



OFFICE OF THE MAYOR  
CITY OF CHICAGO

**FOR IMMEDIATE RELEASE**

January 11, 2018

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**MAYOR EMANUEL ANNOUNCES BALANCED AND RESPONSIBLE AGREEMENT WITH THE  
COALITION OF UNIONIZED PUBLIC EMPLOYEES**

*Proposed Collective Bargaining Agreements Ensure the City can continue to deliver the Highest-Quality Services Possible while Maintaining the City's Long-Term Financial Health*

Mayor Rahm Emanuel announced today that he will introduce the proposed Agreement with the Coalition of Unionized Public Employees (COUPE) for the Chicago City Council's approval on Wednesday, January 17, 2018. The Agreement with COUPE, who includes employees from 15 different city departments providing critical infrastructure services and strategic support for operations, strikes the right balance between ensuring the City continues to provide high-quality services on behalf of residents and building on the Mayor's work to strengthen the City's economic future and long-term financial security.

"This contract is a fair one, respecting the great work city employees do on behalf of our residents and building on reforms we have made to save taxpayer dollars," said Mayor Emanuel. "This agreement is proof of what's possible when you work as partners, with a foundation of understanding and respect, to find common ground."

The proposed five year Agreement with COUPE includes 31 separate Collective Bargaining Agreements and will replace the previous ten year Agreement, negotiated by the prior administration. The proposed Agreement is responsible and fair for both taxpayers and employees as it includes manageable wage increases coupled with increasing healthcare contributions from employees. This agreement also builds on previous reforms to city operations made by the Emanuel Administration.

Specifically, this Agreement:

- Reduces the City's share of healthcare contributions by \$12 million annually when all the healthcare reforms are fully implemented in 2021;

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- Provides economically-sensitive wage increases with an average annual increase of 2.1 percent;
- Identifies work rule changes that build on previous reforms in order to boost operational efficiencies and achieve additional savings where possible, and
- Builds on the combined efforts of the City and Labor Unions to encourage employees to save for their future and to incentive pre-tax savings, the City will begin to contribute a nominal matching amount to employees' deferred compensation accounts.

The Agreement builds on the Mayor's work to keep the City's healthcare costs relatively flat in recent years by implementing the first premium increase since 2006, increasing the salary cap when determining an employee's premium payment, instituting a prescription drug deductible, and requiring the Labor Management Cooperation Committee (LMCC) to identify \$3 million in additional healthcare savings as it relates COUPE members healthcare costs by 2020. These healthcare initiatives taken together will reduce the City's share of healthcare contributions by \$12 million annually once these reforms are fully implemented in 2021.

Along with the \$12 million annual reduction to the City's healthcare contributions, the Agreement includes a responsible annual wage increase that is comparable to estimated inflation and ensures the City's salaries and wages remain competitive with the private sector, helping the City to deliver the highest quality services to residents. Over the five year term, non-prevailing rate COUPE employees will receive a 10.5 percent increase and an average annual increase of 2.1 percent. In contrast, the prior administration negotiated a 26.0 percent wage increase over ten years or an average annual wage increase of 2.6 percent for non-prevailing rate employees. Additionally, the City will adhere to the prevailing rate schedule for skilled trade employees, adjusting wages each July based on the determined prevailing rate. The first year of wage increase is 2.0 percent beginning on January 1, 2018 for non-prevailing wage employees, and the City will pay for this approximately \$12.5 million wage increase with operating revenues already budgeted for as part of the 2018 Budget.

The Agreement also includes multiple work rule and other contractual provisions designed to provide for more workforce flexibility, improve management and oversight of operations and employees, and reforms to allow a career development pathway for less experienced employees to be compensated at appropriate rates while their skills develop. The work rule changes and reforms include continuation of Apprenticeship programs, cross-over assignment training, increased probationary time, and additional introductory break-in rates. These reforms identified as part of this proposed Agreement build on the multiple mid-term agreement changes the Emanuel Administration previously achieved.

The last component of the proposed Agreement is the establishment of a nominal matching City contribution amount to an employee's deferred compensation account, also called a 457 Plan. Beginning in 2020, the City will contribute up to \$250 per year per employee, and that amount will increase up to \$500 per year per employee in 2022. The introduction of a 457 Plan matching

contribution builds on the City and Labor Unions' effort to encourage employees to plan and save for their future and to incentive pre-tax savings.

Once ratified and approved by City Council, the Agreement will be effective as of July 1, 2017.

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