

## MEMORANDUM

**DATE:** July 2, 2022

**TO:** Greg Harrison, City Manager

**FROM:** Brian Donovan, Assistant City Manager

**SUBJECT:** Collective Bargaining Agreement – Fire Union

The City of Pompano Beach (City) and the Pompano Beach Professional Fire Fighters, Local 1549 (Fire Union) have negotiated an Agreement that will begin on October 1, 2022 and end on September 31, 2025. The proposed Agreement includes provisions for pension plan changes, additional holiday hours, pay grade changes, and cost of living increases. In consideration of these proposals, the Fire Union has agreed to no cost of living increases in the first year of the Agreement, and is allowing the City to collect an additional \$617K in Chapter 175 monies that will go towards the additional pension enhancements. The total cost of the proposed Agreement is \$8.76M over the term of the Agreement. However, the cost will be covered by a combination of additional Chapter 175 revenues, union concessions, and the fire assessment fee. A more detailed explanation of the Collective Bargaining Agreement and impacts are as follows:

**Article 3 – Management Rights:** a new Section 1(a) is being added that will incorporate the Memorandum of Understanding (MOU) agreed to by the Fire Union and City in September 2021. The MOU that was agreed to allows Battalion Chiefs to institute low level discipline for minor infractions that occur on duty in the form of written reprimands. There is no fiscal impact.

**Article 4 – Union Business:** in Section 2, the maximum for the union time pool will be increased from 1,000 hours to 1,250 hours. There is no fiscal impact.

**Article 7 – Overtime:** language will be added in Section 3 to allow the rate of overtime to be paid at double-time for mandatory overtime, excluding natural disasters. Estimated fiscal impact is \$25K.

**Article 9 – Promotional Examinations:** a new Section 2 will be added that will allow an additional practical skills test to be administered. The additional test will be a prerequisite requiring each applicant to successfully pass prior to being eligible to sit for the written examination. The practical skills test will replace the current assessment center. There is no fiscal impact.

**Article 12 – Classifications:**

Fire Fighter	Grade <del>25</del> <u>26</u>
Driver-Engineer	Grade <del>27</del> <u>28</u>
Lieutenant	Grade <del>28</del> <u>30</u>
Fire Captain	Grade <del>30</del> <u>32</u>
*Fire Inspector	Grade <del>29</del> <u>28</u>
Fire Training Captain	Grade <del>30</del> <u>32</u>

<del>Fire Training Commander</del>	<del>Grade 32</del>
<del>Fire Marshall</del>	<del>Grade 34</del>
<u>Assistant Fire Marshall</u>	<u>Grade 34</u>
Battalion Chief	Grade <del>32</del> <u>34</u>
* <u>Fire Inspector II</u>	Grade 30
<u>Fire Plans Examiner</u>	<u>Grade 32</u>

\*Effective in the first full pay period that starts on or after October 1, 2022, the base pay of each employee in the above classifications shall be increased by five (5%) percent and ten (10%) respectively.

\* The parties agree to maintain its current Fire Inspector position and further agree that all Fire Inspectors hired after October 1, 2022 shall begin at a paygrade of 28. Current Fire Inspectors shall be reclassified to Fire Inspector II effective the first full pay period that starts on or after October 1, 2022.

\*Effective upon passage of this Agreement the title of Fire Training Commander shall be changed to Assistant Fire Chief-Training and the title of Fire Marshall shall be changed to Assistant Fire Chief – Prevention. Both positions shall have a pay Grade of 39 and are hereby considered Non-Bargaining department members.

The estimated fiscal impact is \$1.5M.

**Article 12 – Holidays and Vacations:** Juneteenth will be added as a new holiday and Christmas Eve will be recognized for a full day. Estimated fiscal impact is \$8K

**Article 15 – Wages, Merit and Longevity:** the parties agreed to the following wage adjustments in each fiscal year:

1. Year 1 (FY 22-23): No cost of living increase.
2. Year 2 (FY 23-24): a 3.0% wage increase effective in the 1<sup>st</sup> full pay period on or after October 1, 2023.
3. Year 3 (FY 24-25): a 3.0% wage increase effective in the 1<sup>st</sup> full pay period on or after October 1, 2024.

The estimated fiscal impact of the cost of living increases is \$1.6M over the term of the Agreement.

**Article 16 – Sick Leave:** In Section 4 (Sick Leave Pay Out), Sick Leave accrual will be increased from 840 hours to 1,000 hours. Payout for sick leave will remain at 50% but the payout itself will be calculated based on an employee's five-year average salary, as opposed to the last 10 years. There is no estimated fiscal impact.

**Article 21 – Assignment Pay:** The changes shown in Sections 1 through 3 reflect the terms that were agreed upon by the City and Union under the current Agreement. The language was updated and therefore there is no fiscal impact.

A new Section 4 will be added that allow Fire Department Personnel who are temporarily assigned to the Training Division to receive an increase to their base salary of five percent (5%) for the duration of the temporary assignment. Estimated cost impact is \$4K.

## **Article 27 – Safety and Health:**

A new Section 2 will be added that provides the City and Union agreeing to adopt Department Policy 8.1.08 - Physical Ability Testing Policy (PAT) - which was previously agreed to pursuant to a Memorandum of Understanding dated September 9, 2021. This will establish a department wide physical ability testing policy for new and existing combat firefighters. The physical ability test shall be job related and will be based on National Standards. There is no added cost impact.

## **Article 29 – Death in Family:**

Section 1 is changed to increase the number of shifts from 2 to 3 for bereavement. There is no estimated fiscal impact.

## **Article 38 Pension Plan:** The following language is being added to Article 38

Section 1 - The City and Union agree that the retirement benefits and employee contributions for all bargaining unit members shall be as provided in the City of Pompano Beach Police and Firefighters Retirement System ("Retirement System"), codified in Chapter 34, sections 34.045 through 34.073, City Code of Ordinances, except as amended in accordance with this Article. The Plan changes provided below shall take effect on the effective date of the ordinance implementing the changes ("Effective date"), except as otherwise specifically provided herein.

Section 2 - Effective October 1, 2022, the normal retirement date for all current active (non-DROP) and future firefighters shall be the completion of twenty (20) years of continuous service or the attainment of age forty-seven (47) with seven (7) years of continuous service. The estimated fiscal impact is \$1.2M

Section 3 - Effective October 1, 2022, the early retirement date codified in section 34.054 shall be removed/repealed in its entirety due to the changes of the Normal Retirement age referenced in Section 2 above.

Section 4 - Effective October 1, 2022, the pension multiplier/normal retirement benefit will be increased from 3% to 4% for each year of continuous services, up to a maximum of 80% of average monthly earnings upon attaining twenty (20) years of continuous service for all currently employed firefighters (excluding DROP participants) and future firefighters. This increase will not apply to retired members or those members currently in the DROP. The estimated fiscal impact is \$1.8M

Section 5 - Effective October 1, 2024, the existing Pension Cost of Living Adjustments (COLA) shall be increased from its current rate of 2 % to a rate of 3 %. This increase will be prospective only. The estimated fiscal impact is \$2.6M.

Section 6 - Effective October 1, 2022, the vesting period shall change from ten (10) years of continuous service to seven (7) years of continuous service for all current active (non-DROP) and future firefighters. All applicable plan sections that reference the current ten (10) year vesting period shall be changed to reflect a seven (7) year vesting period. (i.e. Pre-Retirement Death, Accrued Benefits, Share Plan Vesting). The estimated fiscal impact is \$29K.

Section 7 - Effective October 1, 2022, employees who are employed in a position on the effective date of this section and elect to participate in this plan in accordance with Section 34.050 (A) of the City of Pompano Beach Code of Ordinances, may purchase credit for prior continuous service for all or any portion of their employment with the city. The election to purchase prior service must be made on a form to be supplied by the Board within 90 days of the effective date of this section. Employees may purchase such credit for continuous service by paying the full actuarial cost thereof, plus interest, as determined by the plan actuary. The purchase amount may be paid through a cash

payment or a direct trustee-to-trustee transfer or rollover from an eligible plan. In addition, employees may utilize up to 1,000 hours of accrued vacation and/or sick leave toward the purchase of prior continuous service. An employee who elects to purchase prior continuous service will have four years from the effective date of this section to complete the purchase. Only that time purchased by the earlier of the date that the employee leaves service or retires will be counted toward vesting or benefit accrual. If repayment in full is not made as aforesaid, any monies paid pursuant to this section shall be refunded plus interest at the rate set forth in § [34.061](#)(D), and there shall be no further opportunity to obtain credit for prior service. There is no fiscal impact on the City.

Additionally, effective October 1, 2022, the City and the Fire Union mutually agree that all premium tax revenue received pursuant to Chapter 175 will be used to offset City pension contributions and that there will be no further allocations to the share plan or individual share plan accounts after that date. Department members who have share plan accounts on October 1, 2022, may elect to receive an in-service distribution of all or a portion of their share account balance, and/or roll over all or a portion of their share account balance to an IRA or qualified retirement plan. This mutual agreement shall remain in effect until modified by mutual agreement. Starting October 1, 2022 the City will receive an additional \$617K/yr. in Chapter 175 monies to help offset the additional pension benefits proposed in the Agreement. In order to receive the additional \$617K in Chapter 175 funds, the individual retirement Share Plan accounts that were previously receiving the funding will no longer receive the Chapter 175 funds after October 1<sup>st</sup>. The individual balances for each member can be cashed out or rolled over into an eligible retirement plan.

**Term of Agreement:** the parties have agreed to a 3-year Agreement, effective October 1, 2022 through September 31, 2025.