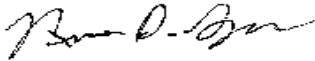


City of Calistoga

Staff Report

TO: Honorable Mayor and City Council
FROM: Richard Spitler, City Manager
DATE: July 16, 2013
SUBJECT: Memorandum of Understanding between the City of Calistoga and the Calistoga Professional Firefighters' Association

APPROVAL FOR FORWARDING:



Richard Spitler, City Manager

ISSUE: To consider a Resolution authorizing the City Manager to execute a Memorandum of Understanding between the City of Calistoga and Calistoga Professional Firefighters' Association.

RECOMMENDATION: Adopt Resolution approving a two-year Memorandum of Understanding for the period of January 1, 2013 through December 31, 2014 between the City of Calistoga and the Calistoga Professional Firefighters' Association and authorize the City Manager to execute the MOU.

DISCUSSION: The City's negotiating team and CPFA conducted eight negotiating sessions before completing negotiations and signing a tentative agreement on June, 27, 2013. The City received notice the CPFA ratified the agreement on July 5, 2013. The City of Calistoga reached a tentative agreement with the Calistoga Professional Firefighters' Association (CPFA) for a two-year Memorandum of Understanding (MOU). The bargaining unit is made up of 3 employees. The proposed MOU contains the following changes from the prior agreement terms:

1. Compensation: Effective January 1, 2013, the unit will receive a wage adjustment of 2%.
2. Compensation: Effective January 1, 2014, the unit will receive a wage adjustment of 1%.

- 35 3. Article 21: Service Bonus - Has been renamed to Service Longevity Pay in place of
36 Service Bonus;
- 37 4. Article 22: Retirement – Implementation of Public Employees’ Pension Reform Act
38 (PEPRA) as required by California Public Employees’ Retirement System
39 (CalPERS) effective January 1, 2013.
- 40 5. Classification and Compensation Survey: Effective upon adoption of the MOU the
41 City shall request proposals from a Professional Management Consultant, who has
42 direct knowledge and experience with the scope of a Firefighters job duties and
43 responsibilities to conduct a classification and compensation study. The parties shall
44 meet and confer over the results of the Firefighters classification and compensation
45 study. If the study reveals salary equity adjustments are appropriate, the City will
46 endeavor to adjust the salary of the CPFA. The parties agree that the City is under
47 no obligation to make any adjustment until such time the City has determined that it
48 has the budgetary capability to support the salary adjustments.

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50 During the labor negotiations of 2011 the City Council took several actions to reduce
51 expenditures which took effect November 1, 2011:

- 52 1. Eliminated funding for 14 positions, including 4 layoffs
- 53 2. Reduced City salaries by 15% which included higher contributions for health care
- 54 3. Reduced budget expenditures for supplies, materials and equipment
- 55 4. Implemented a reduced Public Employee Retirement System (PERS) for future
56 safety and non-safety employees and required all employees to pay the employee
57 PERS contributions

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59 The total savings achieved by the CPFA employee group through concessions was
60 \$34,152 on an annualized basis during the 2011 labor negotiations.

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62 The City has improved financially since 2011 due to the above economic concessions by
63 employees, a general improvement in the economy (which brought in more revenue) and
64 receipt of development impact fees from new development which reduced dependency on
65 the general fund to cover debt payments.

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67 **FISCAL IMPACT:** The fiscal impact of the Memorandum of Understanding changes is as
68 follows:

- 69 1. Employee Compensation:
 - 70 a. Fiscal Year 2012/13 Anticipated Fiscal Impact: \$4,110
 - 71 2. Employee Compensation:
 - 72 a. Fiscal Year 2013/14 Additional Anticipated Fiscal Impact: \$5,800
 - 73 b. Fiscal Year 2014/15 Additional Anticipated Fiscal Impact \$1,690
 - 74 3. Service Longevity Pay:
 - 75 a. Fiscal Year 2013/14 No additional fiscal impact
 - 76 b. Fiscal Year 2014/15 No additional fiscal impact
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- 4. Classification Retirement Implementation:
 - a. Fiscal Year 2013/14 No additional fiscal impact
 - b. Fiscal Year 2014/15 No additional fiscal impact

- 5. Classification and Compensation Survey:
 - a. Staff will be bringing this item back to council for approval of consultant and expenditure. The fiscal year 2013-14 budget has appropriated \$50,000 for the study (to cover all employees).

Employee compensation for FY 2012/13 will be expensed in FY 2013/14. The Fiscal Year 2014/15 additional anticipated expense is for the time period of July 2014 through December 2014.

The fiscal impact for FY 2012/13 and FY 2013/14 has been appropriated in the FY 2013/14 budget which was adopted on June 18, 2013.

ATTACHMENTS:

- 1. Draft Resolution
- 2. Draft Memorandum of Understanding with Calistoga Professional Firefighters’ Association