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# MENLO PARK FIRE PROTECTION DISTRICT

## STAFF REPORT

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**TO: Board of Directors**  
**FROM: Human Resources**

**PREPARED BY: Brenna Rowe, HR Manager**  
**APPROVED BY: H. Schapelhouman, Fire Chief**

**ITEM: CONSIDER THE INFORMATIONAL REPORT ON THE CONDITIONAL FIVE YEAR AGREEMENT FOR A SUCCESSOR MOU BETWEEN IAFF LOCAL 2400 AND THE MENLO PARK FIRE PROTECTION DISTRICT, AND SUNSHINE THE PROPOSED MOU FOR 30 DAYS**

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### **RECOMMENDATION**

That the Board of Directors:

1. Consider the report as presented

### **BACKGROUND**

IAFF Local 2400 represents 102 safety employees throughout the District, including suppression staff and Fire Prevention staff. The existing 4-year Memorandum of Understanding (MOU) expired on June 23, 2018 and after 7 months of negotiations a successor 5-year agreement is being proposed.

On September 19, 2017, the Board directed District staff to initiate the bargaining process with the International Association of Fire Fighters, Local 2400 (IAFF). On December 19, 2017 the Board held a public meeting and invited public comment and input on the IAFF negotiations. Also in that meeting, staff presented to the Board a comprehensive economic proposal, and the Board authorized negotiating authority.

On December 20, 2017, the negotiating teams commenced the bargaining process, and met an additional 11 times, reaching a comprehensive conditional agreement on May 21, 2018. The staff negotiating team provided the Board with updates on the progress of negotiations on 1/16/18, 2/6/18, 4/18/18, 5/15/18, and 6/19/18. In Closed Session, of the July 24, 2018, Special Board Meeting, and reported out in the Open Session, the Board directed Staff to post the conditional agreement on the District's website for 30 days as directed in the Board of Director's policy manual Section 5.14 "Sunshine Policy". That sunshine period begins on July 30, 2018.

IAFF Local 2400 will proceed with their ratification vote prior to the completion of the 30-day sunshine period.

## DISCUSSION

A complete copy of the conditional agreement is attached along with a redline copy of the proposed MOU. The following is a summary of the main economic deal points reached between the District and IAFF Local 2400.

Economic Deal Points:

MOU Section	Description
<b>Contract Term</b>	Term: 5 years July 2018-June 2023
<b>Contingency Language</b>	Re-opener on pension/wage if change in CalPERS' actuarial assumptions, including discount rate
<b>Base Pay</b>	6/24/18 – 3.0% 7/2019 – 3.0% 7/2020 – 3.0% 7/2021 – 1.5%; new lower Engineer step 1/2022 – 1.5%; new higher Engineer step 7/2022 – 2.0% 8/2022 – new higher Deputy Fire Marshall step
<b>Minimum Salary Differential</b>	Small adjustments to ensure 5.0% between pay ranges
<b>EMT/Paramedic Pay</b>	7/2020 – increase EMT from 3 to 4%, and Paramedic from 11 to 12% 7/2021 – increase EMT to 5% and Paramedic to 13%
<b>Health / Cafeteria</b>	2019 – 100% of Kaiser Family, w/ max District contribution of \$2,300/mo; reduce max cash eligibility to \$600; stipends of \$6,000 or \$2,250 depending on amount of cash giving up 2020 – 100% of Kaiser Family, w/ max of \$2,400/mo; reduce max cash eligibility to \$400/mo 2021 – 100% of Kaiser Family, w/ max of \$2,500/mo; reduce max cash eligibility to \$200/mo 2022 – 100% of Kaiser Family, w/ max of \$2,700/mo; eliminate cash eligibility 2023 – 100% of Kaiser Family, w/ no cap, but convert that amount to flat dollar amount
<b>Post-Employment Health Plan (PEHP)</b>	7/2018 – increase from \$442 to \$475/mo 7/2019 – \$525/mo 7/2020 – \$575/mo 7/2021 – \$625/mo 7/2022 – \$675/mo
<b>Dental</b>	Correct inadvertent restriction on roll-over of excess funds; front load moneys for employee use; increase max orthodontia use to \$2,500 per year; if no surplus at end of a year, increase contribution amount by \$5/mo/ee for next year (and regardless, increase by \$5/mo/ee for 2021-22 year). Agreement is contingent on changes applying District-wide.
<b>Residency</b>	1/2019 – increase from \$300/mo to \$400/mo 1/2020 – increase to \$500/mo

<b>Adverse Comments in Personnel Files</b>	Reduce employee right to remove adverse comments/discipline from personnel file if receive further discipline, or if a pending investigation or proposed discipline
<b>Alternative Staffing Models</b>	“The District and Union will discuss alternative staffing models, increased flexibility and enhanced response times beginning in 2018 and during the term of the MOU.”
<b>Annual Leave / CTO Cash-Outs</b>	Require irrevocable election in prior calendar year
<b>Education Incentive</b>	Eliminate 5 year service requirement for the current 3.0% BA pay; Firefighters ineligible for BA pay
<b>Max CTO For Prevention</b>	Increase maximum accrual for 40-hour employees from 40 to 80 hours
<b>Preceptor Pay</b>	Pay \$0.80/hour to paramedics who supervise new paramedic’s “5-Call” process. Typically 2 months (\$400).
<b>Annual Leave Slots</b>	One additional slot, for total of 4 slots plus the current comp time slot
<b>Adjutant Assignment</b>	July 2018 – increase from 8% of top step Firefighter to 8% of bottom step Engineer
<b>Acting Fire Marshall Pay</b>	Increase from \$60/day to \$80/day

Various language changes throughout the proposed MOU clarify District policy and practice but are not intended to change existing practice.

**Costing Summary:**

Staff retained the services of a consulting firm to conduct an independent costing analysis of the conditional agreement. Below is a summary of the independent costing provided by Municipal Resource Group, LLC (MRG).

The costing analysis compared the District’s continuing obligations to the increased costs associated with the proposed MOU. The ongoing continuing obligations are referred to as the status quo costs, which continue even without a new agreement. With the negotiation of the successor conditional agreement, The District’s projected costs attributed to the proposed MOU excluding the status quo costs are estimated at \$10.3 million on a cumulative basis over 5 years. That equates to a net average cost of 3.26% per year. With all costs considered, the District’s projected costs are an average of 5.35% per year, or a 5-year potential cumulative total of \$17 million. The table below provides a summary of the total projected costs by fiscal year:

	Current FY 17-18	Proposed FY 18-19	Proposed FY 19-20	Proposed FY 20-21	Proposed FY 21-22	Proposed FY 22-23
Total Proposed PERSABLE Wages	\$14,442,665	\$15,146,645	\$15,815,665	\$16,575,662	\$17,510,164	\$18,319,866
Total Proposed Benefits	\$5,728,000	\$6,274,544	\$6,337,372	\$6,795,281	\$7,274,654	\$7,848,927
Total Proposed Compensation	\$20,170,665	\$21,421,189	\$22,153,037	\$23,370,943	\$24,784,818	\$26,168,793
Annual Cost Increase Over Prior Year		\$1,250,524	\$731,848	\$1,217,906	\$1,413,875	\$1,383,975
Annual Cost Increase Over Curr Year 2018		\$1,250,524	\$1,982,372	\$3,200,278	\$4,614,153	\$5,998,128
Cumulative Cost Over Curr Year 2018		\$1,250,524	\$3,232,896	\$6,433,174	\$11,047,327	\$17,045,455
		6.20%	3.42%	5.50%	6.05%	5.58%

Other common points of reference considered in the bargaining process are the local consumer price index (CPI) and the percentage of personnel costs to the annual revenue. The Bay Area CPI-U for June 2018 was 3.9%. District staff confirms the total personnel costs (all FTE employed by the District) as 67% of the FY 2018-19 revenues.

**Attachments:**

1. Sunshine Redline MOU