

DEPARTMENT OF
HUMAN RESOURCES

Our Mission: To create a thriving organization, providing meaningful careers in public service.

Mary Hao
DIRECTOR

October 8, 2019

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Marin County Board of Supervisors
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SUBJECT: Tentative Agreement between the County of Marin and the Marin County Fire Department Firefighters' Association

Dear Board Members:

RECOMMENDATION: The Human Resources Department recommends that your Board approve the tentative agreement reached between the County of Marin and the Marin County Fire Department Firefighters' Association (MCFDFA) for a successor 3-year collective bargaining agreement and authorize the Board President to execute the Collective Bargaining Agreement.

SUMMARY: This 3-year agreement reflects many of the County's long-term priorities and is consistent with agreements reached with other miscellaneous units in 2018, including providing market-based equity adjustments to employee salaries, eliminating "hold harmless" monies, and amending health benefits to ensure affordability for represented employees. The current Collective Bargaining Agreement with this bargaining unit expired on June 30, 2019.

Although not required by law, the Marin County Employees' Retirement Association (MCERA) Board has provided an actuarial impact on future retirement costs of the pensionable increases proposed in the tentative agreement. This estimate of the long-term pension liabilities is attached for review prior to the adoption of the labor agreement.

The agreed upon terms include:

Term: September 22, 2019 – June 30, 2022

Salaries (Cost of Living Adjustment): **Year 1:** Effective September 22, 2019, the rate of pay for all job classes and employees shall be increased by three percent (3%).

Year 2:

Effective the first full pay period of July 2020, the rate of pay for all classes and employees shall be increased by two and one-half percent (2.5%).

Year 3:

Effective the first full pay period of July 2021, the rate of pay for all classes and employees shall be increased by three percent (3.0%).

Equity:

Year 1:

Effective September 22, 2019, the rate of pay for all represented classifications shall be increased by one percent (1.0%).

Effective September 22, 2019, the rate of pay for the Firefighter - Seasonal classification shall be increased by ten percent (10.0%).

Year 2:

Effective the first full pay period of July 2020, the rate of pay for all represented classifications shall be increased by one-half percent (0.5%).

Year 3:

Effective the first full pay period of July 2021, the rate of pay for all represented classifications shall be increased by one-half percent (0.5%).

Wage Adjustment for Holiday Reduction:

Effective the pay period beginning September 22, 2019, the rate of pay for represented employees in the job classes listed below will be increased by an additional 4.84% in consideration for reducing holiday pay from one duty day's pay to twelve (12) hours for each holiday to which represented employees are entitled:

- Fire Captain
- Fire Crew Superintendent
- Fire Dispatcher
- Fire Engineer
- Fire Engineer/Paramedic
- Fire Fighter
- Fire Fighter Paramedic
- Fire Heavy Equipment Operator
- Senior Fire Captain

Compensation for Holidays for Regular Hire Suppression and Medical Employees:

Effective the pay period beginning September 22, 2019, represented regular hire suppression and medical employees will receive twelve (12) hours' pay at a straight time rate for each holiday listed to which represented employees are entitled, payable in the pay period in which the holiday occurs.

Computation of Overtime:

Fire Suppression Employees:

Overtime is time worked beyond 182 hours within the 24-day work period. The regular rate of pay for overtime compensation for suppression employees shall be based on hours regularly scheduled in a 24-day work period.

Example:

(Hours scheduled in 24-day work period x hourly rate) + any other eligible remunerations received in the work period

Hours scheduled in 24-day work period

40-Hour Employees Except for Fire Dispatchers:

Overtime is time worked beyond the eight (8) hour duty day; or the forty (40) duty week, whichever is longer. The regular rate of pay for overtime compensation for suppression employees shall be based on hours regularly scheduled in a 7-day work period.

Example:

(Hours scheduled in 7-day work period x hourly rate) + any other eligible remunerations received in the work period

Hours scheduled in 7-day work period

Health Benefits:

The County will freeze the employee-only biweekly fringe adjustment.

Effective December 2019, December 2020, and December 2021, in the pay period in which there will be an increase in health insurance premiums, the County will increase the bi-weekly fringe benefit package in an amount equivalent to zero

to five percent (0% to 5.0%) based on the Kaiser Silver premium increase (or the premium increase to the County's lowest cost HMO at that time) to benefited employees at the employee plus one (1) and employee plus family benefit levels.

The County will increase the salary threshold for fringe differentiation from \$70,000 to \$74,000 for plan year beginning January 2020.

Cash Back:

Effective September 22, 2019, eligible represented employees who enroll in County health benefits may receive up to \$100 of any unused fringe monies ("cash back"). Employees who are hired on or after September 22, 2019 and/or employees who do not receive cash back as of September 22, 2019 are ineligible to receive cash back.

Hold Harmless:

Effective the last full pay period before the expiration of the 2019-2022 agreement, the County will eliminate Hold Harmless monies for all represented employees. Represented employees who receive Hold Harmless monies greater than or equal to \$100.00 per pay period as of the last full pay period in fiscal year 2021-2022, will receive a one-time non-pensionable payment equivalent to 52 pay periods of each employee's respective Hold Harmless monies.

Uniforms:

Effective September 22, 2019, the County will provide four (4) pairs of single layer pants to all safety sensitive fire line employees.

Miscellaneous:

Temporary Promotions:

Employees who are temporarily promoted, in excess of 7 shifts, to assume the duties of a position in a higher classification will be paid for all hours in paid status at the rate that is closest to, but not less than five percent (5%) above his or her base hourly rate in the classification in which he/she holds regular status at the time he/she is temporarily promoted. Employees in a temporary promotional status will retain the full-time work schedule of his/her underlying classification. An employee's eligibility for overtime and leave accrual shall be pursuant to his/her regular classification.

Temporary Special Assignment Pay:

An employee who is working on a temporary special assignment shall receive a five percent (5%) differential for hours worked on the special assignment.

New Employee Orientation/Union Dues/Agency Fees:

The County shall provide the Union written notice of county-wide new employee orientations, remit union dues and remove reference to agency shop fees in accordance with applicable state and federal laws.

Reassignment:

The Chief will post notices of vacancies for 1 week to provide employees the opportunity to request reassignment. The Chief will make a decision within five (5) days of the vacancy close date. In addition, during the term of the 2019-2022 Agreement, the County may reopen the contract one time on the sole subject of station rotation if there is a recommendation to increase staffing.

CBA Clean-Up:

The parties also agreed to several clean up items, including deleting outdated language; deleting a sideletter regarding survey comparators; and incorporating issues previously agreed to during the reopener to address impacts of the modifications that are required for the County to implement its new Enterprise Resource Planning system (i.e., the ATOM project), including changing how seniority will be calculated and changing from hours to months of service associated with each level of vacation accrual.

FISCAL IMPACT: These salary and benefit adjustments will result in incremental cost increases of \$1,037,819 in FY 2019-20, \$517,112 in FY 2020-21, and \$664,719 in FY 2021-22. The ongoing increase to the baseline budget would be 13.3% percent of pay over the three-year term with a cumulative ongoing baseline increase of \$2,219,650. There will be a one-time savings to the County of approximately \$210,000 as a result of the September 22nd effective date. The elimination of hold harmless payments is expected to have a one-time cost of approximately \$57,430, which will be offset by ongoing annual savings of approximately \$41,730. Please see the attached costing summary which identifies a more detailed fiscal impact of the proposal. Funds have been allocated by the County Administrator's Office in departmental budgets for the proposed adjustments.

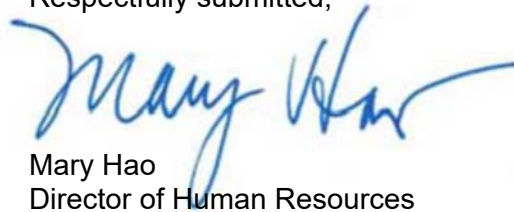
REVIEWED BY:

County Administrator
 Department of Finance

County Counsel
 Human Resources

Please let me know if you have any questions or concerns.

Respectfully submitted,



Mary Hao
Director of Human Resources

cc: Matthew Hymel, County Administrator
Angela Nicholson, Assistant County Administrator, CAO
Roy Given, Director of Finance
Jeff Wickman, Retirement Administrator, MCERA

Attachments: Costing Summary
MCERA Analysis of pension liability impacts

Marin County Fire Department Firefighters' Association

Baseline Information

Current Salary Base	\$	9,431,664
Current Variable Benefit Base	\$	4,419,861
Current Non-Pensionable Salary Base	\$	2,822,599
FTE		82
1% Salary with Variable Fringe	\$	166,741
Average Base Salary	\$	115,020

Incremental Cost of MOU

	<u>FY 2019-20</u>	<u>FY 2020-21</u>	<u>FY 2021-22</u>
Base Salary ¹	\$ 746,309	\$ 256,766	\$ 315,428
	7.9%	2.5%	3.0%
Equity ²	\$ 225,717	\$ 54,873	\$ 58,882
	2.1%	0.5%	0.5%
Holiday Pay ^{3a}	\$ (427,716)	\$ 13,901	\$ 16,704
Holiday Pay Swap ^{3b}	\$ 114,226	\$ -	\$ -
Wage-related fringes (includes pension costs)	\$ 141,494	\$ 94,165	\$ 115,595
Non Pensionable Wages	\$ 112,904	\$ 90,209	\$ 108,401
Projected additional pension costs ⁴	\$ 6,600	\$ 7,000	\$ 7,500
Uniform Allowance	\$ 80,000	\$ (40,000)	\$ -
Health Benefits			
Allowance increase	\$ 38,285	\$ 40,199	\$ 42,209
(percent of salary)	0.4%	0.4%	0.4%
Total Incremental⁵	\$ 1,037,819	\$ 517,112	\$ 664,719
Incremental Increase as % of Salary & Benefits	6.2%	2.9%	3.7%
Total Cumulative above FY 2018-19	6.2%	9.3%	13.3%

1 Base Salary includes a COLA of 3% plus the conversion of Holiday Pay to regular rate of pay

2 Equity includes the 1% for all classifications, plus 10% for Firefighter Seasonal classifications

3a Holiday Pay reflects the decreased base that was converted to regular rate of pay

3b Holiday Pay swap reflects the pension and overtime impacts of converting holiday pay to regular rate of pay

4 The projected additional pension costs reflect annual payments required to fund approximately \$400,000 in increased retiree liabilities that result from the proposal exceeding the actuarial assumption of 3% annual wage inflation. Ongoing payments for unfunded liabilities will be phased in over 5 years and are expected to be \$37,300 annually by 2024.

5 There will be a one-time savings in FY 2019-20 of approximately \$210,000 due to the effective date of 9/22/2019