

**CITY OF ALBANY
CITY COUNCIL AGENDA
STAFF REPORT**

Agenda Date: 11/7/2011
Reviewed by: BP

SUBJECT: Memorandum of Understanding between City of Albany and Albany Fire Fighters' Association (AFFA)

REPORT BY: Beth Pollard, City Manager
Aaron Walker, Human Resources Manager

STAFF RECOMMENDATION

Approve Resolution No. 2011-54 – A Resolution of the City Council of City of Albany Approving the Memorandum of Understanding between City of Albany and Albany Fire Fighters' Association (AFFA).

BACKGROUND

The City of Albany and representatives of AFFA have met and conferred in good faith over the past five months, and have reached agreement on a Memorandum of Understanding for the period January 1, 2012 through December 31, 2013.

The Memorandum of Understanding is the collective bargaining agreement between City of Albany and AFFA and includes benefit modifications, salary adjustments, and other changes to the terms and conditions of employment.

DISCUSSION

The changes incorporated into the new Memorandum of Understanding include:

- Effective October 2011 (via side letter), add two lower salary steps to each classification. The new entry step will be 10.0% less than the current entry step.
- Effective January 2012, employees covered by this agreement will begin paying 9.0% of wages as a contribution to the California Public Employees' Retirement System (CalPERS).
- Effective January 2012, employees will receive a salary increase of 3.33%.
- Create a lowered CalPERS tier for future hires by basing their pension on the average of three years' salary rather than a single highest year.
- Increase the biennial paramedic license/EMT certification incentive by \$200/\$100.
- Increase the annual uniform allowance by \$50.

ANALYSIS

Over the past five months, the City and AFFA worked very hard on negotiating an agreement that tried to address both the declining economy and equitable wages and benefits for the fire employees of the City.

Among the issues incorporated into the negotiations and agreement is pension reform in order to set the stage for reductions in the City's retirement costs. These changes take the form of the employees paying a set percentage of their salary towards the pension cost going forward, and a lower tier formula for how the pension benefit is calculated for future hires.

SUSTAINABILITY IMPACT

None.

FINANCIAL IMPACT

The net annual savings in year one of the agreement is approximately \$105,000.

Attachments:

1. Resolution No. 2011-54
2. Attachment A – MOU Changes
3. To view AFFA 1/1/12 – 12/31/13 MOU,
click the link on the 11/7/11 Council Meeting Agenda