years (computed to include base pay, longevity and overtime payments only) which are the highest three (3) years of such earnings.”

## FUNERAL LEAVE

In the event that there is a death in the immediate family of an employee, consisting only of spouse, spousal equivalent, parents, children, brother or sister, grandparents or grandchildren, and the employee attends the funeral services, such employee shall be granted a four (4) day leave of absence with full pay. At the City's option, eligibility for spousal equivalent leave may require satisfaction of the standards set forth in the Administrative Board Rules. An employee shall be granted a one (1) day absence with pay in the event of a death in the family of such employee other than hereinbefore set forth, provided the employee attends the funeral service.

**PERFORMANCE REPORT SCHEDULE**

Paragraph 44 INFORMATION shall be amended to incorporate the following new provision:

**PERFORMANCE REPORT SCHEDULE:** For informational purposes only, each year the City shall provide a tentative schedule of performance report due dates to the President of the District Council. During the year, the City shall provide reasonable notice of alterations to this schedule.

## SICK LEAVE TRANSFER AMENDMENTS

Effective January 1, 1997, the transfer of leave bank rules shall be amended to incorporate the following:

- 1) Employees who donated at least one (1) vacation day shall be eligible for benefit consideration by the Transfer of Leave Committee for a period of two (2) years.
- 2) Employees who are approved for time from the Transfer of Leave Committee and are granted up to thirty (30) days may reapply for an additional thirty (30) days provided that all other requirements are met and the leave bank contains sufficient leave time to accommodate the request.
- 3) No employee shall receive grants exceeding a total time of sixty (60) days.

## GRANT FUNDED POSITIONS

During the term of this contract, the City and the Union agree to initiate a pilot program in the Health Department to promote efficient operations in grant funded projects. This program will be monitored by the Union, the Health Department, the Personnel Director, and the Civil Service Commission.

When it is necessary to hire additional employees to perform bargaining unit work under grant funded projects, and it is anticipated that employees will work more than six (6) months but less than two (2) years and be terminated at the end of the grant, the City may hire such employees as limited term non-Civil Service employees. The Personnel Director and the Civil Service Commission will decide which positions may be included in the program, and the classification and pay rates of the positions.

Employees in the program will be subject to the following terms and conditions of employment:

-Employees will be represented by the appropriate local of District Council 47, including representation through the grievance procedure.

-Only disciplinary discharges will be subject to arbitration. No other matter will be processed through the grievance and arbitration process.

-If an employee is reinstated after arbitration, any remedy, including back pay, may not exceed the term of the grant.

-Employees will receive health medical coverage, life insurance, and pension and leave benefits as provided under the current collective bargaining agreement.

-Employees will be subject to dues deduction and/or agency fee provisions of the appropriate local.

-Employees are not entitled to IOD benefits.

-Notwithstanding paragraphs A (3)-(7), B and C of the No-Layoff clause of the Collective Bargaining Agreement the City shall have no obligations in connection with lay off of employees employed under this program

Employees in the program will be permitted to compete for open competitive tests. If an employee is appointed from an open competitive list immediately after having worked in a limited term non-Civil Service grant funded position, the previous employment shall be credited as continuous City service. If the appointment is to an identical position within the Health Department and the previous employment was more than six (6) months, the employee will be considered to have completed the required probation of the position appointed to.

**AGENCY SHOP**

Within thirty (30) days of receipt of appropriate indemnification documents from the Union, the City will implement a fair share agency fee for employees represented by Local 2186.

*me*



## GRIEVANCE PROCEDURE

### EXPEDITED ARBITRATION:

During the term of this contract the City and the Union will meet on a monthly basis to review the pending caseload of grievances at the fourth step of the procedure to determine the priority of individual cases, and to expedite the processing of discharge cases through the arbitration process.

### STEP V

By agreement of the parties, the grievance may, within ten (10) days of the Step IV answer or its due date, be referred to a six member panel which will have equal representation of the parties and shall be named by the Local Union and the Director of Labor Relations. The panel shall within fifteen (15) days of referral of a grievance attempt to mediate the grievance.

CONTINUITY OF BENEFITS

Except as modified by this Memorandum of Agreement, all terms and conditions of the collective bargaining agreement between the City and the Union covering the period July 1, 1992 through June 30, 1996 which do not contain a specific expiration date shall remain in full force and effect for the term of this agreement, July 1, 1996 through June 30, 2000.

Thomas P. Cronin  
for the Union

David Vahr  
for the City

Catherine M. Scott  
for the Union

Michael Nadol  
for the City

James J. [Signature]  
for the Union

Joseph M. Toh  
for the City

*me*