

Agenda Report

DATE: June 23, 2014

TO: Honorable Mayor and City Council
FROM: Human Resources Department
RE: APPROVAL OF A MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF PASADENA AND THE PASADENA FIREFIGHTERS ASSOCIATION FOR THE TERM OF JULY 1, 2013 - JUNE 30, 2017

RECOMMENDATION:

It is recommended that the City Council

1. Approve a successor Memorandum of Understanding (MOU) between the City of Pasadena (City) and the Pasadena Firefighters Association (PFFA) for the term of July 1, 2013 through June 30, 2017;
2. Adopt a resolution of the City Council of the City of Pasadena to authorize tax deferral of member paid contributions to the California Public Employees' Retirement System for the safety employees in the bargaining unit represented by PFFA; and
3. Adopt a resolution of the City Council of the City of Pasadena to report the value of employer paid member contributions (EPMC) for the safety employees represented by PFFA and supersede resolution Nos. 8208 insofar as it applies to the safety employees represented by PFFA.

BACKGROUND:

The City and representatives of PFFA have met and conferred in good faith and have reached agreement on a successor MOU, which provides for the following:

1. Salaries: Effective the pay period that includes July 1, 2014, employees receive a 5% salary increase. Effective the beginning of the pay period that includes July 1, 2015, employees receive a 2.5% salary increase. Effective the beginning of

the pay period that includes July 1, 2016, employees receive a 2.5% salary increase.

2. Retirement: Effective the pay period that includes July 1, 2014, employees will contribute to retirement 6% of member contributions. Effective the beginning of the pay period that includes July 1, 2015, employees will contribute to retirement an additional 3% member contribution (for a total of 9%). Effective the beginning of the pay period that includes July 1, 2016, employees will contribute to retirement an additional 3% as cost-sharing of the employer rate (for a total of 12%). Member contributions will be deducted on a pre-tax basis. Employer Paid Member Contribution (EPMC) and the reported value of PERS on PERS will be reduced to 3% effective July 1, 2014 and 0% effective July 1, 2015. Retirement provisions for new members, as defined by the Pension Reform Act of 2013, have been incorporated into the PFFA MOU.
3. Vacation: Effective January 1, 2016, PFFA members accrue vacation on a per pay period basis. The maximum accrual is twice the annual accrual. Unit members who use a minimum of seventy-two hours of vacation during a calendar year may cash out up to seventy-two hours of vacation during a calendar year as long as the vacation balance following the cash out is at least seventy-two hours. Also effective January 1, 2016, is an increase in the number of employees allowed to schedule vacation at any one time (increased to five).
4. Holidays: 24 hour shift employees in PFFA regularly work designated holidays. As such, employees will receive holiday in lieu pay as compensation reportable to CalPERS for twelve holidays as the holidays occur. 40 hour employees receive time off for eleven holidays plus eight hours of floating holiday none of which is reported as special compensation to CalPERS.
5. Sick Leave: Effective January 1, 2016, employees accrue sick leave on a per pay period basis. 4/10 employees accrue eighty hours per year to a maximum of 2080 hours and 24 hour shift employees accrue one-hundred and thirty-two hours per year to a maximum of 2923. Effective January 1, 2017, 24 hour shift employees accrue one hundred forty-four hours of sick leave per year. At retirement, employees may convert accrued and unused hours of sick leave to service credit pursuant to Government Code Section 20965. Effective January 1, 2016, the existing extended sick leave program is eliminated. Current sick leave and reserve sick leave banks will be combined into one sick leave accrual bank and employees will receive a one-time allotment of sick leave base on years of service.
6. Health Insurance/Employee Option Benefit Fund: Employees enrolled in a medical plan receive an allowance of \$1,343.57 per month which includes the statutory CalPERS minimum contribution. Increases to each tier (employee only, employee+1, employee+2) will only occur when the lower of the premium for the

CalPERS LA Region for Blue Shield Access+ or Kaiser exceeds the current allowance. The allowance in each tier will equal the lower of the LA Region Blue Shield Access+ or Kaiser premium but shall not be lowered below the 2014 allowance which includes the PEMHCA minimum. New employees hired by the City on or after July 1, 2014, will receive an EOB allowance (including the statutory minimum) that equals the lower of the premium of Blue Shield Access+ or Kaiser (LA Region) for the tier in which they enroll (employee only, employee+1, employee+2). Employees in the unit as of June 30, 2014, who elect to opt out of medical coverage because they provide proof of medical coverage from another source, receive \$1,228.57 per month. Effective July 1, 2014, new employees hired by the City, who opt out of medical coverage because they have coverage through another means, receive a maximum of \$400 per month.

7. Dental: The City will contribute 100% of the employee only premium for a PPO dental plan. For employees who cover one dependent, the City shall contribute an additional \$71.67 per month. For employees who cover two or more dependents, the City shall contribute up to an additional \$88.40 per month.
8. Special Assignment Pay: Employees who hold a valid certification from the California State EMS authority as an EMT-Paramedic receive \$500 per month upon receipt of the initial license and \$900 per month after the second year as a licensed paramedic. Effective July 1, 2015, the \$900 month will increase to \$950 per month.
9. Light Duty: The MOU modifies the current forty-five day maximum for light duty assignments by increasing the maximum to ninety days unless otherwise approved by the Fire Chief.
10. Gainshare: The City agrees to provide a one-time payment of \$500 per member on the second pay period following City Council approval of the MOU for the elimination of the Gainshare program.
11. Work Schedule: The City and PFFA agree to establish a joint labor management committee to study the 48/96 work schedule. The committee will begin in January 2015 and provide a completed report to the City Manager and Fire Chief by July 1, 2015. The parties agree to a re-opener on the subject of work schedules in September 2015.
12. Contract language: The MOU has been re-written and reorganized for clarity, legal compliance, and organizational effectiveness. These changes do not directly reflect monetary impacts; rather, they correct the contract to the law, department procedures, and best practices.

COUNCIL POLICY CONSIDERATION:

The adoption of the Memorandum of Understanding between the City of Pasadena and the Pasadena Firefighters Association supports the City Council's strategic goal of maintaining fiscal responsibility and stability.

FISCAL IMPACT:

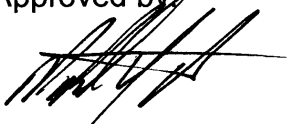
The recommended MOU changes along with anticipated CalPERS employer rate increases will result in a cost of \$1,401,910 during the term of the agreement.

Respectfully Submitted,



Kristi Recchia
Director of Human Resources

Approved by:



Michael J. Beck
City Manager

Attachments:

1. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASADENA TO REPORT THE VALUE OF EMPLOYER PAID MEMBER CONTRIBUTIONS (EPMC) FOR THE SAFETY EMPLOYEES REPRESENTED BY THE PASADENA FIRE FIGHTERS ASSOCIATION (PFFA) AND SUPERSEDES RESOLUTION NO. 8208 INsofar AS IT APPLIES TO THE SAFETY EMPLOYEES REPRESENTED BY PFMA
2. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASADENA TO AUTHORIZE TAX DEFERRAL OF MEMBER PAID CONTRIBUTIONS TO THE CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM FOR THE SAFETY EMPLOYEES IN THE BARGAINING UNIT REPRESENTED BY PFFA
3. MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF PASADENA AND THE PASADENA FIRE FIGHTERS ASSOCIATION