



MEMORANDUM

DATE: June 13, 2013

TO: Mayor and Council

THRU: Rich Dlugas, City Manager *RD*
Debra Stapleton, Human Resources Director *JAS*

FROM: Rae Lynn Nielsen, Human Resources Supervisor *RN*

SUBJECT: International Association of Firefighters (Chandler Local 493) Memorandum of Understanding

RECOMMENDATION: Approve Amendment to the International Association of Firefighters (Chandler Local 493) Memorandum of Understanding for FY 13/14.

BACKGROUND:

The City and Fire have been engaged in negotiations since early March to discuss the wage reopener for the second year of the two-year contract. We are pleased to report that, through a collaborative effort, we have reached an agreement.

DISCUSSION/RECOMMENDATION:

The City and Fire have agreed to reinstate on-going merit increases of up to 5% for eligible employees for FY 13/14. We also agreed that with the reinstatement of merits in FY 13/14, a provision will be added that merit pay and special merit pay cannot exceed a total of 5%.

In addition, as a matter of housekeeping, the City and Fire agreed to open Section 5-3 (Health Insurance Trust Fund) of the MOU in order to remove non-negotiated provisions from the Memorandum of Understanding to the trust document. The revised trust will be presented for Council approval on June 27, 2013.

The City and Fire request approval of the amendment to the Memorandum of Understanding.

MOTION:

Approve Amendment to the International Association of Firefighters (Chandler Local 493) Memorandum of Understanding for FY 13/14.

**AMENDMENT TO THE
MEMORANDUM OF UNDERSTANDING
BETWEEN
CITY OF CHANDLER
AND
UNITED PHOENIX FIREFIGHTERS ASSOCIATION
IAFF LOCAL 493
CHANDLER CHAPTER**

Effective July 1, 2013

WHEREAS, the FY 2012 – FY 2014 Memorandum of Understanding ("MOU") between the City of Chandler ("City") and the United Phoenix Firefighter Association, IAFF Local 493 Chandler Chapter ("IAFF") (collectively "the Parties") commenced on July 1, 2012, and does not terminate until June 30, 2014.

WHEREAS, the MOU contains a provision requiring a wage reopener for the second year of the MOU.

WHEREAS, the Parties have engaged in meet and confer discussions pursuant to the wage reopener for FY 2013/14.

NOW, THEREFORE, as a result of the wage reopener, the MOU shall be amended to modify Section 3-1 (B), Wages (Merit); Section 3-1 (C) Wages (Special Merit Pay); and Section 5-3 (Health Insurance Trust Fund) as set forth below.

ARTICLE III – WAGES & COMPENSATION

Section 3-1 (B): Merit

- A. For FY 13/14 the City will fund a 5% on-going merit increase, effective on the first day of the pay period in which the date of the unit member's current job classification falls, until the unit member is at the top of the pay grade.

Section 3-1 (C): Special Merit Pay

In recognition of continuous service and overall performance, the City agrees to provide the following Special Merit Pay for eligible unit members:

- 1) On the unit member's date of classification (classification date) a unit member who meets the qualifications specified in this article shall receive a two (2%) percent Special Merit Payment to be paid in two (2) equal installments. The first installment will be paid during the pay period of the date of classification and the second installment will be paid during the pay period six (6) months after the initial payment. Special merit pay is not added to base pay.

A unit member who retires or resigned from City employment after receiving the first installment of the special merit pay but before the second installment is due, shall receive the full amount of the second installment in his/her final check. The second

installment shall not qualify as compensation for the purposes of Public Safety Retirement contributions.

A unit member who is promoted to another position in the City after the first installment of the special merit pay has been paid but before the second installment is due shall receive the second installment in accordance with the payment schedule set forth in Section 3-1 C.1.

2) Qualifications:

- a. A Firefighter will become eligible to receive the Special Merit Payment upon completion of eight (8) years as a Chandler Firefighter.

A Fire Engineer will become eligible to receive the Special Merit Payment upon completion of two (2) years as a Chandler Fire Engineer.

A Fire Captain will become eligible to receive the Special Merit Payment upon completion of four (4) years as a Chandler Fire Captain.

- b. A unit member must have achieved the performance rating of "meets expectations" or better in each overall job standard category on his/her latest scheduled performance evaluation on file in the Human Resources Department.

For FY 13/14, unit members who have earned special merit pay and are not at the top of the salary range will be eligible to receive merit plus special merit not to exceed 5%.

In a fiscal year that merits are not funded, special merit pay will be paid in accordance with Section 3-1 (C).

Section 5-3: Health Insurance Trust Fund

- A. The City will contribute twenty-five dollars (\$25) per unit member, per pay period, into a fund for the purpose of providing retiree health care benefits and other benefits as the Trustees of the fund may determine. This contribution will be matched by a twenty-five dollar (\$25) per pay period contribution to the same fund by each unit member.
- B. The trust fund shall be managed and administered in accordance with the terms of the Amended and Restated Agreement and Declaration of Trust for the Chandler Fire Fighters Employee Benefit Trust Fund (the "Trust Agreement"), as agreed upon by both parties.
- C. Any fund participant who separates from the bargaining unit prior to retirement shall receive from the City an amount equal to all of his or her contributions to the fund, plus interest based on the average annual interest earned by the fund, but shall receive no other benefits and have no other claim on the fund. The City shall subject the refund to all applicable tax withholding. Following the payment of any refund to a former member, the City shall reduce its contributions to the fund in an amount necessary to offset the cost of the refund.

Except as set forth herein, all other terms and conditions of the Parties' MOU shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Amendment to the MOU this _____ day of _____, 2013, to become effective, upon approval by the Mayor and City Council, on July 1, 2013, or as set forth herein.

CITY OF CHANDLER:

IAFF:

By: _____
Mayor

By:  _____
Association Representative

Attest: _____
City Clerk

Approved to form: _____
City Attorney 

(SEAL)
ATTEST: _____
