

# *City of Brisbane*

## *Agenda Report*

To: City Council via City Manager

From: Principal Analyst

Subject: Adoption of Resolution 2013-02 to approve the Letter of Understanding with the Police Commander

Date: February 4, 2013

### **Purpose:**

Ensure the community continues to receive excellent service by retaining and attracting exceptional employees and maintain the long-term financial viability of the organization.

### **Recommendation:**

Adopt Resolution 2013-02 approving the Letter of Understanding for the Police Commander

### **Background:**

The City Council created a subcommittee which has met multiple times concerning the labor negotiations and developed a recommendation which was presented to the City Council in a closed session related to labor relations on January 18, 2011.

The subcommittee recommended, and the City Council approved, overall interests the City has in developing its strategy. The six interests which the City Council thought needed to be met were:

- 1) Ensure the on-going and long-term financial solvency of the City
- 2) Ensure there are enough reserves to cover future economic downturns and potential natural disasters
- 3) Maintain service levels as close to current standards as possible
- 4) Incorporate long-term cost containments mechanisms in labor contracts
- 5) Re-align retirement payments so there is a more even sharing of costs between employer and employee
- 6) Maintain a positive work environment

In October 2012, the City Council approved letters of understand for all labor groups with the exception of the Police Commander. At that time, the Police Commander position was not filled. However, in January 2013, an appointment to the Police Commander position was enacted.

### **Discussion:**

Similar to other bargaining units, the Police Commander's group has agreed to a 1% reduction in pay and no increase in the amount the City puts towards employee health insurance for calendar year 2013. The Police Commander has also agreed to include a Defined Contribution for Medical After Retirement similar to the other bargaining units.

Looking at the six interests Council stated it wanted to achieve the proposed agreements makes in roads in all of them.

- 1) **Ensure the on-going and long-term financial solvency of the City** – Although this is not a long-term contract and does not guarantee long-term savings it sets the framework for cost sharing on the health care side and the new laws (Affordable Care Act, and Pension Reform) should provide some long-term financial relief.
- 2) **Ensure there are enough reserves to cover future economic downturns and potential natural disasters** – We will be able maintain our reserves above \$5,000,000 for FY 2012/13
- 3) **Maintain service levels as close to current standards as possible** – We will be able to continue with the same number of employees working for the City assuming no further reduction in revenues.
- 4) **Incorporate long-term cost containments mechanisms in labor contracts** – This proposal does not incorporate any long-term cost containments as it is only through the end of 2013. However, as stated above it provides a framework for future cost containment and the new laws should assist with this.
- 5) **Re-align retirement payments so there is a more even sharing of costs between employer and employee** – The health care proposal requires employees to pick up more of their health care cost in 2013. The Pension Reform Bill provides a roadmap for employees to pay for more of their retirement costs as well.
- 6) **Maintain a positive work environment** – An agreement between both sides maintains a more positive work environment than would an imposed contract.

### **Fiscal Implications**

Staff presented a preliminary budget for discussion to City Council on May 21, 2012. At that time, staff provided 5-year budget projections as well. Part of the budget projections was a 2% decrease in pay and no increase in health insurance payments.

The health insurance cost is what is in the 2012/13 budget. The salary decrease is less than anticipated in the 2012/13 budget by \$803.

### **Measure of Success**

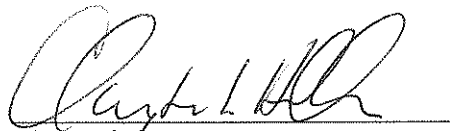
Reach agreement with the bargaining group which protects the City's long-term interests.

### **Attachments**

Resolution 2013-02



Maria Saguisag  
Principal Analyst



Clay Holstine  
City Manager

**RESOLUTION 2013-02**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BRISBANE  
CONCERNING WAGES, HOURS AND WORKING CONDITIONS  
FOR THE POLICE COMMANDER  
EFFECTIVE JANUARY 1, 2013**

**WHEREAS**, on January 5, 2009, the City Council approved Resolution 2009-04 concerning the Memorandum of Understanding between the City of Brisbane and the Police Commander; and

**WHEREAS**, the City of Brisbane and the Police Commander have since met and conferred in accordance with the requirements of the Meyers-Millias-Brown Act; and

**WHEREAS**, the City of Brisbane and the Police Commander have reached an agreement regarding revising current wages, hours and working conditions;

**NOW, THEREFORE, BE IT RESOLVED**, by the City Council of the City of Brisbane as follows

1. The letter of understanding dated January 29, 2013 as set forth in Exhibit A is ratified and approved in all respects.
2. The City Manager is hereby authorized and directed to execute such letter of understanding, effective February 4, 2013.

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RAYMOND MILLER  
Mayor

I hereby certify that the foregoing Resolution No. 2013-02 was duly and regularly adopted at a regular meeting of the Brisbane City Council on February 4, 2013, by the following vote:

AYES:  
NOES:  
ABSENT:

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SHERI MARIE SPEDIACCI  
City Clerk



## CITY OF BRISBANE

50 Park Place  
Brisbane, California 94005-1310  
(415) 508-2100  
Fax (415) 467-4989

January 29, 2013

Robert Meisner  
Police Commander  
50 Park Place  
Brisbane, CA 94005

Dear Bob,

The City of Brisbane and the Police Commander hereby agree to extend the term of the Memorandum of Understanding ("MOU") that expired on June 30, 2010 to December 31, 2013. In recognition of AB 340 and the Affordable Care Act, the parties further agree to commence meet and confer over a successor MOU on or about March 1, 2013.

This side letter also will confirm the following items regarding the MOU for the time periods set forth below:

1. The salaries for the classifications in the bargaining unit covered by the MOU will be reduced by one percent for the time period of January 1, 2013 through December 31, 2013.
2. Step F of the pay scale will be eliminated, effective January 1, 2013.
3. The City's contribution toward the Flexible Compensation Plan for the time period of January 1, 2013 through December 31, 2013 will be set at the following amounts.

No Plan	\$487.39
Single party	\$596.10
Two party	\$1,307.20
Family	\$1,733.86

The City shall contribute \$115.00 per month for the medical insurance premiums for active and retired employees. Health benefits will be offered through the PERS Health Benefits program.

4. 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 the above 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%).

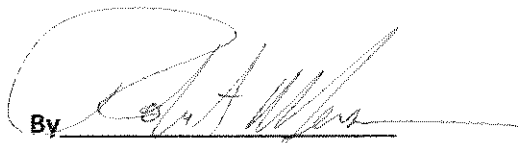
For individual employees eligible for the supplemental stipend who voluntarily elect to irrevocably opt out of the supplemental stipend benefit, the City will contribute three percent (3.0%) of the employee's base monthly salary toward a Defined Contribution Plan and the above supplemental stipend will 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.

If the foregoing is in accordance with your understanding, please so indicate by signing below.

POLICE COMMANDER

Dated 1/30/13

By   
Robert Meisner

CITY OF BRISBANE

By 

Clayton Holstine  
City Manager

By 

Stuart Schillinger  
Administrative Services Director

By 

Maria Saguisag-Sid  
Principal Analyst

Effective Date: 01/1/2013

1.00% Decrease

CITY OF BRISBANE

Police Commander

Appendix A

<u>Job Title</u>		<u>Step A</u>	<u>Step B</u>	<u>Step C</u>	<u>Step D</u>	<u>Step E</u>
Police Commander	Monthly	10,906.13	11,452.13	12,024.13	12,625.60	13,258.27
	Bi-weekly	5,033.60	5,285.60	5,549.60	5,827.20	6,119.20
	Hourly	62.92	66.07	69.37	72.84	76.49