

MINUTES OF THE SPECIAL MEETING OF THE HONORABLE MAYOR AND CITY COUNCIL OF THE CITY OF CHANDLER, ARIZONA, held at on Thursday, March 27, 2014 in the Council Conference Room, 88 E. Chicago Street, Chandler, Arizona.

The meeting was called to order by Mayor Tibshraeny at approximately 6:03 p.m.

The following members were present:

Jay Tibshraeny	Mayor
Rick Heumann	Vice Mayor
Jack Sellers	Councilmember
Kevin Hartke	Councilmember
Jeff Weninger	Councilmember
Trinity Donovan	Councilmember
Nora Ellen	Councilmember

Also present: City Clerk Marla Paddock, City Attorney Kay Bigelow, City Manager Rich Dlugas.

MAYOR TIBSHRAENY said this was the time set for the City Council to meet with employee organizations to hear unresolved issues or areas of dispute regarding negotiating memorandums of understanding pursuant to Chandler City Code.

The Mayor called upon representatives of CLASA (Chandler Lieutenants and Sergeants Association). Mayor noted there was a handout provided Staff. Representatives from CLASA were not present. Mayor Tibshraeny confirmed with the City Manager that the representatives were made aware of the meeting date during negotiations.

Mayor called upon representatives from United Phoenix Firefighters I.A.F.F. Local 493 Chandler Chapter.

MR. ROBERT ISAACSON, President, expressed appreciation for the opportunity. He stated that negotiations have gone pretty well and just today, it was agreed upon to do a labor management process to address health care concerns. He stated there are two staff proposals on the table that have not been able to be agreed upon – merits and total compensation.

He explained merit itself is not an issue, but the concern is it is coupled with the total compensation language. He said as they have issues with total compensation language, there is not a final agreement on merits.

In regards to total compensation, Mr. Isaacson said he believed it was seven years ago when Fire presented a total compensation proposal to staff. At that time, meet and confer was new and they were told there was not too much interest. Last year, staff provided a proposal on defining total compensation and Fire countered with a proposal. He said those did not make it to Council as there were other M.O.U issues being worked out in regards to the implementation of the 4th position.

He stated based on discussions last year, their organization came forward ready to address concerns with total compensation this year. Mr. Isaacson said staff stated at the start of negotiations there was no interest in negotiating with the definition of the total compensation package. Mr. Isaacson expressed concern as there was no ability to give input and they have been able to negotiate and come to mutual agreement on other issues. He said two other bargaining units had previously agreed with the language so he was told there was not an interest

in having a different language. He said the meet and confer process was designed to try to address individual group needs. He understands the need to keep consistency but is concern that they weren't in the room when the discussions occurred.

He presented the City Council with Fire's total cash compensation proposal handout. He said the total comp presented by staff was wages, health care trust fund, deferred comp, RHS (retirement health savings) and special merit.

He stated his concern is that the items included in "total compensation" are not true representation. He commented when you try to compare them to other cities they are not equal as not everyone gets the same product.

He stated the areas they feel need to be accomplished for this to be viable are: the information has to be easily attainable; it has to be uniform among the eight cities - he doesn't believe the current proposal addresses that; and lastly, both parties have to agree that the data that is represented represents what the city offers.

He noted Fire's proposal includes the column "City PSPRS (Public Safety Personnel Retirement System) % Contribution" and noted it is based on percentage. Any amount given that is pensionable will raise this number. Mayor Tibshraeny questioned the percentage listed at 11.84%. Mr. Isaacson said the percentage for the firefighters is 23%, but he would explain the number listed.

He stated there is an independent third party doing an actuarial for the eight cities. He said the percentage shown on Fire's proposal is what is called "normal cost" on the actuarial study and the reason the number is not larger is that is because last year when they presented it, they included everything in regards to the actuarial and staff had issue with part of it. Staff had issue with the unfunded liability and so that was removed from it. Every number shown for each city has unfunded liability removed. Councilmember Weninger asked if that information was readily available. Mr. Isaacson said it took him about 15 minutes.

He explained the column entitled "maximum" is what a topped out firefighter makes and is what staff requested to use as the baseline for a fire fighter. That number is multiplied by the "City PSPRS %" to get the dollar amount listed in the third column. He said the city paid deferred comp, city paid RHS and city paid fire trust are listed separately as they are not pensionable items and are listed separately.

The MAYOR asked if there was any calculation for overtime and how that would affect the rate. MR. ISAACSON said if overtime was increased, the PSPRS contribution will go up. Any change to pay will affect that number. Any benefits that go towards pension will raise it too. The interest rate will also affect that number, but that would affect all cities across the board.

He noted there is not a line for special merit as it is a pensionable item and is already falling under the PSPRS contribution rate.

He explained the second chart shown was the "Projected Pay Rates for FY14/15 – Total Cash Compensation" and the only change is Peoria will receive a 1% market adjustment. The third chart is the "Proposed Pay Ranges 14/15 – Total Cash Compensation - Updated With Proposed Rates 0.86% increase".

He stated that the Fire Association is asking for credit for anything the city provides - all benefits (vacation, holiday), regardless if it's pensionable. The only two items not encompassed are the unfunded liability and health care as health care is hard to compare.

He said the city's proposal includes retirement health savings, deferred comp, special merit and health care trust fund.

There being no other questions, the Mayor adjourned the meeting.

Adjournment: The Mayor adjourned the meeting at 6:26 p.m.

ATTEST:

City Clerk

Mayor

Approval Date of Minutes: April 24, 2014

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Special Meeting of the City Council of Chandler, Arizona held on March 27, 2014. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this _____ day of April 2014

City Clerk