

**City of Bloomington and
Laborers Local 362 Inspectors
Tentative Agreement**

1. The City and Union agree to select the “Preferred Schedule” from the LIUNA funding rehabilitation plan. The selection of the Preferred Schedule will be retroactive to November 1, 2011.
2. All contributions to the LIUNA pension will be funded as described in Section 13.4 of the Inspectors agreement. The City’s contributions to the fund shall not be increased beyond the amounts described in those sections of the agreements. Increases in the pension costs will be paid in lieu of wages which would otherwise have been paid to the employees.
3. Retroactive cost increases that are greater than the City’s contribution limit will be deducted from the employees’ paychecks.
4. Upon ratification of this agreement by the City Council and the Union membership, the parties will execute the attached addendum to the collective bargaining agreements.

ADDENDUM TO COLLECTIVE BARGAINING AGREEMENT

Whereas the undersigned Union and Employer are parties to a collective bargaining agreement that provides for contributions to the Laborers’ National (Industrial) Pension Fund; and

Whereas, the Pension Fund’s Board of Trustees has adopted a Funding Rehabilitation Plan (“Plan”), dated July 26, 2010, to improve the Fund’s funding status over a period of years as required by the Pension Protection Act of 2006 (“PPA”); and

Whereas, a copy of the Plan has been provided to the Union and the Employer; and

Whereas, the Plan, in accordance with the PPA, requires that the signatories to every collective bargaining agreement providing for contributions to the Pension Fund adopt one of the Schedules included in the Plan; and

Whereas, the Union and the Employer have agreed to adopt the Plan’s Preferred Schedule and wish to document that agreement;

It is hereby agreed by the undersigned Union and Employer as follows:

1. This Addendum shall be considered as part of the collective bargaining agreement. The provisions of this Addendum supersede any inconsistent provision of the collective bargaining agreement, except that the City’s contribution rates shall be governed by Section 13.4 of the bargaining agreement.

2. The current contribution rate to the Pension Fund of \$.20 per hour shall be increased by 10% to the rate of \$.22 per hour effective November 1, 2011. On each anniversary of that effective date for the term of the collective bargaining agreement, the contribution rate then in effect shall be increased by another 10% (rounded to the next highest penny). The City's portion of this contribution rate shall be governed by Section 13.4 of the bargaining agreement.
3. With regard to benefits under the Pension Fund, the Plan's Preferred Schedule provides that the Pension Fund's current plan of benefits for the group will remain unchanged with the following exceptions:
 - a) Benefit accruals for periods after adoption of the Preferred Schedule will be based on the contribution rate in effect immediately before the Preferred Schedule goes into effect for the group, not on the increased rates required by this Schedule.
 - b) Effective April 30, 2010 and until the Rehabilitation Plan succeeds, the Pension Fund is not permitted by the PPA to pay any lump sum benefits or pay any other benefit in excess of the monthly amount that would be payable to the pensioner under a single life annuity. This means that the Fund must suspend its Partial Lump Sum option, Social Security Level Income option, and Widow/Widower Lump Sum option. Exceptions are made for a lump sum cash-out of a participant or beneficiary whose entire benefit entitlement has an actuarial value of \$5,000 or less and for the Fund's \$5,000 death benefit.
 - c) The Board of Trustees continues to have discretionary authority to amend the Rules & Regulations of the Pension Fund, including the Rehabilitation Plan, within the bounds of applicable law.
4. The Plan as a whole is deemed to be a part of the Preferred Schedule.
5. This Addendum shall be effective as of, November 1, 2011, which date is the same date on which the contribution rate increase under paragraph 2 is first effective.

To acknowledge their agreement to this Addendum, the Union and the Employer have caused their authorized representatives to place their signatures below:

FOR THE UNION:

Signature: Anthony Penn
Position: Business Manager

Date: May 16, 2012

FOR THE EMPLOYER:

Signature: Stephen F. Stockton
Position: Mayor

Date: May 15, 2012