



## Agenda Report

18-1065

Agenda Date: 9/11/2018

### REPORT TO COUNCIL

#### SUBJECT

Action on the 2017-2020 Memorandum of Understanding between the City of Santa Clara and the Santa Clara Firefighters, International Association of Firefighters, Local 1171 (Unit 1)

#### DISCUSSION

A tentative agreement has been reached between the City of Santa Clara (City) and Santa Clara Firefighters, International Association of Firefighters, Local 1171 (Unit 1) on a successor Memorandum of Understanding (MOU). This report recommends approval of the MOU, and if so approved, will be in effect from December 17, 2017 through and including December 26, 2020.

The MOU between the City and Unit 1 expired on December 16, 2017. A tentative agreement was reached on June 26, 2018. Unit 1 held a vote that concluded on July 19, 2018, resulting in Unit 1 ratifying the attached agreement.

The significant provisions of the new MOU are as follows:

#### Total Compensation Adjustments

- Year 1 -- 5.76% wage increase retroactive to December 17, 2017
- \$200/mo. additional City contribution per member to the City's Voluntary Employee's Benefit Association (VEBA), retroactive to December 17, 2017 in lieu of increasing the City's contribution to medical plans (as negotiated with other bargaining units)
- Years 2 and 3 - total compensation adjustments to result in 5% above the benchmark agencies' total compensation survey average

#### Medical

- Effective October 1, 2018, modify the language of the health insurance section to ensure compliance with the Affordable Care Act. The amount designated as "Kaiser employee only" will continue as the mandatory health allocation and the amount provided as cash in lieu for those that submit an attestation confirming other group health coverage.

#### Educational Incentive

- In Year 3:
  - 5% of Top Step Firefighter for 400 hours of State Fire Marshal Classes (exclusive of classes required for Hazard Materials Assignment pay or Technical Rescue Assignment pay)
  - 2.5% of Top Step Firefighter for 200 hours of State Fire Marshal classes (exclusive of classes required for Hazard Materials Assignment pay or Technical Rescue Assignment pay)

**48/96 Schedule Study**

- The City and IAFF will form a joint labor-management committee (“Committee”) to study IAFF’s interest in a pilot 48/96 schedule program for suppression personnel. The Committee’s purpose is to study the pros and cons of a 48/96 schedule and confirms that the City retains the discretion whether or not to implement a 48/96 pilot program.

**Specialty Pays**

- Truck and Rescue Assignment Pay - 5% (when regularly assigned to truck or rescue company/station) or 1% (if completed required classes but not currently assigned) of Top Step Firefighter
- Hazardous Materials Pay - for Hazardous Materials Specialists, an adjustment from \$534 per month to \$582; for Hazardous Materials Technicians, an increase from \$267 per month to \$291, and for Hazardous Materials Specialists not regularly stationed at Station 9, an increase from \$107 per month to \$116
  - Increase on call pay for prevention investigation duty from 7 to 10 compensatory time off hours per week assigned

**Leaves**

- Align personal leave and vacation accrual for 40 hour employees in Unit 1 to align with rest of City (32 hours of personal leave per year and 192 hours of vacation accrual per year if 21 or more years of service)

**ENVIRONMENTAL REVIEW**

The action being considered does not constitute a “project” within the meaning of the California Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines section 15378(b)(5) in that it is a governmental organizational or administrative activity that will not result in direct or indirect changes in the environment.

**FISCAL IMPACT**

The primary cost impact is the retroactive wage increase, retroactive additional \$200/month contribution to VEBA, and new educational incentive pay set to begin in Year 3. The City regularly budgets in its fiscal forecast the total compensation cost for its current Full-Time Employees and integrates projected cost increases in the City’s Ten Year Financial Plan. The total cost for the successor MOU over its three-year term is approximately \$10,765,000 with approximately 100% of that impacting the General Fund. The increase in compensation related to the proposed MOU will be absorbed through a combination of prior year surplus for the retroactive payments and salary savings in the Fiscal Year 2018/19 Operating Budget.

The cost of the MOU retroactive from December 2017 through the time necessary to fully implement and pay the retroactive payment (anticipated to be three pay periods) is estimated at \$1.4 million. City-wide expenditure savings from FY 2017/18 will be available to offset this transaction. A reconciliation of FY 2017/18 actual revenues and expenditures is currently underway as part of final fiscal year close-out activities. The report for closing out the FY 2017/18 Budget is anticipated to be brought forward for City Council consideration in October 2018. As part of approval of this MOU, the City Manager will be directed to allocate \$1.4 million of surplus funds as part of that final

reconciliation.

The additional cost of the MOU above the assumptions used to develop the FY 2018/19 Adopted Budget for the remaining pay periods after the retroactive payment is made is estimated at approximately \$300,000. The Fire Department is anticipated to absorb these costs for the remainder of the fiscal year. If approved, terms included in the recommended MOU will be included in future budget process development and reflected in the upcoming Ten-Year General Fund Forecast.

### **COORDINATION**

This report has been coordinated with the City Attorney's Office and the Finance Department.

### **PUBLIC CONTACT**

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email [clerk@santaclaraca.gov](mailto:clerk@santaclaraca.gov) <<mailto:clerk@santaclaraca.gov>> or at the public information desk at any City of Santa Clara public library.

### **RECOMMENDATION**

1. Approve and authorize the City Manager to execute the Memorandum of Understanding between the City of Santa Clara and Santa Clara Firefighters, International Association of Firefighters, Local 1171(Unit 1) 2017-2020, with effective dates of December 17, 2017 to December 26, 2020.
2. Direct the City Manager to allocate \$1.4 million from the FY 2017/18 General Fund surplus to the FY 2018/19 Fire Department General Fund budget.
3. Adopt a Resolution approving the salary schedule for Santa Clara City Firefighters, IAFF Local 1171 (Unit 1), effective December 17, 2017.

Reviewed by: Julia Hill, Interim Director of Human Resources

Approved by: Deanna J. Santana, City Manager

### **ATTACHMENTS**

1. MOU IAFF (Unit 1) 2017-2020 -final version
2. MOU IAFF (Unit 1) 2017-2020 - redline version
3. Resolution Of The City Of Santa Clara, California To Adopt The Salary Schedule For Santa Clara City Firefighters, IAFF Local 1171 (Unit 1)