

## **RESOLUTION NO. 2011-509**

Adopted by the Sacramento City Council

August 30, 2011

### **AMENDMENT TO THE MEMORANDUM OF UNDERSTANDING WITH THE FIRE DEPARTMENT UNIT TO INCLUDE THE LETTER OF UNDERSTANDING (LOU) AND 2013 SALARY SCHEDULE (2008 – 2013)**

#### **BACKGROUND**

- A. The 2008-2012 Labor Agreement for the Sacramento Area Fire Fighters, Local 522 expires January 2, 2012. The City of Sacramento entered into negotiations with Local 522 that resulted in a tentative agreement.
- B. Pursuant to the Meyers-Milias-Brown Act, which governs public sector collective bargaining, the City has met and conferred with the Sacramento Area Fire Fighters, Local 522 which is the recognized employee organization for employees in the Fire Department Unit, regarding a one year (12 month) contract extension, deferral of the 2012 salary adjustment, delay in step increases, and retirement contributions.
- C. The parties have reached an agreement on the terms and conditions of employment, including contract extension through January 2, 2013, 5% salary deferral, 5% salary adjustment, 6% employee paid public employees retirement system (PERS) pick up, the restoration of specialty pay including an administrative position (1.0 FTE), and the restoration of 1 fire company through the use of overtime for the Fire Department Unit. The letter of understanding which describes these terms are in Exhibits A, A-1, B and C.
- D. The terms of the agreement are consistent with the obligations of the City to bargain in good faith, are in line with the City's strategic goals and serve the interests of the City and the community by continuing positive labor relations.

#### **BASED ON THE FACTS SET FORTH IN THE APPENDICES, THE CITY COUNCIL RESOLVES AS FOLLOWS:**

1. The Letter of Understanding covering employees in the Fire Department Unit through January 2, 2013, which includes the January 2013 salary schedule, is approved.
2. The City Manager is authorized to transfer \$53,000 from the General Fund Administrative Contingency to the FY2011/12 Fire Department labor budget to implement the extension of the Labor Agreement.
3. The addition of 1.0 full time equivalent (FTE) Administrative Fire Captain for the restored special operations (rescue, haz mat, etc.) programs is approved.

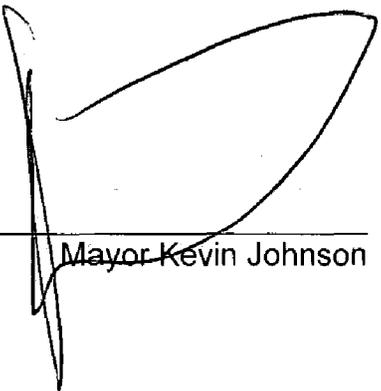
4. The City Manager is authorized to approve the reclassification of 6.0 FTE Firefighters to 3.0 FTE Fire Engineers and 3.0 FTE Fire Captains consistent with the terms of the agreement with 522 subject to a review of the budgetary impact.
5. The amendment referenced in Section 1 is attached hereto as Exhibits A, A-1, B and C, and is a part of this resolution.

**Table of Contents**

Exhibit A – Letter of Understanding  
Exhibit A1 – 2013 Salary Schedule  
Exhibit B – Layoffs  
Exhibit C – Step Increase Freeze

Adopted by the City of Sacramento City Council on August 30, 2011 by the following vote:

Ayes: Councilmembers Ashby, Cohn, R Fong, McCarty, Pannell, Schenirer, Sheedy, and Mayor Johnson.  
Noes: None.  
Abstain: None.  
Absent: Councilmember Darrell Fong.



\_\_\_\_\_  
Mayor Kevin Johnson

Attest:

  
\_\_\_\_\_  
Shirley Concolino, City Clerk



OFFICE OF THE  
CITY MANAGER

CITY OF SACRAMENTO  
CALIFORNIA

CITY HALL  
915 I STREET  
5TH FLOOR  
SACRAMENTO, CA  
95814-2604

August 23, 2011

PH 916-808-5704  
FAX 916-808-7618

Mr. Jaymes Butler, Municipal Vice-President  
Sacramento Area Fire Fighters, Local 522  
3720 Folsom Blvd.  
Sacramento, CA 95816

**Re: Letter of Understanding (LOU) regarding the Tentative Agreement  
dated August 1, 2011**

Dear Mr. Butler:

This letter is to confirm the agreement reached between the City of Sacramento and the Sacramento Area Fire Fighters, Local 522.

Specifically, it is agreed as follows:

1. The July 2, 2009 LOU regarding term of agreement is hereby extinguished and is replaced with the following:

Effective July 28, 2009, Article 26.7a will be modified as follows:

This Agreement shall remain in full force and effect from April 29, 2008 to January 2, 2013, or until such time as it is superseded by a new Agreement between the parties, whichever occurs later.

2. The July 2, 2009 LOU regarding salaries is hereby extinguished and is replaced with the following:

Effective June 20, 2009, Article 6.3, 2009-2010 Salaries, of the existing Memorandum of Understanding (MOU) between the parties will be replaced with the following and Exhibit A-2 will be deleted:

**ARTICLE 6.3 2012-2013 SALARIES**

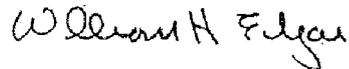
Effective January 1, 2013, salary ranges in terms of bi-weekly rates shall be adjusted by five percent (5%), and are set forth in Exhibit A-1 as attached.

3. The Letters of Understanding (Layoffs and Step Increases) dated July 2, 2009 as attached are hereby incorporated and shall remain in effect during the term of this agreement.
4. Effective January 1, 2013, Article 23.3, EMPLOYEE PERS COST SHARING will be added and contain the following:
  - a. Effective January 1, 2013, all personnel shall pay six percentage points (6%) of the employer's percentage contribution to PERS retirement.
  - b. Payment will be deducted on a pre-tax basis and applied toward the employer's contribution pursuant to IRC 414(h) (2) and Government Code Section 20516 and maintained in the employee's PERS account.
  - c. This is contingent on PERS approval and satisfying all PERS and IRS requirements.
  - d. In the event that PERS finds that there is not sufficient cost share capacity for 6% or other requirements of PERS have not been met, the parties agree that the difference will be deducted from the employee's pay via a payroll deduction on a pre-tax basis to the extent permitted by law. The parties recognize that a deduction via this approach will not be maintained in the employee's PERS account. The tax status of this deduction shall be based on IRS requirements.
5. The deferral of 5% increase that was schedule to occur on January 1, 2012 shall be considered a concession. The one year savings of that increase is estimated to be approximately \$3.5 million. This concession shall be used to restore one (1) company through overtime rather than hiring staff during the term of the agreement. The City conceptually agrees to fill Captain and Engineer functions associated with the restored company by promotion; however, the City reserves the right to not do so based on budgetary impact.
6. The City agrees to restore Rescue, Boat and Haz Mat operations for the remainder of FY11-12 following the effective date of the LOU starting on the first day of the pay period following completion of administrative personnel actions necessary to restore assignment, incentive pay and promotional pay.
7. The parties shall work cooperatively and in a timely manner to implement the terms of this agreement.
8. The provisions of this Agreement shall be effective on the date this LOU is approved by the Sacramento City Council in open session.

Jaymes Butler  
Re: Tentative Agreement LOU  
August 23, 2011  
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If this is your understanding of the agreement reached, please sign as indicated below and return to John Green, Labor Relations Manager. I have enclosed an additional copy with an original signature for your file.

Sincerely,



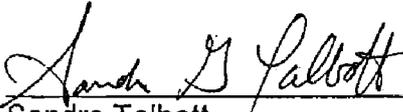
WILLIAM H. EDGAR  
Interim City Manager

**AGREED TO:**



Mr. Jaymes Butler, Municipal Vice-President  
Sacramento Area Fire Fighters, Local 522

**APPROVED AS TO FORM:**

 8-23-11  
Sandra Talbott Date  
Assistant City Attorney

**Attachments:**

- 1) LOU, Layoffs
- 2) LOU, Step Increases
- 3) 2013 Salary Schedule – Exhibit A-1



**OFFICE OF LABOR  
RELATIONS**

**DEE CONTRERAS**  
DIRECTOR

CITY OF SACRAMENTO  
**CALIFORNIA**

July 2, 2009

915 I STREET  
ADMIN BLDG, ROOM 4133  
SACRAMENTO, CA  
95814-2604

PH 916-808-5424  
FAX 916-808-8110

Jed Kircher, Municipal Vice-President  
Sacramento Area Fire Fighters, Local 522  
3101 Stockton Blvd.  
Sacramento, CA 95822

**Re: Agreement Regarding Term of Agreement**

Dear Mr. Kircher:

This is to confirm the agreement between the City of Sacramento and the Sacramento Area Fire Fighters, Local 522, regarding the term of the existing Memorandum of Understanding (MOU) between the parties. Specifically, it is agreed, as follows:

Effective July 28, 2009, Article 26.7a., TERM, will be modified to read as follows:

- a. This Agreement shall remain in full force and effect from April 29, 2008 to, and including January 2, 2012.

If this is your understanding of the agreement reached, please sign and date as indicated below and return one copy to my office. I have enclosed an additional original for your files.

Sincerely,

Edward J. Takach  
Labor Relations Officer

AGREED TO:

Jed Kircher, Municipal Vice-President  
Sacramento Area Fire Fighters, Local 522



**OFFICE OF LABOR  
RELATIONS**

**CITY OF SACRAMENTO  
CALIFORNIA**

915 I STREET  
ADMIN BLDG, ROOM 4133  
SACRAMENTO, CA  
95814-2604

**DEE CONTRERAS**  
DIRECTOR

July 2, 2009

PH 916-808-5424  
FAX 916-808-8110

Mr. Jed Kircher, Municipal Vice-President  
Sacramento Area Fire Fighters, Local 522  
3101 Stockton Boulevard  
Sacramento, CA 95820-1416

**Re: Agreement Regarding Layoffs**

Dear Mr. Kircher:

This is to confirm the agreement between the City of Sacramento and the Sacramento Area Fire Fighters, Local 522 regarding layoffs. Specifically, it is agreed, as follows:

1. The City will not lay off any employees in the classifications of Firefighter, Fire Engineer, Fire Captain, Fire Investigator, or Fire Prevention Officers in Fiscal Year 2009-2010.
2. There will be no mandatory furloughs except as otherwise agreed to.

If this is your understanding of the agreement reached, please sign and date as indicated below and return one copy to my office. I have enclosed an additional original for your files.

Sincerely,

Edward J. Takach  
Labor Relations Officer

AGREED TO:

Jed Kircher, Municipal Vice-President  
Sacramento Area Fire Fighters, Local 522



**OFFICE OF LABOR  
RELATIONS**

**CITY OF SACRAMENTO  
CALIFORNIA**

915 I STREET  
ADMIN BLDG, ROOM 4133  
SACRAMENTO, CA  
95814-2604

**DEE CONTRERAS**  
DIRECTOR

July 2, 2009

PH 916-808-5424  
FAX 916-808-8110

Mr. Jed Kircher, Municipal Vice-President  
Sacramento Area Fire Fighters, Local 522  
3101 Stockton Boulevard  
Sacramento, CA 95820-1416

**Re: Agreement Regarding Step Increases**

Dear Mr. Kircher:

This is to confirm the agreement between the City of Sacramento and the Sacramento Area Fire Fighters, Local 522 regarding the step increases in the existing Memorandum of Understanding (MOU) between the parties. Specifically, it is agreed, as follows:

1. Effective July 4, 2009, employees who are not at the top step of their salary range will have their salary step frozen until January 1, 2012. For example, Employee A is at Step 3 and is due to advance to Step 4 on September 12, 2009. Employee A's advancement to that step will be suspended until January 1, 2012.
2. Effective January 1, 2012, the provisions of Article 7.2a., ADVANCEMENT IN RATE OF COMPENSATION, Advancement in Steps, will be reinstated. Employees who are not at the top step of their salary range will be advanced to the salary step they would have been on had their salary step increases not been suspended

If this is your understanding of the agreement reached, please sign and date as indicated below and return one copy to my office. I have enclosed an additional original for your files.

Sincerely,

Edward J. Takach  
Labor Relations Officer

AGREED TO:

Jed Kircher, Municipal Vice-President  
Sacramento Area Fire Fighters, Local 522