

City Council Briefing:

# **Fire Department Labor Contract Negotiations**

September 28, 2017



# City's Objectives for this negotiating cycle

- Reset base wages to bring AFD closer to alignment with the City's list of comparable large Texas Cities.
- Gain more control of AFD overtime costs.
- Gain Union concessions on hiring procedures for AFD.



# **Tentative Agreement Ratified by Union on September 21, 2017**

- Tentative Agreement reached on September 7, 2017
- Association conducted a vote on the proposed contract from September 19<sup>th</sup> to 21<sup>st</sup>
- Ratified by 75% of Union members voting for the Agreement.



## In the Agreement, continued...

**Overtime:** Vacation time is **NO LONGER** considered “hours worked” and is non-productive for overtime purposes

### **Special Leave Provisions:**

- Sick leave and vacation leave buy-back in the amount of \$500,000 for the 1<sup>st</sup> year of the contract
- FF must not have taken more than 24 hours of sick leave in the preceding 6 months if assigned to ops or 16 hours if non-ops
- City Manager decides whether to continue after the 1<sup>st</sup> year



## In the Agreement, continued...

- **Hiring:**

- Retains current hiring process (final hiring eligibility list is based upon ranked composite score of written cognitive examination and oral assessment)
- Allows AFD to select certified firefighters (certified by the Texas Commission on Fire Protection and National Registry of Emergency Medical Technicians) from the hiring eligibility list and place them in a 14 week academy rather than the traditional 28 week academy



# Did we meet the objectives?

- Reset of base wages. Result: AFD was 18.2% above the next comparable city according to the city's survey.
- With this agreement, AFD will be 11.5% above based on projected wage increases in other cities at the end of 5 years.



# Did we meet Objectives? continued..

- Control of AFD overtime. This agreement:
  - Eliminates vacation days as productive time.
  - Permits AFD to conduct shortened pre-certified academy classes (14 weeks versus 28 weeks) eliminating vacancies quicker.
  - Provides incentives not to use vacation/sick leave with a buy-back program in first year of contract, eliminating need to back fill with overtime.



# Contract Agreement – Financial Impacts

## Total Projected 5-Year Contract Cost

Item	5-Year Cumulative
Base Wages	\$15.0 million
Step Pay	\$9.4 million
Overtime Vacation Non-Productive	(\$1.1 million)
One-time Vacation/Sick Leave Buyback	\$500,000
Special Pays	\$0
<b>Total 5-Year Contract Cost</b>	<b>\$23.8 million</b>





# Contract Agreement – Financial Impacts

## Base Wages

Contract Year	Increase Percentage	Annual Increment*	Cumulative
FY 2017-18	0.25%	\$290,000	\$290,000
FY 2018-19	0.50%	\$582,000	\$870,000
FY 2019-20	1.0%	\$1.2 million	\$2.0 million
FY 2020-21	2.0%	\$2.4 million	\$4.4 million
FY 2021-22	2.5%	\$3.0 million	\$7.4 million
<b>5-Year Total</b>	<b>Base Wages</b>		<b>\$15.0 million</b>

\* Projected annual increases to the budget



# Contract Agreement – Financial Impacts

## Step Pay – No Change to Step Pay Structure

Contract Year	Annual Increment*	Cumulative
FY 2017-18	\$625,000	\$625,000
FY 2018-19	\$625,000	\$1.2 million
FY 2019-20	\$625,000	\$1.9 million
FY 2020-21	\$625,000	\$2.5 million
FY 2021-22	\$625,000	\$3.1 million
<b>5-Year Total</b>		<b>\$9.4 million</b>

\*Projected annual increases to the budget for current step structure



# Contract Agreement – Financial Impacts

## Items Included in Contract

Item	Description	Previous Agreement	Change
Overtime*	Vacation classified as Non-productive for calculating overtime	\$1.1 million	(\$1.1 million)
Vacation/Sick Leave Buyback	City buy back accrued leave	\$0	Capped at \$500,000

\*Overtime savings is already reflected in the FY 2018 Approved Budget



# Contract Agreement – Financial Impacts

## Specialty Pay – No Change From Previous Contract

Item	Description	Annual Amount	Change
Assignment & Special	Airport, Bilingual, Staff & Special Ops.	\$1.1 million	\$0
Longevity	\$100 per year of service up to 25 years	\$1.5 million	\$0
Education & Certification	Education – 60 hours college credit; Bachelors Certification – Intermediate; Advanced; Master	\$1.0 million	\$0

No change or additional increases to the budget for Specialty Pay



# Contract Agreement – Financial Impacts

## FY 2017-18 Incremental Cost

Item	FY 2017-18
Base Wages	\$290,000
Step Pay	\$625,000
Overtime Vacation Non-Productive	(\$1.1 million)
One-time Vacation/Sick Leave Buyback	\$500,000
Special Pays	\$0
<b>Incremental Cost</b>	<b>\$0.3 million</b>



# QUESTIONS?

