



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: June 9, 2015

TO: Mayor and Councilmembers

FROM: City Administrator's Office

SUBJECT: Introduction Of Ordinance For Extension Of Fire Management Memorandum Of Understanding To June 30, 2018

RECOMMENDATION:

That Council ratify a three-year extension to the 2012-2015 labor agreement between the City of Santa Barbara and the Santa Barbara Fire Managers Association, by introduction and subsequent adoption of, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Amending Ordinance No. 5260, the Memorandum of Understanding Between the City of Santa Barbara and the Santa Barbara Fire Managers Association, and Extending the Term of the Agreement Through June 30, 2018.

DISCUSSION:

Background

On May 20, 2015, City negotiators reached a tentative agreement with negotiators for the Fire Management Association for a three-year extension to the existing 2012-2015 labor agreement. The fire management bargaining unit covers 5 positions in the management classifications of Fire Battalion Chief and the Prevention Fire Division Chief. It does not include the Fire Chief or the Suppression Fire Division Chief. The agreement was ratified by the Association membership on May 27, 2015.

Summary of Agreement

Changes to the terms and conditions of employment that were negotiated and incorporated into the agreement include:

- Extending the agreement term by 3 years, though June 2018;
- Salary increases of 5.4% over three years;
- A \$25 increase to the monthly cafeteria plan allowance for the purchase of medical, dental and vision insurance, effective January 2018;
- Restoration of 40 hours of management leave for the two 40-hour managers; and

- A gradual increase to compensable overtime, currently paid at a premium of 110% of straight time pay, to a premium of 150% of straight time pay when assigned to backfill for another employee's shift (administrative overtime is still unpaid).

The cost of this agreement is approximately equivalent to 9% over three years.

Salaries and Benefits

Over the three year period, permanent Association members will receive the following salary increases.

<u>Effective Date</u>	<u>Increase</u>
June 1, 2015	2.4%
June 25, 2016	1.5%
June 24, 2017	1.5%

The agreement calls for the restoration of 40 hours of management leave for 40-hour non-shift employees, which is similar to what is granted to other 40-hour managers citywide. 56-hour shift employees are not eligible for management leave, as they earn overtime pay when they work an extra shift. Managers will be able to temporarily accrue 48 additional compensatory time hours, if requested, in order to attend a voluntary fire related training.

Compaction and Overtime

City Human Resources staff has long recognized compaction issues for Battalion Chief compensation when compared to lead Fire Captains. Lower historical salary increases for management coupled with greater overtime earning opportunities for non-management (who earn overtime at 150% premium), have led to the compensation of many Fire Captains exceeding the compensation of the Battalion Chiefs who manage them. If not moderated, this becomes a problem in enticing employees to promote to management and leads to morale issues.

The increase from a 110% premium for overtime to 125% in Fiscal Year 2016 and a 150% in Fiscal Year 2017 is designed to help address the compaction issue. An analysis by staff about how compaction is addressed in other agencies showed that many comparable agencies pay their Shift Battalion Chiefs overtime at a 150% premium. Overtime is only paid when a manager is backfilling a shift for another manager. Routine administrative overtime remains unpaid.

Special Vacation Cash-Out Opportunity

Fire employees are permitted to cash out vacation once annually. This is beneficial to the City, since the cost of replacement labor on the 24-hour shift exceeds the cost of the cash out. As part of this agreement, a manager who did not cash out vacation during the annual vacation cash out in December/January of Fiscal Year 2015 may exercise this cash out in June 2015, and managers may also elect to cash out their Fiscal Year 2016 cash out in June 2015 instead of waiting until December.

BUDGET/FINANCIAL INFORMATION:

This agreement will increase compensation costs for this group by approximately 9% versus the status quo over three years, a cost of \$94,687 to the General Fund and \$99,686 Citywide.

The proposed Fiscal Year 2016 budget included 3% for labor cost increases for Fire Managers in Fiscal Year 2016. Actual costs of the agreement will depend on the amount of needed overtime during the year, so a mid-year adjustment will be made if necessary.

This agreement will also shift certain anticipated unbudgeted cash-outs from Fiscal Year 2016 to Fiscal Year 2015.

SUBMITTED BY: Kristine Schmidt, Director of Administrative Services

APPROVED BY: City Administrator's Office