

## MEMORANDUM OF UNDERSTANDING

City of Sedro-Woolley and AFSCME Local 176-SW  
May 7, 2009

Our nation is weathering a severe economic downturn that has resulted in reduced revenue to the City of Sedro-Woolley. The City's 2009 budget is currently forecast to be short by \$400,000 to \$600,000. As a result of this shortfall, the City Council has approved a list of cuts and imposed a spending freeze. That list includes the layoff of two AFSCME employees. In an effort to minimize layoffs by employees represented by AFSCME, the Union and the City are working cooperatively to reduce costs as outlined in this agreement. It is anticipated that the cuts in this agreement will prevent the layoff of those two workers in 2009, *provided*, that economic conditions do not worsen.

The City of Sedro-Woolley and the Washington State Council of County and City Employees, American Federation of State, County and Municipal Employees, AFL-CIO, are party to a collective bargaining agreement (CBA) effective from January 1, 2009 through December 31, 2012. This agreement is intended to modify the CBA as follows:

1. The first sentence of Article 9.1 is amended to read as follows:

For the term of this Agreement, employee and dependent health and welfare coverage will be provided through the Association of Washington Cities Regency Blue Shield Healthfirst Plan, Washington Dental Service Plan F and Vision Service Plan (or comparable coverage).

2. Article 21 is amended to extend the term through December 31, 2013.
3. A new section is added to Appendix A as follows:

A.4.1 Effective January 1, 2013, the rates of pay set forth above shall be increased by one hundred percent (100%) of the All Urban Consumers Index (CPI-U) for the Seattle-Tacoma –Bremerton area for that period from June, 2011 to June, 2012, as specified by the Bureau of Labor statistics, United States Department of Labor (minimum 2%, maximum 5%).

4. Employee furloughs.

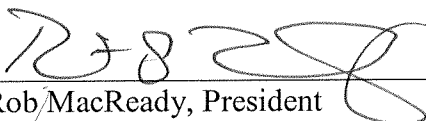
A. Each employee agrees to take eight (8) days of unpaid leave in 2009. This leave shall be scheduled around the employee's duties and approved by the employee's supervisor in advance. At least one furlough day per month must be used until all eight are used.

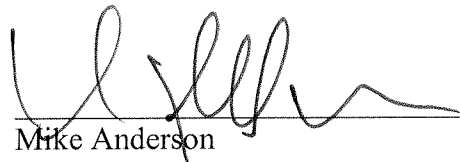
B. Employees who were subject to this furlough provision are entitled to recovery through the addition of two floating holidays in 2011 and two floating holidays in 2012. In the event such an employee quits or retires after January 1, 2010 but before January 1, 2011, that employee shall be paid for two floating holidays. In the event such an employee quits or retires after January 1, 2011, the employee shall be paid for any unused accrued floating holidays. In the event such an employee is terminated by the City, no recovery shall be paid. In the event such an employee is laid off, the employee shall be paid for any unused recovery days.

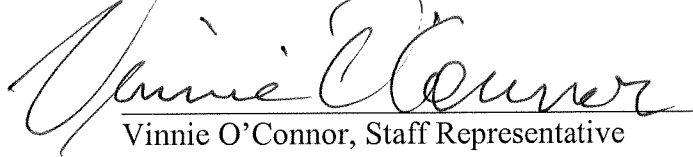
C. Payroll. Employees paychecks will be reduced by the amount of lost work (eight days) in an average amount beginning with the pay period ending May 15, 2009 rather than calculating modifications to each employee's paycheck each time a furlough day is used.

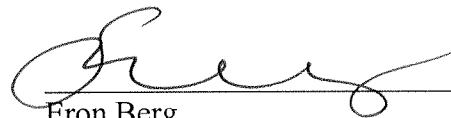
D. Retirement. This section shall not apply to employees who have provided the City with written notice of retirement before May 8, 2009 with an effective retirement date no later than May 31, 2009.

5. This agreement shall not establish a precedent for purposes of collective bargaining.

  
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Rob MacReady, President  
AFSCME Local 176-SW

  
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Mike Anderson  
Mayor

  
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Vinnie O'Connor, Staff Representative  
AFSCME

  
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Eron Berg  
City Supervisor/City Attorney