



AGENDA REPORT

Meeting Date: December 15, 2015

Item Number: F-3

To: Honorable Mayor & City Council

From: Peter Brown, Labor Negotiator

Subject: MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF BEVERLY HILLS AND THE BEVERLY HILLS FIREFIGHTERS' ASSOCIATION

Attachments:

1. Tracked Changes Beverly Hills Firefighters' Association (BHFA) 2015-2019 Memorandum of Understanding (MOU)
2. Beverly Hills Firefighters' Association (BHFA) 2015-2019 Memorandum of Understanding (MOU)
3. Fiscal Analysis

RECOMMENDATION

It is recommended that the attached Memorandum of Understanding between the City of Beverly Hills and the Beverly Hills Firefighters' Association be approved.

INTRODUCTION

The Beverly Hills Firefighters' Association (BHFA) represents all sworn non-executive Fire Department personnel within the City. The last Memorandum of Understanding (MOU) expired October 5, 2015. Representatives of the Association and the City, having met and conferred in good faith from the end of July through the beginning of

October, have agreed to the terms found in the attached MOU. The new agreement has a term of four years from October 6, 2015 to September 30, 2019.

DISCUSSION

The expired MOU with the Beverly Hills Firefighters' Association was a four (4) year contract negotiated prior to the passage of the Public Employees' Pension Reform Act (PEPRA) of 2013. Although there was not a legislative mandate or goal at the time of the last contract negotiations, the parties negotiated that BHFA members would pay 3% toward their retirement. While all miscellaneous groups in the City began paying their full member contribution during the term of the 2013-2015 MOU's, the payment of the 9% member contribution for "classic" (pre-PEPRA) Fire members was a goal of the current negotiations process. This was accomplished in the same fashion as the miscellaneous groups, whereby the City provided a salary increase commensurate to the employees' payment of the member contribution.

Significant terms of the proposed MOU are listed as follows:

1) Term of Agreement

- October 6, 2015 – September 30, 2019

2) Salary

- Negotiated cost of living (COLA) increase as follows:
 - Year One: 2% (effective pay period including October 1, 2015)
 - Year Two: 2% (effective pay period including October 1, 2016)
 - Year Three: 2.5% (effective pay period including October 1, 2017)
 - Year Four: 3% (effective pay period including October 1, 2018)
- 6% increase effective the beginning of the pay period following the adoption of this MOU as an offset for the employees' payment of the member contribution toward retirement.

3) Retirement

- Sworn Fire personnel (employed by the City on or prior to December 31, 2012, or lateral hires from another PERS agency) will pay the remaining 6% member contribution upon City Council approval of the MOU, for a total of 9% toward the employee's retirement contribution. This will eliminate the paying and reporting of the employee's retirement contribution by the City.
- New members (hired on or after January 1, 2013) per the Public Employees' Pension Reform Act (PEPRA) pay the statutorily mandated contribution of half the normal cost, which is currently 12%. Per the PEPRA, the payment of this contribution became effective immediately following the expiration of the previous MOU.

- Although not included in the MOU, the parties entered into a side letter providing only new member employees with a lump sum of 6% of compensation earnable retroactive to the first day of the MOU through the beginning of the pay period following Council approval of the MOU (October 6, 2015 – December 25, 2015), consistent with what is provided to classic member employees effective in the pay period following approval of the MOU.
- Language to comply with the PEPRA was added to the MOU.

4) Health Insurance

- Continuation of employees contributing 20% toward the annual increase of medical, dental and vision premiums.
- Reduction in the maximum receipt of cash an employee can receive for opting out of benefits from \$565 to \$475.

5) Sick Leave

- The addition of language to comply with the California Healthy Workplace Healthy Families Act (AB1522) and amendments to the "Kin Care" law (Labor Code 233).

6) Change to Certification Pays

- In 2017, the Office of The State Fire Marshal will change the certification requirements such that Fire personnel will no longer be able to obtain certifications that were previously part of the Education and Fire Service Training Pay incentive program.
- The parties agreed to a change in Education Pay to accept an Associate's Degree in lieu of the higher level certification which is no longer available through the State.
- The maximum pay available to any member for Education/Certification Pay remains at 5.5%.

7) Paramedic

- The addition of language to contractually provide that there will be nine (9) paramedics on each shift in order to ensure all apparatuses are staffed appropriately at all times.
- In lieu of force hiring Firefighter Paramedics to fill in shifts for absences, those employees in a higher rank (Fire Engineer or Fire Captain) who have maintained a paramedic certification will receive 2.75% Paramedic Pay and will be eligible to fill in for vacancies in one of the 9 paramedic spots while already on duty.

8) Discipline Procedure

- Alternate appeal process for written reprimands, which will streamline the appeal process and reduce staff time and costs associated with this process.

9) General

- Reorganization of articles and sections.
- Clarifying language to improve the ease of understanding and/or administration of MOU provisions.
- Memorialization of procedures and practices not previously contained in the MOU.
- Removal of language no longer applicable or out of date and addition of new language based upon current laws or regulations.
- Corrections or revisions to language in existing contract terms.

In compliance with the City's labor relations ordinance, Beverly Hills Municipal Code, Article 5 Section 2-5-503-B, the Memorandum of Understanding and fiscal analysis were placed on the City's website two weeks prior to this meeting, on December 1, 2015. The same documents are included as an attachment to this report.

FISCAL IMPACT

In compliance with the Beverly Hills Municipal Code, Article 5 Section 2-5-505: Economic Analysis, a fiscal impact analysis of the proposed Memorandum of Understanding was conducted by the outside firm, MGO Certified Public Accountants (attachment 3) and all calculations for the BHFA MOU were found to be correct.

Over the next four years, this Memorandum of Understanding will result in a net increase of \$3,167,204.



Don Rhoads

Finance Approval



Shelley Ovrom

Approved By