CLV and IAFF, Local 1285 Labor Contract Summary

Historical Perspective

- All contracts over the past 15 years have been multi-year contracts
- All contracts have Step Increases on employee's anniversary date for first 7 to 9 years
  - Most are at 5.0%, but they range from 4.8% to 8.0%
  - In 15 years these have never been re-negotiated
- 15 yr average fiscal year COLAs for bargaining units:
  - Fire: 3.56%; CEA: 3.30%; POA: 3.29%; PPA: 3.10%; Western CPI: 2.77%

City Fiscal Status

- FY 2010 operating shortfall is $30M
- FY 2010 through FY 2015 cumulative shortfall, including current negotiated considerations, is about $224M, averaging $37M per year
- In order to balance operating budget by FY 2015 with a minimum 10% fund balance, City needs to:
  - Draw down current fund balance by a cumulative $39M over FYs 2010, 2011, and 2012
  - Transfer a cumulative $22M from RSF to GF in FYs 2012, 2013, 2014 and 2015
  - Reduce programs or roll back compensation by an additional $25M in FY 2011

SB 427

- Effective ***January 1, 2010***
- Arbitrators will then need to consider:
  - Other government employee compensation both in and ***out*** of the state
  - The agencies ability to pay ***over the course*** of the multi-year contract, not just the first year

SB 427

- Starting in 2010, the City Manager will then be required to present a report:
  - At a public hearing, within 45 days
  - The issues negotiated/arbitrated
  - The fact finder recommendation or arbitrator decision
  - The fiscal impact of the recommendations or decision on: compensation, reimbursement, funding, benefits, hours, working conditions, other terms and conditions

IAFF Summary

- **Two Year Contract**
  - Wages and Benefits to be reopened in second year
- **Wages**
  - No COLA in first year, second year to be negotiated
  - City to pick up Employee share of July 2009 3.5% rate increase
- **Medical Benefits**
  - City contribution increased from $53 per employee, pay period
- **Union Business Leave**
  - Increased annual shifts by 45 per year, roll-over increased by 90 shifts per year
- **Education Incentive (new article)**
  - Employee option to receive annual incentive pay rather than tuition reimbursement
  - Associates: $525;   Bachelors: $1,050;   Masters or higher: $1,300
- **Others**
  - Training Division schedule change
  - Promotion/Selection Procedures
  - Incorporated Urban Search and Rescue (USAR) MOU
  - Clarified tracking of catastrophic leave donations
  - Added NFPA standards to physical examinations

IAFF Fiscal Impacts

- 4.4% increase to current F&R wages and benefits ($4.5 million)
- 2.3% of that attributable to existing articles
- 2.1% of that attributable to proposed article changes

Total FY 2010 Compensation Growth			
Item	**Total**	**Negotiated**	**Existing**
COLA	0.00%	0.00%	0.00%
Steps	0.96%	0.00%	0.96%
PERS/Emplee	0.00%	0.00%	0.00%
PERS/Empler	2.30%	1.15%	1.15%
Trust Fund	0.81%	0.81%	0.00%
Normal Benefits	0.20%	0.00%	0.20%
Other	0.16%	0.16%	0.00%
	4.43%	2.12%	2.31%

Questions?

CEA & POA Fiscal "Triggers"

In consideration for re-opening existing contracts, future layoffs will be limited to the following conditions:

- Workload has diminished;
- CLV decides to eliminate a program or service;
- The Budget Corrective Action Plan is revised due to one of the "triggers" in the general fund fiscal model; those triggers are:
  - Revenue declines more than 2% from the projection during a six month period; or
  - Revenue decline exceeds 50% of the Revenue Stabilization Fund during a six month period.

Recent CEA Re-Negotiations

- Considerations:
  - Extended contract 3 years to FY 2014
  - Reduced FY 2010 COLA from 3.5% to 2.5%
  - Possibility of reducing FY 2011 through FY 2014 COLAs from 3.0% to 2.0% via Resolution
- Estimated savings:
  - $1,500,000 annually, or 1.0% of the CEA wage and benefit cost for FY 2010

Recent LVPPA Re-Negotiations

- Considerations:
  - Reduced uniform allowance from $712.50 for FY 2010 and $792.50 for FY 2011
- Estimated savings:
  - $55,000 annually, or 0.5% of the PPA wage and benefit cost for FY 2010 and FY 2011

Recent POA Re-Negotiations

- Considerations:
  - Reduced uniform allowance by $500 for FY 2010 and FY 2011
  - Reduced City's health and welfare contribution by $30 in FY 2010 and by $50 in FY 2011
  - Reduced FY 2011 COLA from 3.5% to 2.5%
  - Increased TILO balance by 40 hrs, and gave one-time award of 24 hrs of TILO
- Estimated savings:
  - $112,000 in FY 2010 (0.5% of the PPA wage and benefit cost)
  - $420,000 in FY 2011 (1.2% of the PPA wage and benefit cost)

Negotiation Comparison

CBA	FY 2009 Total Comp (millions)	FY 2010			FY 2011		
		New Contract	Hist.	Diff.	New Contract	Hist.	Diff.
LVCEA	$148.1	4.7%	5.8%	1.0%	3.8%	4.7%	1.0%
LVPPA	$6.3	5.8%	6.3%	0.6%	5.8%	5.7%	0.0%
LVPOA	$24.9	7.1%	7.5%	0.5%	5.8%	7.0%	1.2%
IAFF	$102.7	4.4%	5.3%	0.9%	??	4.8%	??