

MEMORANDUM OF UNDERSTANDING BETWEEN  
THE CITY OF FIFE AND THE I.A.M.A.W.  
Regarding  
2014 – 2019 COLLECTIVE BARGAINING AGREEMENT

**Pay Day Shift, Electronic Time Cards and Pay Stubs,  
Mandatory Direct Deposits,  
HSA Semi-Annual Payments  
One-Time Transition Offers of Cash Out**

1. This MOU is dated for reference purposes the 10th day of September, 2015.
2. The Parties have entered into a Collective Bargaining Agreement with a term commencing on January 1, 2014 and running through December 31, 2019 ("CBA"). The City has expressed its intent to make some adjustments to its payroll system and to introduce new technology. The payroll system is not directly addressed in the CBA, and the City acknowledges that the changes it intends to implement may impact wages, hours and working conditions.
3. As part of the implementation of the new payroll system and introducing new technology, the City determined that a modification to the payment of HSA contributions would benefit both the City and the Union members, by changing from the quarterly payments negotiated in CBA Article 16, paragraph 16.4, to a semi-annual payment.
4. The Union and the City have meet several times in a collaborative approach to address the concerns expressed by the Union regarding the City's requested change to the CBA and the implementation of the payroll system and introduction of new technology. It is agreed that the terms of this MOU shall be binding upon the City and the Union for the remainder of the CBA term, unless the City and the Union otherwise agree in writing.
5. Commencing January 1, 2016, the employees shall be paid two times per month, once on the 10<sup>th</sup> day of each month for work performed from the 16<sup>th</sup> day to the last day of the prior month, and once on the 25<sup>th</sup> day of the month, for work performed from the 1<sup>st</sup> day through the 15<sup>th</sup> day of the same month.
6. The City will convert to electronic timecards and pay stubs on the 1<sup>st</sup> day of the month after which the City determines the system is fully operational, and shall notify the membership no less than 15 days before the effective date of the conversion.
7. Commencing on January 1, 2016 all payroll shall be paid by direct deposit to the financial institution account chosen by the employee. The City shall provide the necessary forms to the employee no later than November 1, 2015. An employee may request to be exempted from the mandatory direct deposit due to exceptional circumstances, such as bona fide religious objections and similar circumstances, which shall be considered by the City on a case by case basis.

8. The City will continue its current practice regarding employee benefit payments being deducted twice a month, provided if an employee chooses not to use any of the one-time transition offers set forth in paragraph 9 below, then the entire medical benefit amount for the month of February, 2016 will be taken out of the January 25, 2016 paycheck.

9. In order to assist the employees with the transition to the new payroll pay dates, the City is extending to each employee the one time opportunity to choose any combination of the following benefits, not to exceed a total of 80 hours of compensation, which will be paid on January 10, 2016;

- a. Cash out accrued vacation;
- b. Cash out accrued compensatory time;
- c. Cash advance up to eighty (80) hours, to be repaid to the City over not more than 20 consecutive pay periods at no greater than 4 hours per pay check, to be deducted as a payroll deduction commencing with the February 10, 2016 payroll. In the event that an employee who selects the cash advance option leaves employment with the City prior to full repayment of the cash advance, any amount remaining that has not been repaid to the City shall be due at the time of separation. The City may deduct any remaining unpaid amount from the employee's final paycheck.
- d. Cash out of sick leave pursuant to the CBA.

The employee shall notify the City Finance Department, in writing or by email, no later than December 1, 2015 whether or not the employee wants to use any of this opportunity and, if so, which combination of the 4 options the employee wants to use. If the City does not receive the directive from the employee by December 1, 2015, then the opportunity for that employee that does not give notice will be automatically withdrawn.

10. Effective January 1, 2016, and continuing for the remainder of the CBA term, the City annual contribution to the employee's HSA, flexible spending plan or other medical savings plan that qualifies as a health reimbursement arrangement for IRS and FLSA purposes, as provided for in CBA Article XVI, paragraph 16.4, shall be made in two equal installments, with the first payment no later than the first payday in January and the second payment no later than the first payday in July.

11. The Grievance Procedures of CBA Article XVIII shall apply to any dispute that arises with regards to the interpretation or application of this MOU.

CITY OF FIFE

I.A.M.A.W. District Lodge 160, Local Lodge 297



Subir Mukerjee  
City Manager



Paul Miller  
Business Representative