

City of Brisbane

Agenda Report

To: City Council via City Manager

From: Stuart Schillinger, Administrative Services Director

Subject: Resolutions related to Collective Bargaining Agreements with various Bargaining Groups.

Date: December 19, 2013

Purpose:

Ensure there is a qualified, stable, and dedicated workforce for the community.

Recommendation:

Adopt the attached resolutions as it relates to agreements with the various bargaining groups of the City.

Background/Discussion:

The City employees agreed to forgo to Cost of Living Adjustments (COLAs) from their previous contract during the recession starting in 2009 and again in 2010. The employees received no COLAs in 2011 or 2012 as well. In 2013 the employees took a temporary one percent reduction in salary.

The existing contracts with all of the City's bargaining groups expire December 2013. City Council provided direction to its negotiating team to draft agreements based on providing stability and certainty of employee costs in the future.

In the past, the City's contribution to employee health insurance has been an amount equivalent to the highest Health Maintenance Organization health plan PERS offered. This has created uncertainty for future costs of health insurance in the City. Last year the City Council and employees agreed to have the City pay a fixed dollar amount instead of linking to the cost of any particular health care plan.

The agreement which expires on December 31, 2013 reinstates the previous language for health insurance payments. The Council directed staff to work with the employees to develop a health care cost sharing formula where the City would have a not too exceed amount which is known prior to PERs health care rates being released. The negotiating team developed a formula where for the next two years the maximum increase in payment for health care would be 6% with a minimum of 5%.

The increased amount would be based on the increase in the Kaiser HMO rate. If the Kaiser rate increase was three percent or less, then the City would increase its rate by the same amount. If the Kaiser rate increase was above 3% but below 6%, the City would still increase its payment by only 3%. If the Kaiser rate increase was above 6% but below 12% the City would increase its payment by half the rate increase of the Kaiser rate. If the Kaiser rate increase was above 12% the City would increase its payment by 6%. In addition to this the City will set up a health insurance fund to smooth future increases in health insurance for employees. The City will seed the fund with \$1,000 per employee this

year and contribute an amount in 2015 based on the increase the City contributes to health insurance based on the above formula. If the above formula has the City contributing less than 5% more for health insurance in 2015 then the City would put the difference in this health insurance fund. The money in the fund can only be used for employees to pay for future health insurance costs. The exact mechanics of how the fund will be used will be part of future discussions with the employees.

The agreements call for a 2-3% cost of living increase starting in July of 2014 depending on what the Consumer Price Index in San Francisco is. The rate will be set based on the annual change for 2013. During the past year inflation has run between 1.2% and 2.6%. The latest CPI figure October to October change was the 1.2%. Therefore, it estimated the annual rate should be closer to the 2% range instead of the 3% range. Since this will be known in January the City will be able to budget for the change during the budget cycle. For FY 2015/16 the agreement is for a COLA between 2% and 4% based on the San Francisco CPI increase. There is also a provision which decreases the COLA if the increase in the rate we need to put towards retirement increases by more than 5% between 2014 and 2015.

There is also a one-time payment to some, but not all of the bargaining groups. The rate for the General Employees was \$1,000; the rate for Mid-Management/ Professionals, Confidential, and Commander is \$500.

Additionally, the City would agree to do a market rate study in 2015 to provide information which would inform the negotiations for next contract period which would start in 2016. How the study will be conducted and which entities would be used a comparable agencies would be discussed and agreed to prior to the conduct of the study.

The Executive Management contract converts the Director of Emergency Services pay differential from a non-PERSable payment to salary so that it can be counted towards retirement. Since this 10% is already paid to our Public Works Director there is no increase in the salary which he is paid nor are there any additional costs due to cost of living increases since this is a percentage of his salary. The difference is cost to the City is this would not be calculated as part of payroll for retirement purposes. Therefore, the City will pay PERS on the 10%. The cost of this on an on-going basis is about \$3,000 a year.

The General Employees contract includes a provision for assignment pay. Assignment pay is for employees who do additional work outside their normal classification. Individual assignment pay is proposed by the City Manger and approved by the City Council.

Fiscal Impact:

The impact of the General Employees proposal would be \$20,000 in one-time payments to that group specifically. The cost of the one-time payment to the other groups would be \$8,000. The cost of a 2% COLA city-wide is \$146,000. This would be budgeted as part of the FY 2014/15 budget and would not impact the current year. The 5.5% health insurance increase would add an additional \$5,000 to the cost of the projected insurance costs in the current year budget. The City budgeted a 5% increase based on previous years' information. The change in the Executive Management contract of converting the Director of Emergency Services differential of 10% to salary would be \$1,500 this year and \$3,000 on an on-going basis to cover the additional retirement payment.

Measure of Success

The City has a qualified, stable, dedicated work force.

Attachments:

Resolution No. 2013-43 concerning wages, hours and working conditions for the General Employees Association

Resolution No. 2013-44 concerning wages, hours and working conditions for the Confidential Employees Group

Resolution No. 2013-45 concerning wages, hours and working conditions for the Mid-Management/Professional Employees

Resolution No. 2013-46 concerning wages, hours and working conditions for the Executive Employees Management Group

Resolution No. 2013-47 concerning wages, hours and working conditions for the Confidential Management Employee Group


Resolution No. 2013-48 concerning wages, hours and working conditions for the International Association of Firefighters, Local 2400, AFL-CIO

Resolution No. 2013-49 concerning wages, hours and working conditions for the Police Chief

Resolution No. 2013-50 concerning wages, hours and working conditions for the Police Commander Association



Stuart Schillinger
Administrative Services Director



Clay Holstine
City Manager