

**MEMORANDUM OF UNDERSTANDING
BETWEEN
THE CITY OF EUGENE (CITY)
AND
AMERICAN FEDERATION OF STATE, COUNTY, AND MUNICIPAL EMPLOYEES,
LOCAL 1724 (AFSCME)**

The City and AFSCME agree to extend the current labor agreement between them until June 30, 2008. In accordance with Article 38 of the contract, the agreement will automatically renew from year to year and be binding for additional periods of one (1) year, unless the City or the Union give written notice to the other, not later than January 15, prior to the new expiration date of the agreement, of its desire to modify the agreement. The following terms have been agreed to in addition to the extension of the agreement:

1. Effective July 1, 2007, salaries for employees covered by this agreement shall be increased by an amount equal to four and two-tenths percent (4.2 %).
2. Effective July 1, 2007, the following changes will be made in the City insurance plans:
 - a. Vision Insurance:
 - i. Eye Exams will be covered at 80%, once every twelve (12) months.
 - ii. Prescription frames and lenses or contacts will be paid up to \$150, once every twenty-four (24) months.
 - b. City Managed Care Plan:
 - i. Emergency Care, within the service area, has a \$100 co-payment per visit, unless admitted or referred by your Primary Care Provider. If referred, the co-payment is \$15. If admitted, the co-payment is waived.
3. Effective March 1, 2007, the maximum covered base monthly salary for AFSCME employees for purposes of determining long term disability benefits will be \$6,000.
4. Effective March 1, 2007, employees will not be eligible to use leave accruals until the completion of the pay period in which they are being earned, in accordance with Articles 18.1 (c) and 25.1.
5. A joint labor-management committee of representatives designated by each party will be formed to study the process used for the review of classification issues. The committee will begin meeting by March 1, 2007 and will develop a recommendation for the Parties no later than October 1, 2007.
6. A joint labor-management committee of representatives designated by each party will be formed to study the feasibility of and options for retirement health accounts during calendar year 2007. The committee shall provide a recommendation to the Parties by October 1, 2007.
7. Article 25.8, Bonus for Low Sick Leave Use, will be modified as follows:
 - a. Full-time employees who are absent from work for three (3) working days or less due to non-occupational illness or injury in a fiscal year will receive eight (8) hours of vacation credit.

- b. Employees who are at the accrual limit of nine hundred and sixty (960) hours on June 30 or who will be within three working days of nine hundred and sixty (960) hours of accrual, or more, on June 30 (e.g. nine hundred thirty-six ~~sixty~~ (936 ~~960~~) hours of accrual or more on June 30 for employees on a five-day, eight-hour per day schedule) and have been at nine hundred and sixty (960) hours during that fiscal year, and who qualify for the vacation credit will receive an additional eight (8) hours of vacation credit.
 - c. To qualify for low sick leave bonus, employees must have been employed for the complete fiscal year and still be employed at the start of the new fiscal year. This benefit will be pro-rated for part-time employees based on the average hours per day during the prior fiscal year.
8. The following provisions in Article 17 will be revised as follows:
- a. ~~17.10~~ 17.9 c. Continuous operations employees who work overtime, as defined in Article 16.1, on an actual holiday will receive two (2) times their regular rate of pay for all overtime hours. For the purposes of this provision, the Friday after Thanksgiving will not be considered a holiday. Double time will be paid on the actual holiday, not the observed holiday. The day will be determined by when the employee begins working. Double time will be paid for all hours for which the employee would have received overtime had it not been a holiday.
 - b. 17.10 Non-continuous operations employees, who are called back to work overtime, as defined in Article 16.1 and 16.9, on Independence Day (July 4), Labor Day, Thanksgiving, or Christmas, will receive two (2) times their regular rate of pay for all hours worked. Double time will be paid on the actual holiday only, not on an observed holiday or other holidays listed in Article 17.1.
9. Beginning in the 2008 plan year, AFSCME-represented employees would be permitted to deposit up to \$5,000 per year (approximately \$416.66 per month) into their FSA Health Care Account. For AFSCME-represented employees who have elected to participate in the FSA Health Care program and who leave employment during the year, the remaining monthly contributions will be taken from their final paycheck on a pre-tax basis; or they may agree to reimburse the City on a monthly basis with after-tax dollars. The former employee will remain a participant in the Health Care FSA program through the end of the Plan Year. Exceptions to this policy are made in the event of death, disability, involuntary termination of employment, or if the employee's participation ended due to non-continuation during a leave of absence

Tentatively agreed to this 12 day of January, 2007.

For the City

For the Union

Helen Towle
Human Resources Manager

Dal Ollek
President, AFSMCE Local 1724

Lauren Chouinard
HRRS Director

Lou Sinniger
Council Representative

Dennis Taylor
City Manager