

June 15, 2006

**To:** LCOG Executive Committee

**From:** Bob Swank

**Subject:** Collective Bargaining

**Action:** None. Information Only

Collective bargaining was limited to negotiations with the LCOG Employees Association (EA), which represents staff in the Wells Fargo Building. SEIU Local 503, which represents staff in Senior and Disabled Services, negotiated a three-year contract last year.

The FY07 contract with the EA was approved on June 8. It provides a 2.5 percent cost of living increase as of July 1, and an additional \$25 per month in deferred compensation. The Health Reimbursement Arrangement (HRA) health insurance plan was modified to include improvements in exchange for a reduction in the LCOG annual contribution to the employer-funded account for each employee. The modifications made preventive care less expensive, added annual physicals for staff over the age of 50, and increased the amount for lenses and frames. The combination of excellent experience and the reduction in the employer-funded account resulted in a less than 1 percent increase from last year. Non-represented staff will receive the same benefit changes as the EA staff.

The SEIU agreement specifies a 2 percent cost of living increase and an option to switch insurance plans. SEIU chose not to switch to the HRA plan, so their PPO plan will increase almost 6 percent. The increase is partly due to the addition of the vision benefits negotiated by the EA.