



TOWN OF DARIEN

HUMAN RESOURCES DEPARTMENT

W. LEE PALMER
DIRECTOR

To: Representative Town Meeting

From: W. Lee Palmer, Director of Human Resources 

Date: September 14, 2015

Re: Darien Public Works Employees' Union Settlement Agreement

The Town recently came to terms with the Darien Public Works Employees' Union, Local 1303-292 of Connecticut Council #4 of the American Federation of State, County and Municipal Employees (AFSCME) on a new collective bargaining agreement. The Union ratified the terms of a successor Agreement on Monday, August 31, 2015. The new Agreement would run from July 1, 2014 through June 30, 2017. This bargaining unit contains 28 members. The highlights of the Agreement include:

Salaries:

Contract Year	General Wage Increase
July 1, 2014 – June 30, 2015	2.00%
July 1, 2015 – June 30, 2016	2.50%
July 1, 2016 – June 30, 2017	2.50%

By way of comparison, the wage rate for the retro year of the contract (2014-2015) is consistent with the statewide average for arbitration awards and negotiated settlements for that year (2.18% and 2.36% respectively). The two (2) remaining years of the contract (2015-2016 and 2016-2017) are well within the range of statewide negotiated settlements which have seen settlements topping out at 2.66%.

The cost of the wage settlement for FY 14-15 and FY15-16 are well within the amount reserved in the budget for contract settlements. It should also be noted that this is an essentially mature bargaining unit with the majority of employees at the top step.

Additional Benefits:

While the longevity schedule amounts have been increased for employees hired on or before July 1, 2015, no employees hired after the date of the execution of the Agreement will be eligible for longevity bonuses. This will result in significant savings to the Town over time.

A cap will be put in place on the pension plan which mirrors the pension cap already negotiated with four Board of Education units. Mirroring the language already adopted by the RTM, the maximum pension benefit for this group will be 70% of the employee's average annual compensation. Senior employees with at least twenty-five (25) years of credited service in the pension plan on 7/1/17 are eligible to receive up to seventy-five percent (75%) of the employee's "average annual compensation" or the percentage of the employee's "average annual compensation" that he/she would have been entitled to receive had he/she retired on 7/1/17. As is the case with settlements the Town reached for the Board of Education units, this language sunsets with the grandfathered employees. Without such language, would be possible for employees to accrue a benefit equal to their working pay (assuming a career with the Town of 50 years).

Health Insurance:

The new contract moves all members of the bargaining unit into a high deductible plan and other, more expensive plan options will be closed. The high deductible plan will be the Town's only offering in FY 16-17.

Based on current rates of enrollment, the savings to the Town exceeds \$25,000. Savings will continue into FY16-17 for the Town. The high deductible plan bends the cost curve to curb the rate of future premium growth.

Summary:

The proposed settlement is considered fair and equitable to bargaining unit employees and, at the same time, consistent with the fiscal and operating goals of the Town.