

April 16, 2018

## **CITY COUNCIL AGENDA MEMORANDUM**

### **SUBJECT**

Resolution authorizing execution of 1) a successor labor agreement by and between the City and International Association of Firefighters, Local 1604, representing Firefighters (Union) for the contract period January 1, 2016 through December 31, 2019 and 2) a memorandum of understanding (MOU) regarding retroactivity and distribution of lump sum payment.

### **FISCAL IMPACT**

The agreement reached with the Union will result in a net cost to the City of approximately \$6.3 million over the term of the contract (January 1, 2016 – December 31, 2019), including retroactivity of certain wage provisions, a lump sum payment, and projection for the 2019 Cost-of-Living Adjustment (COLA). The total MOU is estimated at \$7.8 million of which approximately \$1.5 million of these costs will be offset by revenue from Advanced Life Support (ALS) funding and contract cities, resulting in a net cost of approximately \$6.3 million for 2016-2019. Sufficient funds are available within the 2018 budget to fund the 2016-2018 contract costs; and costs for 2019 will be included in the development of the 2019-20 budget.

RCW 41.50.152 requires disclosures of “excess compensation” costs to avoid the unknowing acceptance of significant future liability. The provisions of this contract will not increase estimated future retirement billings because this requirement applies to Public Employees' Retirement System Plan 1 (PERS 1) employees only and the individuals affected by this agreement participate in Law Enforcement Officers' and Fire Fighters' Plan 1 or 2 (LEOFF 1 or LEOFF 2).

### **STAFF CONTACTS**

Joy St Germain, Director, 452-4581  
Michelle Kast, HR Analyst, 452-4583  
*Human Resources*

### **POLICY CONSIDERATION**

Shall the City enter into 1) a successor labor agreement by and between the City and International Association of Firefighters, Local 1604, representing Firefighters (Union) for the contract period January 1, 2016 through December 31, 2019 and 2) a memorandum of understanding (MOU) regarding retroactivity and distribution of lump sum payment?

### **BACKGROUND**

The Union represents 206 positions, and approximately 15.5 percent of the workforce.

Negotiations for a successor labor agreement began September 30, 2015 and remained unsuccessful after numerous negotiations sessions. After a break in negotiations, the City contracted with Summit Law to serve as the chief negotiator. Negotiations resumed in earnest October 24, 2017. The City and Union then met four more times in negotiations, but were unable to reach an agreement.

The City and Union jointly filed for mediation and the parties met on February 27, 2018 for the first of two full-day mediation sessions. On February 28, 2018, a tentative agreement between the City and Union was reached in mediation. The agreement included a lump sum payment and retroactive pay increases for certain bargaining unit members.

On April 7, 2018, the Union ratified the successor labor agreement and accompanying MOU regarding retroactivity and distribution of lump sum payment.

### **Key Package Elements**

The four-year contract term is from January 1, 2016 through December 31, 2019.

#### **Wages**

- 2016: 100% of CPI-W of 1.1% plus 0.5%
- 2017: 100% of CPI-W of 2.0% plus 0.5%
- 2018: 100% of CPI-W of 3%
- 2019: 100% of CPI-W (estimated at 2.6 percent for financial analysis; the budget will be updated for actual CPI-W for 2019 when it is known.)

#### **Other Pay Changes**

- In lieu of retroactive application of certain wage provisions in the 2016-2019 successor labor agreement and in recognition of the time elapsed between the expiration of the 2013-2015 labor agreement and the ratification of the successor labor agreement, a one-time lump sum payment of between \$513.92 and \$5,145.17 will be distributed to eligible bargaining unit members based on the number of days employed within the bargaining unit between January 1, 2016 and March 31, 2018. This lump sum payment shall be subject to all applicable laws and regulations.
- Longevity Pay remains the same years 0 through 9. There are increases to Longevity Pay rates at five-year intervals between years 10 and 30, with a new designation rate for 35 years of service.
- Truck Pay increased from a flat \$75 per month to 2.5 percent of base wage recognizing 48 truck company members for truck pay.
- Technical Rescue Specialty Lead pay will be established effective June 1, 2018, recognizing five technical rescue specialties (Structural Collapse, Auto Extrication, Rope Rescue, Confined Space Rescue, and Trench Rescue) for lead pay.

#### **Other Changes**

- Medical, Dental, and Vision Insurance:  
Beginning January 1, 2019, changes to the Premiera Core Plan and Kaiser Permanente (formerly Group Health Cooperative) plan to be the same as other non-represented, and non-uniformed represented employees, and to offer the Choice Plan.
- Flexible Spending Arrangement (FSA):  
It is agreed that should employee pre-tax medical contributions to the Flexible Spending Plan count toward the excise tax threshold it will no longer be offered after December 31 of the year preceding implementation of the excise tax threshold.

The City agrees it may still offer the FSA in a given year should the value of the medical plan offering be below the threshold in an amount which allows employees to contribute a minimum of \$1,200 while still avoid incurring any excise tax penalties. (No employer contributions are made to an FSA.)

- Bereavement Leave increased from 24 duty hours off to 48 without loss of pay.
- Non-economic agreements on a variety of issues brought forward by both the City and the Union.

### **EFFECTIVE DATE**

If approved, this Resolution becomes effective immediately upon Council adoption.

### **OPTIONS**

1. Adopt the Resolution authorizing execution of 1) a successor labor agreement by and between the City and International Association of Firefighters, Local 1604, representing Firefighters (Union) for the contract period January 1, 2016 through December 31, 2019 and 2) a memorandum of understanding (MOU) regarding retroactivity and distribution of lump sum payment.
2. Do not adopt the Resolution and provide alternative direction to staff.

### **RECOMMENDATION**

Option 1

### **MOTION**

Move to adopt Resolution No. 9403 authorizing execution of 1) a successor labor agreement by and between the City and International Association of Firefighters, Local 1604, representing Firefighters (Union) for the contract period January 1, 2016 through December 31, 2019 and 2) a memorandum of understanding (MOU) regarding retroactivity and distribution of lump sum payment.

### **ATTACHMENTS**

Proposed Resolution No. 9403

### **AVAILABLE IN COUNCIL DOCUMENT LIBRARY**

- A. 2016-2019 successor labor agreement substantially in the form of the final agreement
- B. Memorandum of Understanding substantially in the form of the final MOU