



Legislation Text

File #: 24-591, **Version:** 1

Report Prepared by: Suzanne Fierro, Human Resources Manager

SUBJECT: Approval of Memorandum of Understanding with Merced Fire Fighters, Local 1479 (Fire) with a Term of July 1, 2024, Through June 30, 2027

REPORT IN BRIEF

Considers approving a Memorandum of Understanding with Merced Fire Fighters, Local 1479 (Fire) with a term of July 1, 2024, through June 30, 2027.

RECOMMENDATION

City Council - Adopt a motion:

- A. Approving **Resolution 2024-75**, a Resolution of the City Council of the City of Merced, California, approving a Memorandum of Understanding with the International Fire Fighters Association Local #1479; and,
- B. Authorizing the City Manager to make non-substantive modifications subject to City Attorney approval and to execute the necessary documents; and,
- C. Authorizing the Finance Officer to make the necessary budget adjustments and move positions into different funding sources if determined necessary; and,
- D. Authorizing the Finance Officer to increase the spending authority to THOR, Inc by \$20,320 for a not to exceed spending authority from \$839,370 to \$859,690.

ALTERNATIVES

- 1. Approve, as recommended by staff; or,
- 2. Deny; or
- 3. Refer back to staff with instructions.

AUTHORITY

Resolution No. 80-106 - Resolution of the City Council of the City of Merced establishing an Employer-Employee Organizations Relations Policy.

Meyer Milias Brown Act

CITY COUNCIL PRIORITIES

As provided for in the 2024-25 Adopted Budget

BACKGROUND

The Merced Fire Fighters, Local 1479 (FIRE) is a recognized employee organization that currently includes Fire Fighters, Fire Engineers, and Fire Captain who play an integral role in providing reliable emergency and safety services to residents and businesses of the Merced. Services include fire prevention, fire suppression, emergency medical, emergency management, fire apparatus and equipment, and training. FIRE's previous contract expired on June 30, 2024.

DISCUSSION

The City's negotiation team included Lead Negotiator Michael Jarvis, Deputy City Manager Frank Quintero, and Human Resources Manager Suzanne Fierro. Meetings with the labor group were held to reach agreement that would be beneficial to both FIRE members and the City. Negotiations centered economics and terms, and updated language changes to the previous Memorandum of Understanding.

The City's negotiations team and the Merced Fire Fighters, Local 1479, International Fire Fighters Association (Fire) have completed the collective bargaining process and have reached agreement on a contract. The contract is consistent with City Council direction and provides base wage increases and other benefits, along with updating the MOU language to align with new state and federal laws as well as CalPERS regulations. Staff recommends adoption of the Resolution approving the Memorandum of Understanding.

A summary of the items agreed upon in this Memorandum of Understanding are as follows:

- Term: The term of the agreement will be effective July 1, 2024, and will remain in effect through June 30, 2027.
- Wages: Base wage increases will be as follows: year one (2024) 5%, year two (2025) 4%, and year three (2026) 4%.
- Retiree Health: The City agrees to contribute 1% into employee's retiree health savings account.
- Add Pay: Eligible employees will receive 3% EMT pay effective upon execution of RFP or January 1, 2025, whichever comes first.
- Longevity: Eligibly employee will receive longevity pay as follows: 2% at 10 years of service, 2% at 15 years of service, 2% at 20 years of service, and 2% at 25 years of service.

Conversions of Flat Rates to Percentages: Previously, compensation for education pay, certificates, and other premium pay was paid at a flat rate. In an effort to be competitive in the market to recruit and retain personnel, the flat rates were converted to percentages. The benefits to the City is that the it makes processing the pay easier requiring fewer manual entries and adjustment each pay period, and using percentages generally means the pay is considered income and counts towards retirement (PERS.) This is a standard in most public safety Memorandums of Understanding.

Modifications to current payroll system: To accommodate the changes from the previous to the proposed MOU, modifications to the payroll computer systems will be required. The City will need the services of two vendors to complete these modifications. On July 5, 2022, the Council approved a contract with Central Square, which included the authority for the City Manager to execute a future professional services agreement. Therefore, no action is required from the Council for the work needed from Central Square. However, the Council will need to take action to grant spending authority to the second vendor. Specifically, the Council needs to authorize an increase in spending authority for THOR, Inc. by \$20,320, raising the total not-to-exceed spending authority from \$839,370 to \$859,690 for the contract that council approved on July 5, 2022.

IMPACT ON CITY RESOURCES

It is estimated that the first year impact will be \$1.3 million and up to \$6 million over the 3-year period. Fire personnel is funded in three areas, 1000 General Fund, 2030 Measure C, and 4502 CFD's. The increase to Fire labor costs was not included in the adopted FY 2024-25 budget. Once all bargaining group MOU's have been approved Finance will need to determine if some positions need to switch funding sources depending on funding and best use of the funds. The recommendation allows staff to make the necessary additional appropriation for the current fiscal year. Future years will be included in the budget process.

ATTACHMENTS

1. Resolution 2024-75
2. Memorandum of Understanding