

MEMORANDUM

May 19, 1989

MEMO TO: Library Board of Trustees
FROM: Mr. Seidl
SUBJECT: Salaries and Benefits for Library Staff

On Friday, May 12, the City of Decatur reached a two-year contract agreement with its General Service Workers Local 268. This memo is to inform you of the important aspects of the agreement, what the library staff think about the agreement, and my recommendations.

Local 268 agreed to the following changes for 1989/90:

1. A 20 cent per hour pay increase for all employees
2. The City will pay the entire cost of health insurance for each employee (single coverage)
3. The City will increase the amount it pays toward employee's dependent insurance coverage from \$80 per month to \$160 per month.
4. If the rates for health insurance increase more than 10%, the City can look for a new carrier, go to a self-insured plan, or accept a 90/10 plan.

For 1990/91:

1. An additional 20 cent per hour pay increase for all employees
2. The City will increase the amount it pays toward employee's dependent insurance coverage from \$160 per month to \$194 per month.

On May 16, I held two informational meetings with the staff to seek their input concerning the major points of the agreement. Forty-four staff members signed a petition in March requesting that the Board follow the results of city negotiations. At the meetings on May 16, the majority of the staff supported the agreement.

Staff strongly felt that the library should pay the entire cost of health insurance for single coverage as it has done in the past. Many of the staff supported the increase in dependent health insurance coverage. However, some staff felt that before the rate paid for dependent insurance was increased, the following benefits should be provided:

The cost of implementing the agreement negotiated with Local 268 is as follows:

23,920 salaries* (.20/hour) [*does not include city librarian's salary]
+4,172 social security and pension
28,092

15,360 dependent insurance rates (\$80 per month to \$160 per month)

NOTE: this amount would increase if more employees choose to take out dependent insurance (\$1,920 per person)

??? single health insurance rates. The amount of any increase will not be known until November 1989. A 10% increase was budgeted.

\$43,452 TOTAL

The Library has budgeted \$47,000 for the projected increase.

Recommendations

The 20 cent per hour pay increase will help to reduce the yearly spiraling increase on wages. It is a smaller increase for the higher paid positions, and will benefit the lower paying positions. I strongly recommend adoption. In addition, adoption of the 20 cent per hour increase for the second year would help assure the library of its levy needs.

I strongly recommend that the library pay the entire cost of single health insurance rates and stay with the City of Decatur.

Dependent health insurance rates: (I want the Board to be aware that I receive dependent health insurance).

The library has the money to pay for this insurance as long as the rates for single insurance do not increase more than 15%. (Ten percent is budgeted, 5% is available in funds from the pay increase). A second consideration is that if additional staff would choose to take dependent insurance, our costs would increase.

Approving the twenty cent pay increase, covering any increase in the single health insurance rates, and raising the amount paid toward dependent insurance to \$160 per month is a gamble. However, I recommend that the Board should approve the plan. It is my intention to maintain the present budget. If the above raises exceed the \$47,000 budgeted, I will reduce staffing to ensure that personnel costs will not exceed the amount budgeted.