



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: July 15, 2014

TO: Mayor and Councilmembers

FROM: City Administrator's Office

SUBJECT: Introduction Of Ordinance For 2014-2017 Fire Association Memorandum Of Understanding

RECOMMENDATION: That Council:

- A. Ratify the Memorandum of Understanding between the City and the Santa Barbara City Firefighters' Association for the period of July 1, 2014, to December 31, 2017, through introduction and subsequent adoption of, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Adopting the 2014-2017 Memorandum of Understanding Between the City of Santa Barbara and the Santa Barbara City Firefighters' Association;
- B. Adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara For Paying and Reporting the Value of Employer-Paid Member Contributions for Firefighters' Association Employees Effective January 10, 2015; and
- C. Adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara For Paying and Reporting the Value of Employer-Paid Member Contributions for Firefighters' Association Employees Effective January 9, 2016.

DISCUSSION:

City negotiators have reached a tentative agreement with City Firefighters Association for a new 3.5 year labor agreement that is consistent with the economic authority provided by Council. The term of the new M.O.U. is from July 1, 2014 through December 31, 2017. The new agreement was ratified by the membership of the Firefighter's Association.

Under the agreement, employees will receive salary increases as follows:

<u>Date</u>	<u>Salary Increase</u>
January 10, 2015	4.0%
January 9, 2016	4.0%
January 7, 2017	1.0%
July 8, 2017	1.5%

The above salary increases will be partially offset by increased employee pension contributions. Increasing pension costs have been a key concern for the City in recent years. It has been an aim to have all safety employees paying the full required 9.0% member contribution toward their pensions. During the economic decline, firefighters agreed to temporarily pay a contribution to the California Public Employees Retirement System (PERS). In 2013, firefighters agreed to pay 2.98% on an ongoing basis. As part of the new agreement, the employee contribution will increase to 6.0% of salary in January 2015, and then in January 2016 firefighters will begin paying the full 9.0% member contribution on their own behalf.

The proposed agreement leaves in place minimum staffing requirements negotiated during the economic decline. This does not prohibit the City Council from reducing staffing below the minimum level, but it does include a City cost penalty clause as a disincentive to do so. Previously, this cost penalty was a 3% increase in City-paid pension contributions, but this has been changed to a 3% salary increase under this new agreement. Another key change is that a reduction in Aircraft Rescue and Firefighting (ARFF) staffing, should Council pursue this, would not trigger the cost penalty provision.

The City agreed to begin making a \$50 per month match to the Health Savings Account (HSA) for any employee enrolled in the HSA-coordinated health plan, increasing to \$75 per month in January 2016. Other agreements include a reopener to discuss health and/or fitness maintenance program, an agreement to implement an employee-funded retirement health savings plan, and various clarifications about acting pay and the overtime and vacation assignment processes.

BUDGET/FINANCIAL INFORMATION:

The cost of this agreement will be \$44,643 total in Fiscal Year 2015, of which approximately \$39,946 is a General Fund cost. The ongoing cost, which will not be fully realized until Fiscal Year 2017-2018, will be \$589,354, of which approximately \$527,351 is a General Fund cost.

SUBMITTED BY: Kristine Schmidt, Administrative Services Director

APPROVED BY: City Administrator's Office