

CONCESSIONS and LABOR NEGOTIATIONS STATUS

April 7, 2010

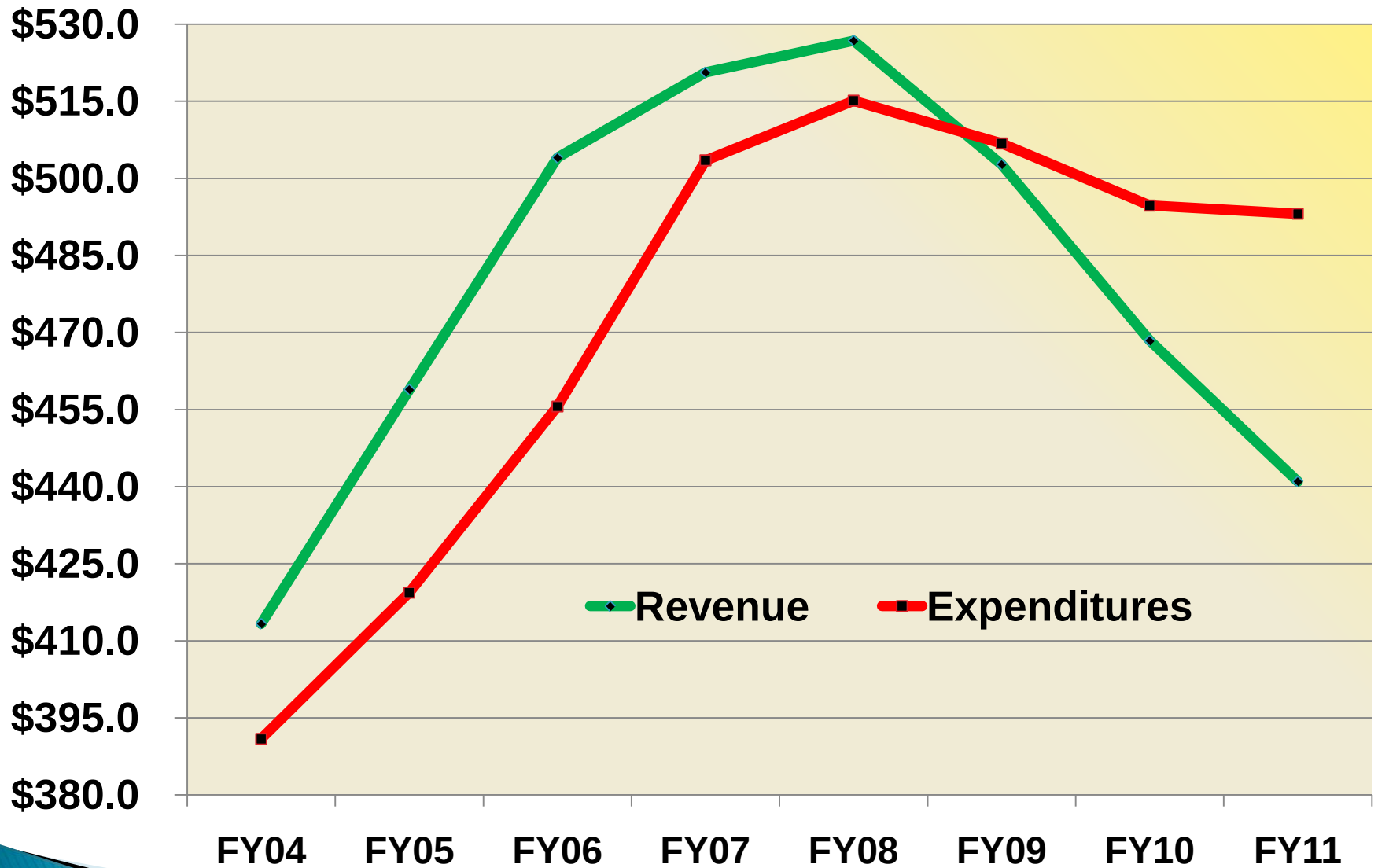
Historical Perspective

- ▶ NRS 288 – Local Government Employee–Management Relations Act
 - Created EMRB
 - Required to recognize employee groups
 - Limits the scope of mandatory bargaining
 - Defines and limits consideration of ability to pay
 - Prescribes the use of fact finders and arbitrators (arbitrator decisions are binding)
 - Prevents state and local government employees from striking
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SB 427

- ▶ 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

GENERAL FUND HISTORY (Dollars in Millions)



PRIOR CONCESSIONS and LABOR NEGOTIATIONS

LVCEA: 12/08 Concession Agreement

- Lowered FY10 COLA from 3.5% to 2.5%
- Established mechanism to reduce FY11 COLA from 3% to 2%

CONTRACT IN PLACE THROUGH 2014

LVPOA: Concession Agreement

- Lowered annual Uniform Allowance in FY10 from \$1,625 to \$1,175
- Lowered monthly Health Insurance payment in FY10 from \$1,030.16 to \$1,000.16
- Lowered FY11 COLA from 3.5% to 2.5%
- Lowered annual Uniform Allowance in FY11 from \$1,675 to \$1,175
- Lowered annual Health Insurance payment in FY11 from \$1,130.16 to \$1,080.16

CONTRACT IN PLACE THROUGH 2011

PRIOR CONCESSIONS and LABOR NEGOTIATIONS

LVPPA: Concession Agreement

- COLA of 3.75% in place for FY11 not changed
- Lowered annual Uniform Allowance in FY10 from \$1,425 to \$712.50
- Lowered annual Uniform Allowance in FY11 from \$1,475 to \$712.50

CONTRACT IN PLACE THROUGH 2011

IAFF: Contract Negotiations

- Agreed to a 0% COLA in FY10; FY09 had been 3% prior year
- In lieu of PERS Contribution Increase = Approximately 1.5% COLA
- Increase bi-weekly Health Insurance payment from \$397 to \$450

*CONTRACT OPEN FOR WAGES & INSURANCE FOR FY11
AND PARTIES ARE CURRENTLY IN NEGOTIATIONS*

REQUESTS FOR ADDITIONAL SAVINGS

In November of 2009, the City Manager requested that all employee groups eliminate normal contractual growth (COLA, Steps, Merit, Longevity, etc.) for both FY11 and FY12 without any provision for catch up (FLAT) and a reduction to wages in amounts that equate to 8% for both FY11 and FY12 (WAGE ROLLBACK). These significant requests were in addition to any previously reached agreements.

Wages rollback would also result in PERS savings to the City.

GROUP	%	FY11	FY12
Executive and Elected	7.30%	\$1.6M	\$1.5M
Appointive	6.80%	1.5M	1.4M
LVCEA	48.20%	10.4M	9.6M
IAFF	27.50%	5.9M	5.6M
LVPOA	7.50%	1.6M	1.5M
LVPPA	2.70%	.5M	.4M
	100.00%	\$21.5M	\$20.0M

CURRENT OFFERS / PROPOSALS

LVCEA: Concession Offer

- Forego COLA
- Keep Step Increases, Longevity and Flex Promotion increases
- 96 hours of Furlough; doesn't reduce the unit cost of labor, reduces pay only along with services
- Concession meetings currently ongoing

Also presented Budget Reduction Suggestions that have been reviewed and responded to by City Management.

LVPOA: No Concession Offer

- LVPOA indicated it was "...not willing to make any further concessions to our current Collective Bargaining Agreement and would like to keep the remaining year in tact."

Suggestion:

Submitted a proposal to partner with management in reducing overtime. They estimated that if management implemented changes to current culture and operational practices approximately \$1.5 million could be saved in FY11 and FY12. D&E Management reviewed the suggestions and already addressed them in the FSR process.

NOTE: No concession offers have been rejected by the City.

CURRENT OFFERS / PROPOSALS

LVPPA: Concession Offer

- Waive the FY11 COLA of 3.75%
- Keep Step Increases
- Waive remaining \$712.50 payment due 6/27/10 of Uniform Allowance
- Freeze Longevity for one year

IAFF: Contract Negotiations

At various stages, have offered packages characterized as being “zero-cost”.

NOTE: No concession offers have been rejected by the City.

SUMMARY OF UNION CONCESSIONS 2010

LVCEA:	<u>FY11 REDUCTION TARGETS</u>	<u>OFFER</u>	<u>DIFFERENCE</u>	
	a. Flat =	4,155,427	2,730,627	1,424,800
	b. 8% =	<u>12,636,000</u>	<u>5,993,000</u>	<u>6,643,000</u>
	Total	16,791,427	8,723,627	8,067,800

LVPOA:	<u>FY11 REDUCTION TARGETS</u>	<u>OFFER</u>	<u>DIFFERENCE</u>	
	a. Flat =	925,083	0	925,083
	b. 8% =	<u>2,192,000</u>	<u>0</u>	<u>2,192,000</u>
	Total	3,117,083	0	3,117,083

NOTE: 8% wage rollback saving calculations include PERS

SUMMARY OF UNION CONCESSIONS 2010

LVPPA:	<u>FY11 REDUCTION TARGETS</u>	<u>OFFER</u>	<u>DIFFERENCE</u>	
	a. Flat =	415,984	415,000	984
	b. 8% =	<u>685,000</u>	<u>0</u>	<u>685,000</u>
	Total	1,100,984	415,000	685,984

IAFF:	<u>FY11 REDUCTION TARGETS</u>	<u>OFFER</u>	<u>DIFFERENCE</u>	
	a. Flat =	851,224	900,000	48,776
	b. 8% =	<u>7,959,100</u>	<u>0</u>	<u>7,959,100</u>
	Total	8,810,324	900,000	7,910,324

NOTE: 8% wage rollback saving calculations include PERS

IAFF/CLV LABOR NEGOTIATIONS

FEBRUARY 16, 2010

Proposal from IAFF

Article	Supervisory / Non –Sup	Description	Savings	Savings + PERS
24 - Work Day	Supervisory	Time in Lieu of (TILO)	Future	
23 - Uniforms	Supervisory	Language changes only	0	

IAFF/CLV LABOR NEGOTIATIONS

FEBRUARY 23, 2010

Proposal from CLV

Article	Supervisory / Non-Sup	Description	Savings	Savings + PERS
16 - Sick Leave	Supervisory	a. Eliminate Sick Bonus	18,000	18,000
		b. New Employee		
17 - Wages	Both	a. No COLA	0	0
		b. No Steps	539,295	727,508
		c. Suspend Longevity	91,116	122,915
		d. 8% compensation reduction	5,900,000	7,959,100
18 - Longevity	Supervisory	a. Freeze for 1 year	1,363	
		b. Eliminate for new employees		
22 - Medical	Both	Reduce monthly premium from \$495 to \$400 per pay period	1,482,000	
23 - Uniforms	Supervisory	Reduce from \$1500 to \$1400 annually	1,800	

IAFF/CLV LABOR NEGOTIATIONS

MARCH 2, 2010

Proposal from IAFF

Article	Supervisory / Non-Sup	Description	Savings	Savings + PERS
17 - Wages	Both	a. No COLA	0	
		b. No Steps	539,295	727,508
		c. Suspend Longevity	91,116	122,915
18 - Longevity	Both	Freeze for 1 year	91,116	122,915
38 - Duration	Both	One year with limited re-openers		

IAFF/CLV LABOR NEGOTIATIONS

MARCH 2, 2010

Proposal from CLV

Article	Supervisory / Non-Sup	Description	Savings	Savings + PERS
4 – Management Rights		Language changes only		
25 - Leave (Jury Duty)		Language changes only		
38 - Duration	Both	One year thru June 2012		
FIRE SOP 130.06.01		Manpower callbacks, Emergency 7, Non-Emergency callback Suppression. Changes staffing requirements to give the Fire Chief more flexibility.		

IAFF/CLV LABOR NEGOTIATIONS

MARCH 9, 2010

Proposal from IAFF

Article	Supervisory / Non-Sup	Description	Savings	Savings + PERS
17, 18, 38 proposed on March 2, 2010	Both	Union withdrew entire 3/2/10 packet		
17 - Wages	Both	Average increase equal to Metro's 3 contracts	Unknown	
22 - Medical	Both	\$450 per pay period + average net increase received by Metro's 3 contracts	No Cost Projections	
22 - Medical	Both	Union withdrew previous proposal		
17 – Wages	Both	0% COLA increase	0	
22 - Medical	Both	Reduce contributions by \$270,000 (2 payments)	540,000	
23 - Uniforms	Both	Reduce by \$150 per employee per quarter	360,000	

IAFF/CLV LABOR NEGOTIATIONS

MARCH 23, 2010

Proposal from CLV

Article	Supervisory / Non-Sup	Description	Savings	Savings + PERS
17 - Wages	Both	a. No COLA	0	
		b. No Steps	539,295	727,508
		c. Suspend Longevity	91,116	122,915
		d. 5% compensation reduction	3,687,500	4,974,437
		e. 5% reduction in new hire wage matrix; change wage steps to 5% increments		FUTURE SAVINGS
22 - Medical	Both	Reduce contributions from \$1073 to \$900 per month	1,245,600	
23 - Uniforms		Suspend payments	900,000	

SUMMARY

GROUP	FY11-GOAL*	OFFER	DIFFERENCE
LVCEA	16.7M	8.7M	8.0M
IAFF	8.8M	.9M	7.9M
LVPOA	3.1M	0	3.1M
LVPPA	1.1M	.4M	.7M
	<u>\$29.7M</u>	<u>\$10.0M</u>	<u>\$19.7M</u>

* Includes FLAT, 8% rollback and PERS