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April 13, 2007

Members of the Boise Police Department:

The purpose of this letter is to provide information regarding the steps that the City and Union have taken relative to the ongoing labor negotiations. The Mayor and City Council have determined that it is appropriate to communicate directly with our employees due to the length of the negotiations and the parties' inability so far to reach a resolution. Your Union leadership has been informed of our decision to send this letter.

Please be assured that the Mayor and Council are committed to ensuring that all employees of the City, including our Police Officers, are treated equitably in all aspects of their employment, including wages and benefits. We appreciate all you do in providing what has been recognized as outstanding service to the citizens of Boise.

We understand that your Union leadership has provided you information regarding the various offers that the City has extended and the agreements that have been reached. The information below is intended to provide you with the financial basis and philosophy upon which our offers have been extended.

Union leadership and the City's negotiating team began meeting on March 3, 2006, and have been negotiating in good faith since that time. There has been significant work by both parties; agreement has been reached on some significant issues, and others have been thoroughly discussed and removed from the process for this session. Please be aware that the Union has made it clear that all agreements on individual issues are subject to a final, overall agreement. The items below are issues over which the parties have negotiated and which have a financial impact on the budget.

UNIFORM ALLOWANCE: The City and the Union have agreed to increase the uniform allowance to \$1,200 annually effective upon signing of the contract. The City recognizes that the uniform allowance has not been increased for a number of years and that the costs of uniforms in particular have risen steadily. Since purchases for the 2006 contract year have already been made pursuant to the current contract, the increase would apply only prospectively.

COURT PAYMENT OVERTIME INCREASE: The City has agreed to the Union proposal to increase the payment to three hours for all court appearances and failure-to-cancel subpoenas not within an officers' regular duty shift. Since payments have already been made for court appearances in the past, this agreement would apply prospectively upon signing of the contract. The City recognizes the substantial burden that is placed upon an officers' day off when court appearances are scheduled and either interrupt the day off or are canceled only at the last minute.

TRAINING SCHEDULE: The City proposed and the Union has agreed to change the current block training schedule to four 10-hour blocks. This change would be implemented upon signing of the contract.

POLYGRAPH: The City and the Union have reached an agreement on the use of the polygraph when members have been charged by the public with wrongdoing.

HEALTH INSURANCE: The City spent tremendous time and resources to research, develop, and implement a self-insured plan that would provide employees with a comprehensive health insurance program that is both competitive in the marketplace and cost-effective for the City. We believe that we have accomplished that goal and are pleased with the results that have been achieved. The process has achieved savings that in turn have allowed wage increases to the general employees and the Fire Department. Health care savings were a major component in our ability to offer these wage increases.

The City began negotiating with both the Police and Fire Unions in March 2006. Identical health care proposals were presented to each Union. The City's interest is in providing a unified plan to all employees, with bargained-for differences being recognized for the different groups, and which is self-insured by the City. The Fire Union reached an agreement on health care and has a signed contract. The City and the Police Union have been unable to reach a meeting of the minds on this issue, and it is admittedly a large stumbling block in the negotiations.

Your Union leadership has expressed disappointment that they were not included in the decision-making process regarding the implementation of the self-insured plan or as a part of the trustee group that oversees the plan. Please accept our apologies for this oversight. Recognizing that the Police and Fire Unions bargain for their benefits, they have always been discussed separately from the general employees. Since the oversight was brought to our attention, members of both the Police and Fire Unions were invited to trustee meetings, and the trustees have agreed to revisit the issue of trust board membership.

It is our belief that the health care plans being offered are equal, and in some ways superior, to your current health care options:

- The City's current offer keeps the HMO/POS option unchanged in all respects except for a \$5.00 increase per month in premiums; many of you have utilized this option in the past.
- The City has also proposed making two PPO options, which now cover general employees and those firefighters who have chosen these options, available to police officers as well.
- Under the revised Traditional 200 plan, the City has proposed to increase the lifetime maximum payout to \$2,000,000 (including hospital charges); by comparison, the current Option I plan has a maximum payout of \$250,000 (excluding hospital). Under the revised Traditional 200 plan the City has proposed increasing the orthodontia coverage to \$2,500; current coverage under Option I is \$1,750. The City's current offer increases the deductible by \$100 for individuals and \$200 for families. However, the City has offered to maintain the current deductible levels by placing \$300 per year in each member's flexible spending account, thus offsetting the increases.

The following table ("City of Boise Police Health Offer") outlines the health insurance plans that were offered to Police Officers:

City of Boise

Police Health Offer

	Traditional \$200	POS	Preferred PPO	Economy PPO
Medical				
Network	NA	In Network	In Network	In Network
Deductible		Out of Network	Out of Network	Out of Network
Individual	\$200	NA	\$250	\$250
Family	\$400	NA	\$500	\$500
Out of Pocket				
Individual	\$1,200	\$1,500	\$1,500	\$2,500
Family	\$1,400	NA	\$3,000	\$5,000
Ambulance Services	80% after deductible	\$50 Air or Ground	80% billed after deductible	70% billed after deductible
Supplemental Accident	100%	\$75 Co-pay	100%	100%
	\$300 per incident	Facility Only	\$500 per incident	\$500 per incident
Hospital Services	80% after deductible	\$200 Co-pay IP	80% after deductible	70% after deductible
		\$100 Co-pay OP	60% after ded	50% after ded
Chiropractic	80% after deductible	\$10 Co-pay	80% after deductible	70% after deductible
	\$1,000 per year	\$800 per year	\$1,000 per year	\$1,000 per year
Diagnostic Services	80% after deductible	No Co-pay	80% after deductible	70% after deductible
Durable Medical Equipment	80% after deductible	20% Co-pay	80% after deductible	70% after deductible
InPatient Physical Rehab	80% after deductible (prof serv)	\$200 Co-pay	80% after deductible	70% after deductible
OutPatient Phys Therapy	80% after deductible	\$10 Co-pay	80% after deductible	70% after deductible
Physician Office Visit	80% after deductible	\$10 Co-pay	\$20 Co-pay	\$20 Co-pay
Psychiatric Inpatient	80% - acute 50% - rehab	20% Co-pay per admit	80% -acute; 50%-rehab	No Benefits
	8 days acute 21 days rehab	8 days per year	8 days acute 21 days rehab	
Psychiatric Outpatient	80% after deductible (12 visits/year)	\$25 Co-pay (20 visits/year)	80% (20 visits/year)	70% (20 visits/year)
		50% after ded	60% 20 visits	50% 20 visits
Surgical/Medical Prof	80% after deductible	No Co-pay	80% after deductible	70% after deductible
Hospice Services	80% after deductible (\$10,000 lifetime)	No Co-pay	80%;\$10,000 max	70%;\$10,000 max
Med Necessary Obesity Surg	NA	NA	80% after deductible	70% after deductible
Wellness/Preventive	100% to \$500 per year	\$10 Co-pay	60% after ded	50% after ded
Carry Over	last 3 months	No Benefit	100% to \$1,000 per year	100% to \$1,000 per year
Maximum benefit	\$2,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Applies to Max	All covered services	All covered services	All Covered Services	All covered services
Prescription Drug				
Generic	\$5	\$5	\$10	\$15
Brand	20% to \$50	\$12	\$20	\$25
Non Participating	\$25 and 50%	\$5 Generic; \$12 Brand	\$10 Generic; \$20 Brand	\$15 Generic; \$25 Brand
Retail Supply	90 days	34 days or 100 unit doses	90 days for 3 co-pays	90 days for 3 co-pays
Mail Order	\$5/20% to \$50	NA	90 days for 2 co-pays	90 days for 2 co-pays
Mail Order Supply	90 days	NA		
Dental				
Deductible	\$25	\$25	\$25	\$25
Benefit Maximum	\$1,500	\$1,500	\$2,000	\$1,500
Preventive Service	100%	100%	100%	100%
Basic Services	80%	80%	80%	80%
Major Service	50%	50%	70%	50%
Orthodontia	75% not subject to ded	75% not subject to ded	75% not subject to ded	No Benefits
Ortho Max	\$2,500	\$2,500	\$2,500	
Vision				
Exams	100% 1 per year	\$10 Copay 1 per year	\$25 Copay; includes retinal photography	\$25 Copay; includes retinal photography
Materials	No Benefit	No Benefit	\$200 per insured/year	\$200 per insured/year
Contacts	No Benefit	No Benefit	for all frames, lenses, contacts	for all frames, lenses, contacts
Employee Cost Share				
Employee Only	\$15.00	\$5.00	\$9.95	\$0.00
Employee + Spouse (2 party)	\$46.39	\$12.58	\$18.09	\$0.00
Employee + Child (2 party)	\$46.39	\$12.58	\$18.09	\$0.00
Employee + Children (family)	\$63.79	\$25.21	\$34.43	\$0.00
Family	\$63.79	\$25.21	\$34.43	\$0.00

WAGES: As you might expect, the issue of wages has been closely tied to the health care issue. As noted previously, the City has relied heavily upon the savings generated by changes to the health care plans for general and Fire employees to fund the wage increases enjoyed by those employees. The same will be true for the members of the Police Department. However, those savings have obviously yet to be realized.

Your Union leadership has made it clear from the beginning that members of the Union need and deserve a substantial increase in their wages. Much time has been spent trying to determine how that wage increase should be quantified and measured, and what should be used as the basis for comparison. We were pleased that the City negotiating team and Union leadership embarked on a joint effort to decide upon relevant comparables to generate relevant data to review.

As a City, we have also been involved in market analyses and adjustments to the wage scales of all of our general employees. It is with this perspective that we have indicated a desire to see that our police employees are paid as the “best in class” in the State of Idaho. The adjustments would be made to the longevity scale to reflect appropriate rewards for individual years of service and experience, in contrast with cost-of-living adjustments, which are simply meant to keep pace with inflation and other increases in the marketplace.

The following charts (“City of Boise ‘Best in Class’ Police Salary Offer”) illustrate the City’s February 6, 2007, salary offer:

City of Boise
“Best in Class” Police Salary Offer (Percentages)

	4/1/2006 Across the Board Increase	4/1/2007 Across the Board Increase	4/1/2007 Market Adjustment	Total Percentage Increase
Entry Level Officer	3.00%	3.00%	0.00%	6.00%
Five Year Officer	3.00%	3.00%	2.65%	8.65%
Ten Year Officer	3.00%	3.00%	4.55%	10.55%
Fifteen Year Officer	3.00%	3.00%	7.75%	13.75%
Twenty Year Officer	3.00%	3.00%	11.20%	17.20%
Sergeant	3.00%	3.00%	0.00%	6.00%
Sergeant w/ Masters Cert	3.00%	3.00%	0.00%	6.00%

(See salary chart on next page)

City of Boise

“Best in Class” Police Salary Offer (Dollars)

Base applied first, longevity increase calculated after base increase (compounding)

	Current Salary	4/1/2006	4/1/2007	
Entry Level Officer	3,085	3,178	3,273	Advanced
	2,941	3,029	3,120	Intermediate
	2,795	2,879	2,965	NA
Five Year Officer	4,617	4,756	5,028	Advanced
	4,428	4,561	4,822	Intermediate
	4,325	4,455	4,710	NA
Ten Year Officer	4,802	4,946	5,326	Advanced
	4,605	4,743	5,108	Intermediate
	4,498	4,633	4,989	NA
Fifteen Year Officer	4,946	5,094	5,654	Advanced
	4,743	4,885	5,422	Intermediate
	4,633	4,772	5,296	NA
Twenty Year Officer	5,057	5,209	5,966	Advanced
	4,850	4,996	5,722	Intermediate
	4,737	4,879	5,588	NA
Sergeant	5,352	5,513	5,678**	Advanced
	5,167	5,322	5,482	Intermediate
	5,062	5,214	5,370	NA
Sergeant w/ Masters Cert	5,487	5,652	5,822	Advanced

** Sergeants currently receive 30 minutes of briefing preparation overtime each day added to their base salary, regardless of hours worked. This amount is not reflected in the table.

This offer was intended to meet the goal of making each group the best paid in that class. In response to concerns raised by the Union leadership about this proposal, the City revised the offer as shown in the following charts (“City of Boise ‘Revised’ Police Salary Offer”):

City of Boise
 “Revised” Police Salary Offer (Percentages)

	4/1/2006 Across the Board Increase	4/1/2007 Across the Board Increase	4/1/2007 Market Adjustment	Total Percentage Increase
Entry Level Officer	3.00%	3.00%	0.00%	6.00%
Five Year Officer	3.00%	3.00%	2.25%	8.25%
Ten Year Officer	3.00%	3.00%	3.75%	9.75%
Fifteen Year Officer	3.00%	3.00%	4.25%	10.25%
Twenty Year Officer	3.00%	3.00%	5.00%	11.00%
Sergeant	3.00%	3.00%	2.00%	8.00%
Sergeant w/ Masters Cert	3.00%	3.00%	2.00%	8.00%

(See salary chart on next page)

City of Boise

“Revised” Police Salary Offer (Dollars)

Base applied first, longevity increase calculated after base increase (compounding)

	Current Salary	4/1/2006	4/1/2007	
Entry Level Officer	3,085	3,178	3,273	Advanced
	2,941	3,029	3,120	Intermediate
	2,795	2,879	2,965	NA
Five Year Officer	4,617	4,756	5,008	Advanced
	4,428	4,561	4,803	Intermediate
	4,325	4,455	4,692	NA
Ten Year Officer	4,802	4,946	5,285	Advanced
	4,605	4,743	5,069	Intermediate
	4,498	4,633	4,951	NA
Fifteen Year Officer	4,946	5,094	5,470	Advanced
	4,743	4,885	5,246	Intermediate
	4,633	4,772	5,124	NA
Twenty Year Officer	5,057	5,209	5,633	Advanced
	4,850	4,996	5,403	Intermediate
	4,737	4,879	5,277	NA
Sergeant	5,352	5,513	5,791	Advanced
	5,167	5,322	5,591	Intermediate
	5,062	5,214	5,478	NA
Sergeant w/ Masters Cert	5,487	5,652	5,938	Advanced

In response, the Union has stated that all Officers, regardless of seniority, should receive exactly the same wage increase. The Union offered two counterproposals: either to provide for a 10% wage increase over two years without any change in health care; or, alternatively, to provide a 21.5% wage increase over four years in exchange for largely accepting the City’s proposal regarding health care.

While appreciating the Union’s desire to obtain the most advantageous compensation and benefit package possible for its membership, the City must answer to the taxpayers by acting in a responsible fiscal manner. The offers made by the City were designed to make officers the best paid in the State of Idaho. The ability to make such an offer was premised upon savings from a change in the health care plan. Unfortunately, that opportunity is now gone for the contract year April 1, 2006 to April 1, 2007.

CONCLUSION: As a City, we continue to strive to create and maintain the best possible working environment. We recognize that a major factor in that environment is the wage and benefit package provided to our employees. While an agreement has yet to be reached, we trust that the above information supplies some insight into the hard work being done by both the Union leadership and the City of Boise.

We know you share our desire for a fair and equitable contract agreement in the near future, and look forward to working with you toward that goal.

Sincerely,



David H. Bieter
Mayor



Elaine Clegg
Council President



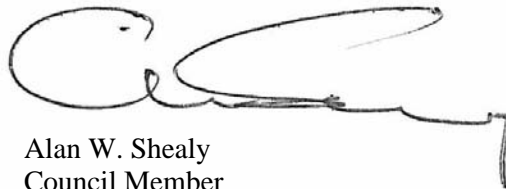
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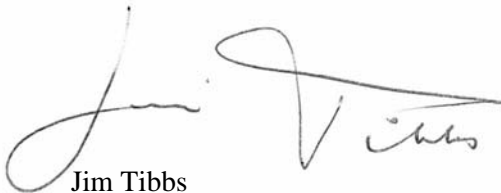
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