Sacramento Metropolitan Fire District

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KURT P. HENKE
Fire Chief

RESOLUTION NO. 2013-64

A RESOLUTION OF THE BOARD OF DIRECTORS FOR THE SACRAMENTO METROPOLITAN FIRE DISTRICT AMENDING THE MEMORANDUM OF UNDERSTANDING BY AND BETWEEN THE SACRAMENTO METROPOLITAN FIRE DISTRICT AND THE SACRAMENTO AREA FIREFIGHTERS LOCAL 522, I.A.F.F. (AFL-CIO)

WHEREAS, the Board of Directors, pursuant to California Government Code Section 3500 *et seq.*, enacted by resolution an Employer-Employee Relations policy; and

WHEREAS, under the terms of that policy, representatives for the District have met and conferred with representatives of Sacramento Area Firefighters Local 522, I.A.F.F. (AFL-CIO) (hereinafter referred to as "Local 522") a recognized employee organization over modifications in the current Memorandum of Understanding which is scheduled to terminate on December 31, 2013; and

WHEREAS, these parties have reached agreement on matters relating to the wages, hours and working conditions of the employees in said unit, as reflected by the written amendments to the Memorandum of Understanding attached hereto; and

WHEREAS, the Board of Directors finds that the provisions and agreements contained in this amendment to the Memorandum of Understanding are fair and proper and in the best interest of the District; and

WHEREAS, Local 522 represented employees and retirees have agreed to provide substantial health care costs savings to the District by reducing the health care premium cap and contributing 8% of the health care premiums for the express purpose of having the associated savings contributed into the OPEB trust established by the District with CalPERS to prefund retiree medical benefits in consideration of the District expressly agreeing that each existing retiree, future retirees, and their survivors shall have a vested right to receive the maximum retiree health benefits that were provided as of July 1, 2013 and to receive the maximum amount of annual increases in subsidies or reimbursements for retiree health benefits in all subsequent years thereafter; and

WHEREAS, in exchange for health care savings and OPEB trust contributions provided by the employees and retirees, the Board of Directors finds and declares that the District intends and agrees to be bound by an express contractual obligation to continue providing health care benefits at the levels specified herein for each retiree and dependents, if any, presently enrolled and for each retiree in the future, even beyond the term of this agreement,

NOW, THEREFORE BE IT RESOLVED, by the Board of Directors of the Sacramento Metropolitan Fire District that the January 1, 2007 through December 31, 2013 Memorandum of Understanding hereby be amended as follows:

The Tentative Agreements agreed to on February 14, 2013, shall be implemented upon ratification and approval of this agreement as follows:

1. **Terms of Agreement and Modifications**. Article 9, Section A shall be amended to:

A. The terms and conditions of this Memorandum of Understanding are effective on January 1, 2007 and shall remain in full force and effect through December 31, 2015.

2. **Terms of Agreement and Modifications**. Article 9 shall be amended to include a new section which shall provide as follows:

D. Re-openers

1. Effective 1/1/14 the District and the Union shall meet and confer over developing language to replace the current 85% language subject to written mutual agreement.

2. Effective 7/1/14 all salary schedules will have wage re-openers, subject to mutual written agreement.

3. Effective 7/1/15 all salary schedules will have wage re-openers, subject to mutual written agreement.

4. The District and the Union shall meet and confer over changes in the Federal Laws governing health care benefits subject to written mutual agreement.

3. **Uniform Allowance.** Article 15, Sections A, B, and C shall be amended to include:

A. B. C. Uniform allowance shall be rolled into base pay effective 01/01/2014. The current uniform allowance shall be divided by twelve and added to base salary.

4. **Health Plans**. Article 16, Section A shall be amended to:

A. For employees or retirees who are enrolled the Basic or Combination plans, the District shall contribute 92% of the medical premium towards the employees or retirees selected health plan. Employees and retirees will be responsible for the remaining 8% of the premium, and any additional amount above the premium cap. These contribution amounts will be effective 7/1/13.

For retirees that are enrolled in the Medicare plan, the District shall contribute an amount equal to 100% of the third highest plan in CalPERS Bay Area at the tier that the employee selects. Retirees will be responsible for any additional amount above the premium cap. For retirees who are Medicare age who were hired prior to March 31, 1986 and are not eligible to enroll in Medicare due to a lack of credits, the District shall provide a stipend that equals an amount equal to 8% of the premium at the tier that the employee selects up to the third highest plan in CalPERS Bay Area. These contribution amounts will be effective 7/1/13.

The premium cap (effective on 1/1/14) will be the third highest plan in CalPERS Bay Area rates (currently Blue Shield NetValue) at the tier that the employee selects, i.e. employee, employee plus one, employee plus family.

Medical-in-lieu: All employees or retirees who opt out of health insurance as provided by the District shall receive $300 monthly in lieu of health insurance. An

employee must provide proof of coverage in order to opt out of District provided health insurance.

5. **Health Plans**. Article 16 shall be amended to include a new section which shall provide as follows:

E. Effective July 1, 2013, the savings associated with the 8% employee and retiree premium contributions, and effective January 1, 2014, the savings associated with lowering the premium cap, as outlined above, shall be contributed into the OPEB trust established by the District with CalPERS to prefund retiree medical benefits. In consideration for employee contributions above each existing retiree, future retirees, and their survivors shall have a vested right to receive the maximum retiree health benefits that were provided as of July 1, 2013 and to receive the maximum amount of annual increases in subsidies or reimbursements for retiree health benefits in all subsequent years thereafter. This vested retiree health benefit right is promised to current retirees and future retirees, i.e. active employees when they retire even beyond the term of this MOU.

6. **Retirement Plans**. Article 18, Section A shall be amended to:

A. The primary plan shall be the Public Employee' Retirement System (PERS), Public Safety or Miscellaneous Employees Plan, whereby all employees shall be required to participate in the PERS plan applicable to their position. The District shall maintain retirement benefits in accordance with its contract with the Public Employees Retirement System (PERS) for Public Safety and Miscellaneous Employees.

Safety employees who were hired prior to 1/1/13 the District shall pay to PERS the member's contribution to their PERS retirement plan not to exceed nine percent (9%) of the employee's salary and shall be treated as Employer Paid Member Contributions (EPMC) as PERS reportable compensation for retirement purposes. Such payments shall be made payable to the member's own PERS account. Safety employees shall contribute twelve percent (12%) of the employee's salary towards the employers' contribution with PERS until 12/31/15.

Non-Safety employees who were hired prior to 1/1/13 the District shall pay to PERS the member's contribution to their PERS retirement plan not to exceed eight percent (8%) of the employee's salary and shall be treated as Employer Paid Member Contributions (EPMC) as PERS reportable compensation for retirement purposes. Such payments shall be made payable to the member's own PERS account. As soon as administratively possible after the ratification of this agreement, non-safety employees shall contribute eight percent (8%) of the employee's salary towards the employers' contribution with PERS until 12/31/15.

Employees who were hired after 12/31/12 shall pay fifty percent (50%) of the normal cost of the relative PERS retirement plan as required by PEPRA.

7. **Vacation/PTO Leave.** Article 25, Section A shall be amended to include:

A. Suppression employees may sell back up to a maximum of 120 hours of vacation leave per year. Vacation sell back must be in 24-hour increments.

ON A MOTION by Director Jones, seconded by Director Pierson, the foregoing resolution was passed and adopted this 25th day of April, 2013, by the following vote to wit:

AYES: Jones, Kelly, Orzalli, Pierson, Scheidegger, Wood

NOES: None

ABSTAIN: Monk

ABSENT: Clark, Goold

SACRAMENTO METROPOLITAN FIRE DISTRICT

By: _____
President, Board of Directors

Attested By:
_____
Clerk of the Board