

Agenda Report

DATE: December 9, 2013

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 MANAGEMENT ASSOCIATION FOR THE TERM OF DECEMBER 9, 2013 - JUNE 30, 2016

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 Management Association (PFMA) for the term of December 9, 2013 through June 30, 2016;
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 PFMA; 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 PFMA and supersede resolution Nos. 8163 insofar as it applies to the safety employees represented by PFMA.

BACKGROUND:

The City and representatives of PFMA 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 following approval of the MOU, employees receive a 2% salary increase. Effective the beginning of the pay period that

includes July 1, 2014, employees receive a 3% salary increase. Effective the beginning of the pay period that includes July 1, 2015, employees receive a 2.5% salary increase.

2. Retirement: Effective the pay period following approval of the MOU, employees will contribute to retirement 3% of member contributions. Effective the beginning of the pay period that includes July 1, 2014, employees will contribute to retirement an additional 3% member contribution (for a total of 6%). 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%). 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 6% following adoption of the MOU, 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 PFMA MOU.
3. Vacation: PFMA members accrue vacation on a per pay period basis. The maximum accrual is twice the annual accrual. Upon reaching the maximum, the employee is still permitted to accrue vacation in the following 12 months at the rate he/she is entitled to accrue. However, the vacation earned above the maximum will be used in that 12 month period by the employee, cashed out if requested by the employee or lost at the end of that period if neither used nor cashed out. Thus, at the end of the 12 month period, the employee will have no more than the maximum accrual of vacation. Unit members may cash out up to one-half of the employees' vacation bank at his/her base hourly rate of pay. Unit members may cash out additional vacation hours (180 hour for 56 hour employees and 150 hours for 4/10 employees) in the twelve months preceding his/her retirement date.
4. Holidays: 56 hour shift employees in PFMA 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 ten hours of floating holiday none of which is reported as special compensation to CalPERS.
5. Sick Leave: Effective January 1, 2014, 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 56 hour employees accrue one-hundred and twenty hours per year to a maximum of 2080. At retirement, employees may convert 2200 hours of sick leave to service credit pursuant to Government Code Section 20965.
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. Employees, 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, 2013, 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.

During the 2013 - 2016 term of this agreement, should the City's contribution for PFFA, Local 809 increase, an equivalent increase shall be provided to bargaining unit employees. Application of this provision shall not result in a decrease in the contributions listed above. The parties agree that no modification will be made to PFMA's 2014 EOBFF allowance until the City resolves its labor negotiations with PFFA. Should the result of those negotiations be an increase to PFFA's EOBFF allowance that exceeds the PFMA 2014 allowance (as set forth above), and that increase has an effective date as of January 2014, the City will grant the same increase to PFMA retroactive to January 2014.

7. Special Assignment Pay: Employees who complete the California Incident Command Certification Systems for Strike Team Leader (Level 300) and/or the Chief Officer/National Fire Academy Executive Fire Officer Certification will receive a one-time payment of \$1400. Employees who receive both certifications will receive a one-time payment for each certification.
8. Tuition Reimbursement: Increase PFMA to \$1,000 per year for eligible employees.
9. 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 Management Association supports the City Council's strategic goal of maintaining fiscal responsibility and stability.

FISCAL IMPACT:

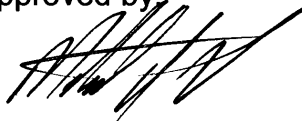
The recommended MOU changes will result in a cost of \$58,657.

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 MANAGEMENT ASSOCIATION (PFMA) AND SUPERSEDES RESOLUTION NO. 8163 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 PFMA
3. MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF PASADENA AND THE PASADENA FIREFIGHTERS MANAGEMENT ASSOCIATION