

# *City of Brisbane*

## *Agenda Report*

To: City Council via City Manager

From: Stuart Schillinger, Administrative Services Director

Subject: Resolution related to Collective Bargaining Agreement with the Fire Bargaining Group

Date: March 17, 2014

### **Purpose:**

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

### **Recommendation:**

Adopt Resolution 2014-04 concerning wages, hours and working conditions for the International Association of Firefighters, Local 2400, AFL-CIO.

### **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 contract with the fire group expired 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 expired on December 31, 2013 reinstated 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 for the next two years that provided for health care increases of a maximum of 6% and 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. The annual increase was 2.1% which will be used to develop the budget for FY 2014-15. 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 of \$500 for each employee which is the same amount received by the Commander position and the Mid-management/Professional employees group.

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 starting in 2016. How the study will be conducted and which entities would be used as comparable agencies would be discussed and agreed to prior to the conduct of the study.

On December 19, 2013 the City Council approved a side letter with this bargaining group to implement the medical insurance formula. The City's negotiating team met with the Fire group in late January to discuss the attached Tentative Agreement. The Tentative Agreement is in line with the other agreements. Scheduling conflicts prevented this from being considered with the previous agreements.

#### **Fiscal Impact:**

The impact of the one-time payment is \$4,500. The 2.1% implemented in July will cost approximately \$26,000. This would be budgeted as part of the FY 2014/15 budget and would not impact the current year. The 5.5% increase for health insurance is a continuation of the side letter signed in December of 2013 and is no additional cost to the City.

#### **Measure of Success**

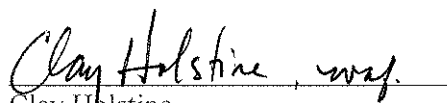
The City has a qualified, stable, dedicated work force.

#### **Attachments:**

- Resolution No. 2014-04 concerning wages, hours and working conditions for the International Association of Firefighters, Local 2400, AFL- CIO



Stuart Schillinger  
Administrative Services Director



Clay Holstine  
City Manager

**RESOLUTION 2014-04**

**A RESOLUTION OF THE CITY COUNCIL OF  
THE CITY OF BRISBANE CONCERNING  
WAGES, HOURS AND WORKING CONDITIONS FOR  
THE INTERNATIONAL ASSOCIATION OF FIREFIGHTERS, LOCAL 2400,  
AFL-CIO**

**WHEREAS**, the City of Brisbane and the International Association of Firefighters, Local 2400, AFL-CIO have met and conferred in accordance with the requirements of the Meyers-Millias-Brown Act; and

**WHEREAS**, the City of Brisbane and the International Association of Firefighters, Local 2400, AFL-CIO have reached an agreement regarding wages, hours and working conditions.

**NOW, THEREFORE, BE IT RESOLVED**, by the City Council of the City of Brisbane that the agreement is approved as set forth in Exhibit A and is incorporated by reference as though fully set forth herein.

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W. CLARKE CONWAY  
Mayor

I hereby certify that the foregoing Resolution No. 2014-04 was duly and regularly adopted at a special meeting of the Brisbane City Council on March 17, 2014, by the following vote:

AYES:  
NOES:  
ABSENT:

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SHERI MARIE SPEDIACCI  
City Clerk

**TERMS OF TENTATIVE AGREEMENT BETWEEN CITY OF BRISBANE AND  
INTERNATIONAL ASSOCIATION OF FIREFIGHTERS LOCAL 2400, AFL-CIO**

**1. MOU Renewal and Term:**

All terms of the July 1, 2000 – June 30, 2008 Memorandum of Understanding ("MOU") between the International Association of Firefighters, Local 2400, AFL-CIO bargaining unit ("Union") and the City of Brisbane ("City"), as amended by this Tentative Agreement ("TA"), shall be renewed for the period January 1, 2014 to December 31, 2015. The parties' September 25, 2012 agreement to extend the MOU shall remain in effect through December 31, 2013, at which time all items regarding the MOU set forth in paragraphs 1-2 of the parties' September 25, 2012 Side Letter, including the temporary 1% salary reduction, shall expire pursuant to the Side Letter's terms unless continued as a provision of the MOU as a result of this TA.

**2. Cost-of-Living Adjustment:**

Section 6 Wages shall be amended as follows:

Commencing the first full payroll period after July 1, 2014, the bargaining unit will receive a Cost of Living Adjustment ("COLA") dependent on CPI (San Francisco-W-82-84=100) movement Annual for 2013 reported in January 2014, with a minimum of 2.0% and a maximum of 3.0%.

Commencing the first full payroll period after July 1, 2015, the bargaining unit will receive a COLA dependent on CPI (San Francisco-W-82-84=100) movement Annual for 2014 reported in January 2015, with a minimum of 2.0% and a maximum of 4.0%, provided that on January 1, 2015 the CalPERS Employer Contribution Rate for the bargaining unit has not increased more than 5% from the previous year's rate. For any January 1, 2015 increase in the City's contribution rate above 5%, the July 1, 2015 COLA will be reduced by the amount of percentage increase in the contribution rate that is above 5%, except that the COLA shall be no less than zero. For example, if the City's contribution rate increases by 6%, such as from 16% to 22%, on January 1, 2015, and the July 1, 2015 COLA would otherwise be 3%, the COLA would be reduced to 2%.

**3. Medical Benefits:**

Section 11 Health and Welfare shall be amended as follows:

The City's contribution toward the Flexible Compensation Plan will be set at the following amounts beginning January 1, 2014:

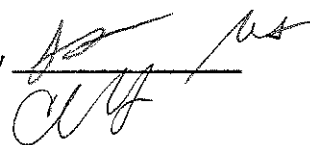
No Plan	\$511.87
Single party	\$628.86
Two party	\$1,379.10
Family	\$1,829.29

The City shall contribute \$119.00 per month effective January 1, 2014 for the medical insurance premiums for active and retired employees. This employer required contribution will be adjusted by

For IAFF Local 2400:



For the City



the amount required each January by PEHMCA. Health benefits will be offered through the CalPERS Health Benefits program.

In the event there is a CalPERS Medical Plan(s) rate increase effective January 1, 2015, the parties agree to the following formula for sharing that increase:

The CalPERS Bay Area Kaiser Rate increase will be used as the benchmark. If the benchmark rate increase is 3% or less, the City will increase its cash contribution to the Flexible Compensation Plan by that percent. If the increase is between 3% and 6%, the City will increase its cash contribution by 3%. If the increase is between 6% and 12%, the City will split the increase with the employee and add that increase to the 3% stated above so that the City's maximum increase caps out at 6%. Any increase above 12% will trigger a reopening of the contract to negotiate the means to share the cost burden above said 12%.

This paragraph will go into effect in December of 2014 in order to coincide with the payment of the January Health Insurance bill paid at the end of December 2014.

**4. Health and Welfare Reserve:**

New language shall be included in the MOU to provide for a Health and Welfare Reserve, as follows:

The City shall prefund a health and welfare reserve fund in an amount equivalent to \$1,000 for each member of the bargaining unit as of January 1, 2014. This reserve fund shall not be used in 2014, and thereafter shall be used by employees to pay the employee's portion of medical insurance costs. Representatives of the City and the bargaining unit will meet beginning in February 2014 to discuss and decide on the specific terms of use of funds put in the Health and Welfare Reserve for bargaining unit members, which shall be based on the bargaining unit's determination of how best to use such funds.

After 2014, if there is no January 1 increase in the CalPERS Bay Area Kaiser Rate, or if there is such an increase, but the City's increase in medical insurance costs pursuant to the formula set forth above is less than 5%, the City shall contribute to the Health and Welfare Reserve an amount equivalent to the difference between a 5% increase in the City's medical insurance costs pursuant to the formula and the City's actual increase, if any, under that formula, to be used by employees in the bargaining unit to pay the employee's portion of medical insurance costs in accordance with the specific terms decided on through the process that will begin in February 2014.

The City shall provide the bargaining unit with an accounting of the funds in the health and welfare reserve fund on an annual basis after the City's annual audit. The balance of funds in the reserve shall carry over from year to year.

**5. Compensation Study:**

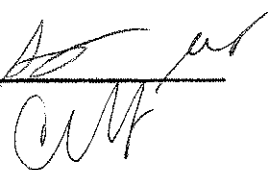
Within 90 days of July 1, 2015, the City will complete a total compensation market survey. The parties will convene on or about March 1, 2015 to review the components of said market study. The City will meet and confer with the bargaining unit regarding the results of the market study. The parties will explore the feasibility of a median implementation strategy. Should another Bargaining

For IAFF Local 2400:



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For the City



Unit receive more favorable terms regarding implementation of a compensation study, then those same provisions shall apply to this unit.

6. **One-time Payment:**

Upon ratification by the bargaining unit and approval by the City Council of this TA, each member in the bargaining unit will receive, by the end of the next full pay period, a one-time \$500 payment.

7. **Public Employees Retirement System:**

Section 14 shall be amended as follows:

Employees hired by the City and who have entered CalPERS membership prior to January 1, 2013 will receive the Local Safety 3% @ 55 CalPERS retirement plan. The employee contribution for those participating in the Local Safety 3%@ 55 retirement plan will be 9.0%

New bargaining unit hires on or after January 1, 2013 who are determined by CalPERS to be "classic" or "legacy" members of the CalPERS will receive the Local Safety 3%@ 55 retirement plan. The employee contribution for those participating in the Local Safety 3%@ 55 retirement plan will be 9.0%

For new bargaining units hired on or after January 1, 2013 who are new to the CalPERS retirement system, the City shall provide the Local Safety 2.7% at 57 retirement program. In this and all other relevant respects, the City will comply with Government Code sections 7522 et seq. (PEPRA) including but not limited to the employee cost-share, the cap on pension benefits, and the three-year average for calculating final compensation. New bargaining unit employees shall pay 50% of the normal cost for their retirement benefit.

8. **Assignment Pay:**

Section 10 Out of Class Pay will be amended to Out of Class Pay and Assignment Pay by the addition of a second paragraph as follows:

Employees in this unit may accept assignments to perform specific work duties that are not within the scope of their regular work duties. Such assignments, including the scope and length, are at the sole discretion of the City Manager. An employee so assigned shall be entitled to receive from \$250 to \$750 per month above and in addition to his/her current base salary for the full period of assignment. The appropriate amount of additional pay will be set prior to commencement of the assignment, and there shall be no reduction in the amount of additional pay during the assignment period. The assignments provided for shall be on average no more than 5 - 6 hours per week but some weeks may be more and others less.

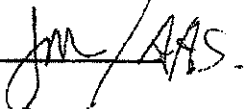

9. **Reopener:**

The parties agree to a reopener to discuss the Department's SOP's.

10. **Retiree Medical:**



For employees hired on or after January 1, 2013 the City will contribute one point five percent (1.5%) of the employee's base monthly salary toward a defined contribution benefit plan and

For IAFF Local 2400:

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For the City

the Supplemental Stipend will not apply. In the event the employee makes a contribution of up to Two point Five percent (2.5%) of the employee's base monthly salary toward the Defined Contribution Plan, the City will match such contribution up to one percent (1.0%). The City's total contribution toward any employee will not exceed two point five percent (2.5%).

For individual employees eligible for the supplemental stipend who voluntarily elect to irrevocably opt out of the supplemental stipend benefit, the City will contribute three percent (3.0%) of the employee's base monthly salary toward a Defined Contribution Plan and the supplemental stipend will not apply. In the event the employee makes a contribution up to five percent (5.0%) of the employee's base monthly salary towards the Defined Contribution Plan, the City will match such contribution up to two percent (2.0%). The City's total contribution toward any employee will not exceed five percent (5.0%). This benefit will terminate upon separation from service with the City. Furthermore, it is agreed that an employee who once waives his/her participation in the supplemental stipend program, it shall be irrevocable.

The City and the bargaining unit acknowledge that this tentative agreement shall not be in full force and effect until adopted by the City Council of the City of Brisbane. If the foregoing is in accordance with your understanding, please so indicate by signing below.

INTERNATIONAL ASSOCIATION OF  
FIREFIGHTERS LOCAL 2400, AFL-CIO

Dated 2/24/14

By David H. Swim  
Dr. David Swim  
IAFF, Local 2400

By John Murphy  
John Murphy

By Aaron H. Sorani  
Aaron Sorani

CITY OF BRISBANE

By Clayton Holstine  
Clayton Holstine  
City Manager

By Stuart Schillinger  
Stuart Schillinger  
Administrative Services Director

By Maria Saguisag-Sid  
Maria Saguisag-Sid  
Principal Analyst

**Effective Date: 1/1/2014**

1.00% Increase

**CITY OF BRISBANE**

International Assoc. of Firefighters, Local 2400

Appendix A

<u><b>Job Title</b></u>		<u><b>Step A</b></u>	<u><b>Step B</b></u>	<u><b>Step C</b></u>	<u><b>Step D</b></u>	<u><b>Step E</b></u>
Firefighter	Monthly	6,353.17	6,670.83	7,004.37	7,354.59	7,722.32
	Bi-weekly	2,932.23	3,078.84	3,232.79	3,394.43	3,564.15
	Hourly	26.18	27.49	28.86	30.31	31.82
Firefighter/Paramedic	Monthly	6,353.17	6,670.83	7,004.37	7,354.59	7,722.32
	Bi-weekly	2,932.23	3,078.84	3,232.79	3,394.43	3,564.15
	Hourly	26.18	27.49	28.86	30.31	31.82
Fire Captain	Monthly	7,592.81	7,972.45	8,371.07	8,789.62	9,229.10
	Bi-weekly	3,504.37	3,679.59	3,863.57	4,056.75	4,259.58
	Hourly	31.29	32.85	34.50	36.22	38.03
Fire Prevention Officer	Monthly	6,686.11	7,020.42	7,371.44	7,740.01	8,127.01
	Bi-weekly	3,085.90	3,240.19	3,402.20	3,572.31	3,750.93
	Hourly	38.57	40.50	42.53	44.65	46.89
Fire Trainee	Monthly	3,160.88				
	Bi-weekly	1,458.87				
	Hourly	18.24				

1 - Hourly wage for Firefighter, Firefighter/Paramedic and Fire Captain are calculated on a 56-hour workweek.

2 - Hourly wage for Fire Prevention Officer and Fire Trainee is calculated on a 40-hour workweek.

3 - Base Salary includes holiday compensation at the rate of 6.0% for Firefighter & Firefighter/Paramedic.