

members. Calculations by Human Resources carried forward through seven fiscal years indicate the longevity plan will cost about the same, unit-wide, as the across-the-board increases proposed for other unions (i.e., "0%/2%/2%"). Since PERS Safety members, including fire personnel, "max out" their pension formula at age 50 w/30 years of service, we estimate there is sufficient turnover (e.g., 30-year members with the 7.5% differential retiring out and being replaced by new fire fighters who will receive no differential for 10 years) to keep the overall cost stable over time.

The new Agreement also closes the current, cumbersome educational incentive program to new enrollment and substitutes a much simpler concept: a reduction in the number of years it would take to reach a longevity threshold for earning an Associate's degree (2 years) or a Bachelor's degree (4 years). Thus, a fire fighter who earns a BA would be able to reach the first step of longevity pay in six years instead of ten. The Fire Union has the poorest record of all employee units in terms of degree-holding. Only a handful of members hold the Baccalaureate with another dozen or so with an Associate degree. The lack of higher education achievement has hampered promotional efforts into the supervisory rank of Captain and the managerial ranks of Battalion Chief and Division Chief.

Veteran's Day is to be added as a holiday, and the MOU redistributes vacation accrual such that the senior members receiving the higher longevity differentials will earn less vacation, with the difference going to more junior members who aren't yet qualified for a differential.

The Agreement also represents potential cost savings for the City. As with the City's other units, this MOU provides for no (0%) increase in fringe benefit contribution, although there is a non-binding reopener in fiscal year 2010-11 and/or fiscal year 2011-12 if the PERS Health average rate increase is more than 5%.

The tentative agreement embodied in the attached MOU has been approved in a vote by Union members.

FISCAL IMPACT

The costs associated with the proposed MOU are within the limits set in the City's Three-Year Financial Plan as outlined in the Council Retreat of January, 2009.

RECOMMENDATION

It is recommended that the City Council adopt the attached resolution and memorandum of understanding with Local 2005 of the International Association of Fire Fighters for the term of July 1, 2009 through June 30, 2012.



JOHN D.R. CLARK
Director of Human Resources

Recommended for Approval



Matthew Fertal
City Manager

Attachments: Resolution
 Memorandum of Understanding