

Memo

DT: March 11, 2014, Council Agenda

TO: Honorable Mayor and Members of the Village Council

FR: John C. Gilbert, Village Manager
Brett J. Schneider, Village Attorney

RE: Proposed Resolution of the Village Council Providing For Ratification of the Collective Bargaining Agreement Between the Village and the Key Biscayne Professional Firefighters Association, Local 3638, for the Bargaining Unit that Consists of Fire Captains.

RECOMMENDATION

It is recommended that the Village Council consider the adoption of the enclosed resolution that authorizes and approves the ratification of the Collective Bargaining Agreement (the "Agreement") between the Village of Key Biscayne ("Village") and the Key Biscayne Professional Firefighters Association, Local 3638 ("Firefighters' Union"), for the bargaining unit that consists of the Village's Fire Captains.¹

AGREEMENT HIGHLIGHTS AND SUMMARY

The Agreement is for a three (3) year term and expires on September 30, 2016. The following key sections of the Agreement have been summarized for the Council's convenience:

- **Retirement (Article 34).**
 - (a) The Agreement provides for the following changes to the firefighter's portion of the Police Officers and Firefighters Retirement Plan (the "Plan"), which will become effective upon ratification of the Agreement:
 - The Village's annual contribution into the Plan shall be capped at 14% of the Plan's covered payroll for all firefighters participating in the Plan. Any amount over 14% of Payroll shall be the responsibility of the employees.
 - The maximum unfunded liability for the Fire portion of the Plan shall not exceed \$3,024,000.00. If the unfunded liability of the Fire portion of the Plan increases over that amount the Plan's multiplier shall be automatically reduced for prospective

¹ The Agreement also sets forth the terms and conditions of employment for the bargaining unit that consist of the Village's firefighter/paramedics, driver engineers and fire lieutenants, the ratification of which will be addressed in a separate resolution.

service to the extent necessary to keep the Fire portion of the Plan's unfunded liability under \$3,024,000.00 or, alternatively, the employees shall have the option of paying off any unfunded liability in excess of the \$3,024,000.00 in accordance with State law or of making other design changes to the Fire portion of the Plan so that the Fire portion of the unfunded liability does not exceed \$3,024,000.00.

- The monthly retirement benefit shall be equal to 2.75% of Average Final Compensation for each year of Credited Service obtained after the ratification date of the Agreement.
- The maximum amount of annual service retirement benefit based on the normal annuity form (life with 10 year certain) payable at retirement shall be the lesser of \$90,000 or 90% of the employee's Final Average Compensation (the cap will be applied to any other form of benefit selected by the employee on a proportionate basis). For employees who have reached the 90% or \$90,000 cap prior to the ratification date of the Agreement, their cap shall be the amount of annual service retirement as calculated on the ratification date of the Agreement and they must continue to contribute to the Plan in the same manner as the other employees.
- For those employees not currently eligible for normal retirement as of the day immediately prior to the ratification of the Agreement, the normal retirement age shall be the first day of the month coincident with or the next following the earlier of: attainment of age 55 and the completion of 10 years of Credited Service; attainment of age 52 and the completion of 25 years of Credited Service; or the date upon which the total of an employee's age, computed in full months, plus the employee's credited service, computed in full months, equals 900 months (i.e., 75 years).
- The definition of Salary for purposes of the Plan shall be an employee's base pay plus any educational incentives mandated by the State of Florida.
- Any premium tax revenues received by the Plan pursuant to Sections 175.101 and 1.75.351, Florida Statutes, shall be retained by the Plan to pay for the benefits offered by the Plan and shall no longer be placed into a separate trust fund to pay extra benefits to Village firefighters.
- The Union and Village agree to work with the Board of Trustees (the "Board") to revise the Board's investment policy by placing certain investment restrictions on the Board including, but not limited to, requiring the Board to invest in index funds of common stocks.

(b) Effective upon the ratification date of the Agreement, the Village shall cease contributing 3% of an employee's salary into an employee's defined contribution plan.

- **Salaries (Article 35).**

(a) **COLA:** For Fiscal Year 2014, employees will receive a 0.9% salary increase effective upon the ratification date of the Agreement. For Fiscal Years 2015 and 2016, employees will receive a cost of living increase equal to the change in the CPI for All Urban Consumers for the Miami-Fort Lauderdale Area. However, if the CPI is more than 3%,

the increase will be 3% and if the CPI is negative, employees' salaries will remain the same.

- (b) **Step Pay Plans:** Employees hired after the date that the Agreement is ratified will be placed into new 5-step pay plans with 5% between each step. The dollar amounts for each step in the new 5-step pay plans will correspond to the first 5 steps of the current 10-step pay plans. Current employees will remain in the current 10-step pay plan.
- (c) **Longevity:** Effective on the date that the Agreement is ratified, employees shall no longer receive automatic longevity pay increases of 5% on the completion of their 15th and 20th year of Village service. Instead, upon the completion of 15 and 20 years of Village, employees will be eligible to receive a lump sum longevity bonus between 0% and 4% of their base pay based on the score of their annual performance evaluations.

- **Health Insurance (Article 22).** Instead of continuing to provide employees (and their dependents) with health insurance at no cost to the employee, the Village will provide the following contributions toward employee and dependent health insurance coverage:
 - (a) For employees who select employee-only coverage, the Village will contribute up to \$500.00 a month toward such coverage.
 - (b) For employees who select any type of dependent coverage (children, spouse, family, etc.), the Village shall contribute 50% of the difference in total cost between the individual premium and the total premium for the type of coverage selected by the employee.
- **Holidays (Article 12).** Employees will no longer receive 8 hours of pay for an observed holiday; they will be paid time and a half for hours worked on any designated holiday.
- **Sick Leave (Article 13).**
 - (a) Monthly sick leave accruals will be reduced from 14 to 12 hours.
 - (b) There will no longer be a 480 hour cap on sick leave accruals with excess accruals being paid into an employee's Retiree Health Saving Plan. Instead, employees will be able to accrue sick leave without cap but, upon separation of employment, an employee shall only receive 10% of his/her accrued sick leave per year of service up to a maximum of one hundred percent (100%) of his/her accrued sick leave up to 480 hours at the employee's average hourly base rate during his/her employment with the Village (currently, employees are paid out at their hourly rate at time of separation).
- **Vacation Leave (Article 14).** The vacation accrual rate will be as follows:
 - 0-4 years 96 hours (previously 0-3 years);
 - 4-8 years 144 hours (previously 3-7 years);
 - 8+ years 192 hours (previously 7+ years).
- **Personal Days (Article 15).** Employees will no longer be provided with 3 12-hour paid personal days off per year.

- **Professional Enhancement (Article 26).**
 - (a) Tuition reimbursement: There is currently no cap on the amount that employees are reimbursed for degree courses that they take and employees receive the full cost of the class as long as they receive a grade of “C” or better. Under the Agreement, there will be a cap of \$4,000.00 per year on the amount that an employee may be reimbursed; reimbursement is based on the Florida state university in state tuition rate and the amount of the reimbursement is tied to the grade that the employee receives in the class (A-100%, B-75%, C-50%, less than C-0%).
 - (b) Paramedic Continued Education Courses: The State of Florida has established specific continuing educational units/courses (“CEUs”) that paramedics must take every two years in order to successfully receive recertification as a paramedic. Currently, employees are paid overtime for the time spent taking CEUs. Under the Agreement, employees will be provided with an annual stipend of \$600.00 instead of receiving overtime for the time spent taking the CEUs.
- **Grievance Procedure (Article 10).** Currently, all discipline may be grieved to arbitration. Under the Agreement, only terminations, demotions and unpaid suspensions of more than 24 hours may be grieved through to arbitration.
- **Personnel Allocation (Article 21).** The Village will have the management right to determine the minimum level of personnel assigned to each shift (currently, the Village must maintain a minimum of 12 firefighters on 2 shifts and 11 on 1 shift).
- **Driver Engineer (Article 36).** The position of Driver Engineer will be considered an assignment instead of a promoted rank.
- **Executive Assistant to the Fire Chief (Article 37).** The position of Executive Assistant to the Fire Chief, which is a 40-hour position, will be eliminated.

cc: John C. Gilbert, Village Manager
 Stephen H. Helfman, Village Attorney

RESOLUTION NO. 2014-

A RESOLUTION OF THE VILLAGE COUNCIL OF THE VILLAGE OF KEY BISCAYNE, FLORIDA (“VILLAGE”), PROVIDING FOR RATIFICATION OF THE 2013-2016 COLLECTIVE BARGAINING AGREEMENT BETWEEN THE VILLAGE AND THE KEY BISCAYNE PROFESSIONAL FIREFIGHTER’S ASSOCIATION, LOCAL 3638, FOR THE BARGAINING UNIT CONSISTING OF FIRE CAPTAINS; AUTHORIZING THE VILLAGE MANAGER TO SIGN THE COLLECTIVE BARGAINING AGREEMENT ON BEHALF OF THE VILLAGE; AUTHORIZING THE VILLAGE MANAGER TO TAKE ALL ACTION NECESSARY TO IMPLEMENT THE COLLECTIVE BARGAINING AGREEMENT; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the Village of Key Biscayne (“Village”) desires to ratify the 2013-2016 Collective Bargaining Agreement (“Agreement”) between the Village and the Key Biscayne Professional Firefighter’s Association, Local 3638 (“Firefighter’s Union”), for the bargaining unit consisting of Fire Captains (a copy of the Agreement is attached hereto as Exhibit “A”); and

WHEREAS, the Village Council finds that ratification of the Agreement is in the best interest of the Village.

NOW, THEREFORE, BE IT RESOLVED BY THE VILLAGE COUNCIL OF THE VILLAGE OF KEY BISCAYNE, FLORIDA, AS FOLLOWS:

Section 1. The foregoing whereas clauses are true and correct and are incorporated herein by this reference.

Section 2. Ratification of the Agreement between the Village and the Firefighter’s Union, in substantially the form attached hereto as Exhibit “A,” is hereby authorized and approved.

Section 3. The Village Manager is hereby authorized to execute the Agreement on behalf of the Village.

Section 4. The Village Manager is authorized to take all actions necessary to implement the Agreement and the purpose of this Resolution.

Section 5. This Resolution shall become effective immediately upon its adoption.

PASSED AND ADOPTED THIS ___ day of March, 2014.

MAYOR FRANKLIN H. CAPLAN

ATTEST:

CONCHITA H. ALVAREZ, MMC, VILLAGE CLERK

APPROVED AS TO FORM AND LEGAL SUFFICIENCY:

VILLAGE ATTORNEY

SAME

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ITEM 9A