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**To My Fellow City of Allentown Employees:**

I am concerned that you may be hearing or reading inaccurate information about the impact the proposed concession lease of the City's water/sewer operations will have on you as an employee and your employee benefits.

I am writing to you today to share with you the facts as outlined in the proposed lease so as to help mitigate any concerns you may have – either for yourselves or for your fellow employees.

**Since first announcing this proposed project last summer, I have stressed my intent to ensure that no employee loses his/her job through this process.** Below you will find the lead statement sent to potential bidders last July when we began this competitive process as evidence of my commitment to the employees:

***“Section 2.0 Description of Concession Assets:** The single most valuable asset shared between both the Water and Sewer Systems are the dedicated and experienced professionals who have worked diligently over the years to make each system the award winning unit that it is. The value that these individuals bring to this concession is immeasurable and it is the City's intent that this value be recognized throughout this concession lease process.”*

**I want you all to know I remain committed to protecting our city taxpayers and workers to the very best of my strength and ability.** To that end let me try to clear up any confusion and outline for you what is contained in the lease document as it relates to city employees:

**Employee Employment Provisions/ Concession Lease Agreement Requirements:**

The proposed lease agreement states that All SEIU employees in good standing must be offered employment with the Concessionaire at their same wages, paid leave and benefits or equivalent benefits with the exception of retirement benefits (see below). The Concessionaire must recognize the SEIU Local 32BJ as the bargaining representative and adopt your current Collective Bargaining Agreement (CBA). This means that your current Collective Bargaining Agreement will follow you to the new employer.

**Here is a sampling of Collective Bargaining Agreement Benefits that Concessionaire must honor:**

Your current pay grade and seniority remain intact. For example.....if you are a Treatment Plant Operator/ Pay grade 14M; your current wages and future increases are intact as are all other paygrades. (This is true for all employees at all grade levels).

Your annual increases of 1.5% through 2016 remain in place.

The Shift Differential of \$0.80/hr. remains in place.

Retention of Longevity Bonuses at current seniority remains in place and increases according to the CBA.

You will retain and carry all paid Sick Leave benefits: currently 18 paid sick days per year accumulated annually up to a maximum of 200 days.

Example: If you have 200 sick days accrued with the City, these days follow with your employment with the Concessionaire.

You will retain and carry all Vacation Days: Up to 25 days per year depending on service.

Example: If you have 20 vacation days accrued with the City, these days follow with your employment to the Concessionaire and increase as they normally would with service.

Personal Days: You receive 6 paid personal days, unchanged from the current CBA.

Holidays: You receive 9 paid holidays, unchanged from the current CBA.

Health and Medical Benefits: You receive your current SEIU Plan Benefits – the new employer will pay the fixed premium per employee of \$1,077 /month or \$12,924/yr. You stay with your current SEIU Plan, unchanged from your current CBA.

The new employer will issue and pay for your work uniforms, unchanged from your current CBA.

### **Retirement Benefits:**

The concession lease agreement document also mandates the winning bidder to provide all SEIU City employees joining that organization a retirement plan and it must be substantially equivalent to the retirement benefits provided to other employees under the Concessionaire/Operator Retirement Plan. This has been repeatedly stressed to the bidders. **It requires the recognition of all years of service under the existing PMRS plan.**

Employees leaving the City to join the Concessionaire will also be able to take advantage of the following retirement benefits they have accrued as members of PMRS.

Normal Retirement Age: 55 (no minimum service requirement)

Current Retirement Benefit: 2.1% of highest average annual compensation multiplied by service. (This increased per PMRS in 2000 from 1.75%. Benefit for service prior to 2000 is multiplied at 1.75%)

How This Would Apply In The Transition To The New Concessionaire:

- Employees age 55 and older may collect their full PMRS pension upon separation from the City and will receive their full salary from the Concessionaire and participate in the Concessionaire's retirement plan. In essence, for those in this category, you could start collecting your retirement from PMRS and start building a second retirement plan with the concessionaire.
- Employees under age 55 with 8 years of service will participate in concessionaire's retirement plan with **full credit for all years of City service**. Upon age 55 the employee will be entitled to receive vested pension benefit from PMRS as well as the new retirement plan benefits from the concessionaire upon your retirement.
- Employees with less than 8 years of service may roll over employee contributions into a qualified retirement plan pursuant to Federal and State regulations which means a return of all employee contributions with 6% interest as outlined by PMRS.
- In addition PMRS staff will come to Allentown and meet individually with City employees to discuss in detail their current pension benefits. Employees will be afforded this before any decision regarding their future employment with the City or Concessionaire is required.

I know it is a time of uncertainty for many of you affected by these proposed changes. **The uncertainty of the process will be drawing to a close in April.** Between now and then we will dedicate every resource we have to provide timely and accurate facts to City staff so that when the time comes, they can make appropriate personal decisions regarding their employment options.

**Again, I want you all to know I am committed to protecting our city taxpayers and workers to the very best of my strength and ability.**

Any questions regarding this should be directed to the City Administration through your collective bargaining representatives of SEIU Local 32 BJ.

Thank you.



Ed Pawlowski  
Mayor  
City of Allentown