



DATE: June 11, 2019

CATEGORY: Consent

DEPT.: City Manager/Human Resources

TITLE: **Adopt Resolutions Authorizing Replacement Career Development Programs for Unrepresented Fire Managers and International Association of Firefighters (IAFF)**

RECOMMENDATION

1. Adopt a Resolution Authorizing the City Manager or His Designee to Execute a Side Letter Amending the Memorandum of Understanding Between the International Association of Firefighters, Local 1965, and the City for July 1, 2017 through June 30, 2020 Establishing a Replacement Career Development Program to be Implemented the Pay Period Including July 1, 2019, Authorizing the City Manager or His Designee to Set the Compensation for the Career Development Program Classification System, and Revise the City of Mountain View's Salary Plan for Fiscal Year 2019-20 to Reflect These Compensation Changes, to be read in title only, further reading waived (Attachment 1 and Exhibit A to the Council report).
2. Adopt a Resolution Establishing a Replacement Career Development Program for Unrepresented Fire Managers to be Implemented the Pay Period Including July 1, 2019, to be read in title only, further reading waived (Attachment 2 to the Council report).

BACKGROUND

The City has Career Development Programs for represented employees of the International Association of Firefighters (IAFF), Local 1965, and unrepresented employees in the Fire Managers group, to compensate employees in recognition of achievement in education, training, and experience and to raise the level of education and competence of Fire service personnel.

When the current programs were established for IAFF and unrepresented employees in the Fire Managers group in 2007 and 2008 respectively, the City determined they met the definition of a special compensation item under the California Public Employees' Retirement Law (PERL) and the City has reported this compensation to CalPERS as

special compensation accordingly, to be included in the calculation of retirement benefits. Following a 2017 California Court of Appeals decision which interpreted the PERL more narrowly, CalPERS reviewed the IAFF and Unrepresented Fire Manager programs and determined they do not meet the PERL's definition of special compensation. As a result, CalPERS informed the City that the Career Development Program special compensation reported for current and future retirees in these employee groups would not be considered pensionable compensation. Further, CalPERS could recalculate final compensation for current retirees and adjust their retirement allowances ongoing and retroactively.

CalPERS provided the City with the option to implement a replacement program for current employees which complies with the PERL by July 2019. This would ensure Career Development Program compensation will have been correctly reported to CalPERS and included in the calculation of retirement benefits and will continue to be included in these calculations. CalPERS also stated the replacement programs require Council action and, for IAFF, a side letter to clarify the intention of the program in such a way that enables CalPERS to honor the compensation under the legacy program as it was reported to CalPERS through July 2019. The attached resolutions serve as public reporting under the Brown Act and comply with CalPERS regulations.

ANALYSIS

If the City implements a replacement Career Development Program by July 2019, CalPERS will honor the legacy program for retirees and employees. To prevent the potential adverse impacts on retirees and the administrative burden that would be associated with retaining the programs in their current structures, staff recommends adoption of the attached resolutions to establish replacement Career Development Programs for IAFF and Unrepresented Fire Managers that comply with PERL and are consistent with the intent and application of the programs as originally established. The resolution would also amend the salary plan as needed and grant authority for the City Manager or his designee to enter into a side letter with IAFF and draft a policy for the Fire Managers Career Development Program regarding these terms.

IAFF, Local 1965

The current Memorandum of Understanding (MOU) between the City and IAFF, Local 1965, includes a five-level Career Development Program which has been in place since July 2007. The City and IAFF have agreed to language for a replacement Career Development Program which includes a tiered classification system and complies with CalPERS. Each classification tier requires additional training, education, and/or

experience, will be listed on a publicly available salary schedule, and will be reported to CalPERS as base pay. The proposed changes to the IAFF MOU are detailed in the side letter and resolution included as Attachment 1 and Exhibit A. The side letter and attachments have been reviewed and approved by CalPERS and IAFF.

Unrepresented Fire Managers

The current Career Development Program for Unrepresented Fire Managers includes a three-level program for Battalion Chiefs and the Deputy Fire Chief. The program requirements were established in 2008 and current compensation levels were approved by Council in 2015.

The City and Unrepresented Fire Managers have agreed to a replacement Career Development Program, which modifies the program, including removal of the years of service requirements for each tier and complies with the PERL. For the highest tier, the following requirements will replace the years of service as a chief officer: Possession of the State Fire Marshal Chief Fire Officer professional certification, or for the Battalion Chief assigned to oversee Emergency Medical Services, designation as the City of Mountain View Designated Infection Control Officer and a valid State of California Adult Education Teaching Credential. CalPERS has reviewed and determined this replacement program meets the definition of special compensation under the PERL and shall be reported as special compensation.

Affected Individuals

Adoption of these resolutions to continue to report the compensation associated with these programs as pensionable will prevent adverse impact to the final compensation calculations for current retirees or employees as a result of the recent communication from CalPERS regarding Career Development Program special compensation reported through July 2019. IAFF employees will transition to the classification tier in the replacement program that corresponds with their current Career Development level and will not be adversely impacted. Unrepresented Fire Managers will transition to their replacement program and will not be adversely impacted.

Response from Affected Individuals

The City has informed IAFF leadership and Unrepresented Fire Managers throughout this process to keep them apprised of the CalPERS determination and all parties are in agreement with the proposed replacement programs to comply with the CalPERS

requirements and maintain the intent of the Career Development Program. As noted above, IAFF has reviewed and approved the side letter.

Outreach to the general sworn employee and retiree populations will not be necessary as this resolution confirms the intention of the legacy Career Development Programs and CalPERS has stated that Council action and program implementation by July 2019 will guarantee their ability to honor the legacy Career Development system as it was reported to CalPERS until the replacement program is implemented in July 2019.

FISCAL IMPACT

There is no fiscal impact in Fiscal Year 2019-20 as the classification system will be established with compensation levels equivalent to the legacy program. The fiscal impact of the replacement program in subsequent years is limited to the IAFF group's future cost-of-living adjustments and other specialty pays calculated on base pay.

ALTERNATIVES

1. Do not approve replacement Career Development Programs for IAFF and Unrepresented Fire Managers.
2. Direct staff to provide additional information.
3. Provide other direction.

PUBLIC NOTICING – Agenda posting.

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- Attachments: 1. Resolution – IAFF – Authorizing Execution of Side Letter
2. Resolution – Establishing a Replacement Career Development Program for Unrepresented Fire Managers