



AGENDA MEMORANDUM

Future Item for the City Council Meeting of August 14, 2012

Action Item for the City Council Meeting of August 21, 2012

DATE: August 9, 2012
TO: Ronald L. Olson, City Manager
FROM: Margie C. Rose, Assistant City Manager
Margier@cctexas.com
361.826.3232

Collective Bargaining Agreement – Corpus Christi Firefighters' Association

CAPTION:

Motion authorizing the City Manager to enter into a collective bargaining agreement with the Corpus Christi Firefighters' Association for wages, benefits and working conditions based on the Tentative Agreement.

PURPOSE:

Council authorization for the City Manager to enter into a collective bargaining agreement with the Corpus Christi Firefighters' Association for the period of August 1, 2011 through July 31, 2014.

BACKGROUND AND FINDINGS:

The City entered into collective bargaining negotiations with the Corpus Christi Firefighters' Association on April 1, 2011 and reached a Tentative Agreement on July 13, 2012. An election ratifying the Contract by the bargaining unit of the Fire Department was held on August 1, 2012. The bargaining unit voted in favor of ratification.

The agreement includes the following changes:

- 3 year agreement, August 1, 2011 through July 31, 2014;
- 0% increase to base salary effective August 1, 2011;
- 2% increase to base salary effective August 1, 2012; and
- 2% increase to base salary effective August 1, 2013;
- Gender neutral changes in Article II, Section 4; Article IV, Section 2(B), Section 4(B), Section 5; Article V, Section 6(1), 6(3); Article VI, Section 3, Section 4; Article VII, Section 1(D), Section 3, Section 5, Section 7; Article IX, Section 11(A); Article X, Section 2(Step 2), (Step 3), (Step 4), (Step 6), Step 6(c), Section 4; Article XII, Section 4; and Article XVI, Part I

- 120 month step increase effective August 1, 2012 and August 1, 2013 for Firefighter II and Fire Captain;
- Alternative Hiring- Section A is modified to:
 - eliminate the need for a current Firefighter Basic Certification;
 - added language to state that an applicant without a current Firefighter Basic Certification prior to entering the academy must pass the Firefighter Basic Certification exam in order successfully complete the academy;
 - added language to section stating those appointed under Alternative Hiring who have both a Firefighter Basic Certification and a Paramedic Certification would be equal to a starting Firefighter I salary, and will be a Firefighter I except seniority shall not begin to accrue until they are assigned to a station;
 - Those appointed under Alternative Hiring process with only Paramedic Certification shall be equal to the Cadet 12 months' salary step. They shall be Cadets for all purposes including seniority and benefits until they are assigned to a station, at which time they will become a Firefighter I.
- Eliminated Section 5 of Article X- Grievance Procedure;
- Article XII Health & Welfare, eliminated current Section 3 and agreed to a new Section 3 as follows:
 - Effective October 1, 2012, employees and retirees who were previously grandfathered in Plan II, later called Public Safety CitiCare, will be moved to the CitiCare Fire Health Insurance Plan.
 - The City will pay 100% of the employee's premium and 50% of the premium for dependent coverage towards the CitiCare Fire Health Insurance Plan.
 - The Association will be allowed to have representation on the Employee Insurance Advisory Committee and on any committee formed to evaluate proposals in response to Requests for Proposal related to negotiated benefits of the bargaining unit.
 - The City will notify the Association in writing of premium increases with a minimum of 60 calendar days' notice of any change and of health plan changes with a minimum of 30 days' notice of any change.
 - The City retains the right to negotiate with insurance carriers, third party administrators and their related sub-contractors and/or medical providers to provide insurance coverage and/or administration of the CitiCare Fire Health Insurance Plan.
 - The City will conduct a bi-annual actuarial study of the GASB Liability and adjust the cumulative recorded OPEB Liability, including past and current, as determined by the bi-annual actuarial study with the first adjustment occurring in fiscal year 2012-2013.

- Plan changes mandated by federal health care legislation will be implemented as required with notification to the Association of such changes.
- The following components will be used to calculate the premiums for active employees and retirees under age 65:
 - Effective October 1, 2012, all employees/retirees who were grandfathered in Plan II, later called Public Safety CitiCare, will be moved to the CitiCare Fire Health Insurance Plan;
 - Third party administration administrative fees;
 - Stop loss premiums;
 - Incurred and paid medical and prescription drug claims (after stop loss adjustments, rebates, subrogation recoveries, coordination of benefit recoveries) of all plan participants (active employees, retirees, and participating dependents), with allowance for adjustment based upon expected benefit plan, enrollment or other changes.
 - Prorated contribution toward the cost of an onsite primary care clinic (the percentage of members covered under the CitiCare Fire Health Insurance Plan divided by the total covered members under the City's health plans who are eligible to use the clinic times the estimated annual cost of the clinic).
 - Incurred but not reported (IBNR) claims, as actuarially determined.
 - The net change in forecasted and prior period catastrophic reserve funding (10% of actuarial projected claims expense).
 - Assumptions for inflation and trend components used to estimate future claims will incorporate prevailing plan specific, regional, and national trends, as well as the anticipated impact of any mandated benefits, and any other factor(s) determined to impact the overall trend etc.
 - The Cumulative net fund balance (see page 41)
- Recognition, funding and recovery of past, current and future OPEB liabilities
- A new plan design structure as stipulated on pages 42- 45
- Retirees- see page 45
- Once a retiree reaches 65 or becomes eligible for Medicare, their insurance will cease under the City's CitiCare Fire Health Insurance Plan. The Medicare eligible retiree and their Medicare eligible dependents will be eligible to participate in the City's fully insured plan offerings for Medicare eligible retirees
- On August 1, 2012, the City will make a one-time lump sum payment into the Corpus Christi Firefighter's Health and Benefits Trust Fund in the amount of one hundred thousand dollars (\$100,000.00).
- On August 1, 2013, the City will make a one-time lump sum payment into the Corpus

Christi Firefighter's Health and Benefits Trust Fund in the amount of one hundred thousand dollars (\$100,000.00).

- Modification of Appendix D (change of dates)
- Modification to Appendix E (changes of dates)

ALTERNATIVES:

Not Applicable

OTHER CONSIDERATIONS:

The attached Tentative Agreement conforms with Corpus Christi City Council Resolution No. 029542.

CONFORMITY TO CITY POLICY:

The attached Tentative Agreement conforms with all City and State policies and regulations.

EMERGENCY / NON-EMERGENCY:

Not Applicable

DEPARTMENTAL CLEARANCES:

Legal, Human Resources, Fire and Finance

FINANCIAL IMPACT:

X Operating Revenue Capital Not applicable

Fiscal Year: 2011-2012	Project to Date Expenditures (CIP only)	Current Year	Future Years	TOTALS
Line Item Budget				
Encumbered / Expended Amount				
This item		\$2,550,000	\$2,550,000	\$5,100,000
BALANCE		\$2,550,000	\$2,550,000	\$5,100,000

Fund(s):

Comments:

RECOMMENDATION: Staff recommends the ratification and execution of the collective bargaining agreement with the Corpus Christi Firefighters' Association for wages, benefits and working conditions based on the Tentative Agreement.

LIST OF SUPPORTING DOCUMENTS:

Tentative Collective Bargaining Agreement