



Las Vegas

Agenda Item No.: 51.

AGENDA SUMMARY PAGE
CITY COUNCIL MEETING OF: JULY 7, 2010

DEPARTMENT: CITY MANAGER
DIRECTOR: ELIZABETH N. FRETWELL

☐ Consent ☒ Discussion

SUBJECT:
ADMINISTRATIVE:

Public hearing and possible action to accept the tentative concession offer made by the International Brotherhood of Firefighters Association (IAFF) Local 285 regarding a new, extended or modified Collective Bargaining Agreement or similar agreement between the City of Las Vegas as the local government employer and the IAFF as the employee organization (\$6,500,000 reduction - General Fund)

Fiscal Impact

☐

No Impact

☐ **Augmentation Required**

☐

Budget Funds Available

Amount: (\$6,500,000) reduction

Funding Source: General Fund

Dept./Division: Fire and Rescue

PURPOSE/BACKGROUND:

The IAFF leadership and senior City management have come to a tentative agreement that will be a major factor in helping to avoid the financial shortfall the City is facing over the next five years and helps provide additional job security for many of our employees. Approximately 75% of the City's costs go to wages and benefits, therefore the City Council asked that the City's four bargaining units work with management. In the spirit of trying to retain services for our citizens and to preserve as many jobs as possible, the leadership of the IAFF came forward with a proposal and after talks with City management a tentative concession offer is being brought forward for Council approval.

RECOMMENDATION:

Approval of the tentative proposal and authorization to execute any related documents regarding the concession offer made by the IAFF.

BACKUP DOCUMENTATION:

1. Tentative Labor Articles
2. Submitted at Meeting - PowerPoint Presentation by Staff

Motion made by GARY REESE to Approve

Passed For: 5; Against: 1; Abstain: 0; Did Not Vote: 0; Excused: 1

RICKI Y. BARLOW, LOIS TARKANIAN, OSCAR B. GOODMAN, GARY REESE, STEVEN D. ROSS; (Against-STAVROS S. ANTHONY); (Abstain-None); (Did Not Vote-None); (Excused-STEVE WOLFSON)

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Minutes:

MAYOR GOODMAN declared the Public Hearing open.

CITY MANAGER ELIZABETH FRETWELL provided a PowerPoint presentation to discuss with the Council the negotiations that took place with the International Firefighters Association (IAFF). She stated staff has been working diligently with union representatives trying to address the budget shortfall. An aggressive goal was set in September trying to reduce wage cost by eight percent. Today is a major milestone for the City of Las Vegas. For the City Council consideration is the second of the four labor contracts. This contract is a reduction in labor costs of \$6.5 million dollars over the next two years, the majority of which will benefit this fiscal year. As a City Manager, she has been focusing on three key things; sustaining services, maintaining fiscal integrity and preserving jobs. This contract helps do these three things.

Without the leadership of DEAN FLETCHER, President of IAFF, staff would not be here today presenting this contract. He has been very diligent and thorough in his approach in reaching a resolution. Despite this difficult process, he has worked hard for his team and employees while recognizing the need to sustain and maintain services for the City. She appreciates the firefighters for their willingness to work through this unit. Important to note is that each negotiating team endured long hours to reach a compromise suitable for everyone and she recognized all of them. She also thanked the City Council for their patience, guidance, support and time spent in closed door sessions.

CITY MANAGER FRETWELL outlined the impacts pursuant to new changes of NRS 288, wages/articles, supervisory and non-supervisory and what areas are open for discussions. She noted that over the course of the year, it is anticipated keeping to three transports a day per the unit, increasing revenue, and hoping for additional budget under runs. A last effort would be to transfer monies from other places within the General Fund. Additionally, it saves the cost of a public safety privatization study and arbitration.

CITY MANAGER FRETWELL summarized that the fire agreement represents a five percent reduction in the first year. In the second year will represent another \$900,000 and the opportunity to re-engage in a dialogue with firefighters, possibly in February of 2011. The biggest impact of the agreement is that the City will retain the Fire and Rescue services and personnel intact. In essence, she believes the City has the best Fire Department in the country and the City is still accredited with the ISO 1 rating. She is proud that this agreement will assist in maintaining that rating. The City has set trends in patient care. She referred to the newly implemented "cold IV unit" procedure. She believes this agreement is consistent with what the public desires, which is to keep this department intact but with a lower budget.

MR. FLETCHER thanked CITY MANAGER FRETWELL for her presentation, and stated that the main thing is that the citizens and employees are protected for another year, and he was pleased that there will be no brown outs. Firefighters are doing a great job for the City and the citizens. Fire response is critical in those times and response times must be met to be successful. This will be the second year that the City of Las Vegas Fire and Rescue did not get a cost of

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living increase. Fire and Rescue is \$8 million under budget, and Emergency Medical Services (EMS) transport generated \$4.5 million. The firefighters are doing their part and will continue to do so. He asked the City Council for their support.

COUNCILMAN REESE thanked CITY MANAGER FRETWELL for representing the City well. He thanked MR. FLETCHER for allowing him and COUNCILMAN WOLFSON to sit in a pre-renegotiating meeting. It was enlightening to see how negotiations work. CHIEF GREG GAMMON does a fantastic job. This is as close as they can get and he hopes to continue negotiating in good faith. His perspective is that MR. FLETCHER is a true gentleman who has treated him fairly and honestly, and wanted MR. FLETCHER to know that the City is doing the same with him. The Councilman stated he would support this item today because it is important for the citizens to have confidence in the leadership of the City. MR. FLETCHER has done a great job for his members.

COUNCILWOMAN TARKANTAN thanked MR. FLETCHER and his members for the hard work and dedication to keeping the safety standards high and for taking the extra steps to do what needed to be done.

COUNCILMAN ROSS agreed with the previous comments, adding that the men and women of the City of Las Vegas Fire and Rescue are dedicated to the City of Las Vegas and its citizens. They understand the economic dynamic and what needs to be done to overcome this economic downturn. He appreciated staff's time put into this issue and for being part of the solution.

COUNCILMAN ROSS asked CITY MANAGER FRETWELL what steps will be taken to study privatization. CITY MANAGER FRETWELL responded that part of the concession offer is not to do an EMS privatization study. Typically, if there were to be a major privatization, staff would do an analysis before bringing a recommendation to the Council. In a highly specialized area like public safety, staff would rely on outside expertise. It is critical to recognize that in this agreement there is a side letter agreement between MR. FLETCHER and her not to engage in a privatization study over the next two years. If needed, that would be the preferred approach but looking at what is at stake, the fantastic job employees do, it comes to looking at the cost of the services and not the quality. There is willingness, as evidenced by the agreement, to continue providing these quality services to the citizens. She does not feel the study is necessary at this time, and American Medical Response (AMR) does a good job in covering the territory with the City, although it needs to be refined. Not doing the study is a sign to the firefighters of faith.

COUNCILMAN ROSS stated that response times and the way Fire and Rescue provide services is significant.

COUNCILMAN ANTHONY thanked CITY MANAGER FRETWELL for the presentation and acknowledged the significant savings, which he supports. However, he was concerned with the possibility of setting a precedent by impeding the City's ability to pursue EMS privatization study, in accordance with the agreement letter. CITY MANAGER FRETWELL replied that the City is ranked high in the country from an accreditation and insurance standpoint. There are

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metrics associated with that effort. There is also the City's Performance Management System where the executive team meets with each department head once a quarter and goes over how well they are performing as well as look at the outcome and efficiency measures. She clarified that there is no plan to do a study but there is an acknowledgment that there is already a private sector partner. Based on the City Council's direction in March, three transports a day per unit have been expanded. It would not be fair to the private sector partner not to sit down and have a conversation about what those impacts would be for them. CHIEF GAMMON and DEPUTY CITY MANAGER JIM NICHOLS will be working with AMU in that regard.

COUNCILMAN ANTHONY noted that he has never seen a collective bargaining agreement dictate what management can and cannot study. He cannot support the agreement because he is concerned about setting a precedent for the future.

MAYOR GOODMAN clarified that the study is not part of the agreement and the letter is not part of the contract. There is no precedent effect per the City Attorney. MR. FLETCHER added that the document speaks for itself and is a side letter that he and CITY MANAGER FRETWELL sign.

COUNCILMAN ANTHONY asked if the letter was not agreed to between the City and Fire and Rescue, would the financial aspect of the contract move forward. MAYOR GOODMAN replied that it was part of the discussions but not part of the formal agreement.

COUNCILMAN BARLOW verified that no COLA increase as of July 1 results in a \$2 million budgeted savings. He asked for an explanation of restoring portions of the Fire budget and what is the adjustment that would be restored. CITY MANAGER FRETWELL replied that the intent is not to amend the Fire budget at this time. In order for Fire and Rescue Department to operate without brownouts, the Fire budget must be at approximately \$107 million throughout the course of the year. The savings from this contract will be used along with new revenues to help offset the shortfall, and transfer in from the General Fund to be able to true up the budget. Therefore, a year from now there would be an augmentation item for Fire, Detention and Enforcement and Municipal Court, dependent upon their ability to hit the revenue targets.

COUNCILMAN BARLOW asked if the EMS bring in more money than the cost of services. CITY MANAGER FRETWELL replied that the City does not recover more money. The City spent over \$20 million of \$103 million budget on providing pure paramedic response units. Twenty-five percent was recovered through the fees which MR. FLETCHER described. The tentative budget wanted to up those monies. More efficient collections and volume will increase the revenue. The franchisee might not be able to do that without restructuring their entire business; they come as the second line of defense. She suggested staying with the current model, refine it, make it more cost effective and stay in the business of providing medical response to the community as they have come to enjoy.

Regarding the reduction of Step #1 by five percent for the new employee, CITY MANAGER FRETWELL explained for COUNCILMAN BARLOW that most of the Steps average about five

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to five and half percent. The Step ranges for the Fire and Rescue are uneven and reduce that cost by five percent in order to reduce the growth of labor. That was not calculated because new people have not been added. There is no anticipated COLA for all employees for one year and that will reopen next year for steps and COLA.

MAYOR GOODMAN commented that by arriving at this point, he believes firefighters return to the perceived status they enjoy. Unfortunately, because of the collective bargaining process, it became "us versus them". Everybody in the community should applaud the services the department renders to its citizens throughout the Valley. It is the finest service that money can buy. It became a question of dollars in an economy that is unprecedented. The firefighters did not budge but they came to the table and did what was best for the firefighters and the community as a whole. At this point everybody can sleep securely knowing the firefighters will be available.

MAYOR GOODMAN credited CHIEF GAMMON, who was torn on many occasions what path he should follow, but he is a moral, ethical, and strong person who always did what was best for the City of Las Vegas and its citizens. The Mayor thanks MR. FLETCHER and hopes the economy rebounds. The parties need to keep communicating.

COUNCILWOMAN PARKANI mentioned that people overlook the fact that the City of Las Vegas Fire and Rescue is ranked as best the top seventh in the country. CHIEF GAMMON explained there are two standards that all fire departments try to achieve; Class 1 rating and accreditation. In the United States there are seven departments that have both of those and he is proud to be one of them. He hopes the citizens understand the level of services they receive from Fire and Rescue.

MAYOR GOODMAN recalled an incident where he and his wife were involved in a horrendous car accident and the Fire and Rescue response was immediate.

COUNCILMAN REESE stated that many closed doors sessions were held and he is proud at arriving to this point. He appreciates the comments made by the City Council, CITY MANAGER FRETWELL, CHIEF GAMMON and MR. FLETCHER.

MAYOR GOODMAN declared the Public Hearing closed.