



City Council Agenda Report

Meeting Date: June 6, 2023

TO: City Council

FROM: Chelsea Phebus, Director of Human Resources & Risk Management

RE: Amending the City of Chico and IAFF's Memorandum of Understanding effective July 1, 2021 – June 30, 2025, to update CalPERS pickup and pay increase effective dates.

REPORT IN BRIEF:

Upon approval, this item updates the City of Chico and the International Association of Firefighters (IAFF) Memorandum of Understanding effective July 1, 2021 through June 30, 2025 with the provisions of the Letter Agreement, which updates the effective date of the CalPERS pickup and scheduled pay increases.

Recommendation: Staff Recommends approval of the IAFF Letter Agreement.

FISCAL IMPACT:

There is no additional fiscal impact beyond what has already been budgeted.

BACKGROUND/DISCUSSION:

Section 1.10 of the IAFF Memorandum of Understanding provides for a Letter Agreement for Variation of Provisions, which allows the City and Union to vary from strict adherence to the provisions agreed upon in the MOU when it is to the mutual benefit for the City and Union to do so. Additionally, pursuant to the Meet and Confer provisions within Section 2R.72.250 of the Chico Municipal Code, when the meet and confer process is concluded between the City and a recognized employee organization, all agreed-upon matters shall be incorporated in a written memorandum of understanding and signed by the City and bargaining representative. Said memorandum of understanding shall be submitted to the City Council for determination and implementation on matters over which the Council has authority. A memorandum of understanding shall not be binding on the City or recognized employee organization until approved by the City Council.

The agreed-upon Letter Agreement provides a conclusion to the recent meet and confer process regarding moving the scheduled dates for CalPERS pickup and the General Salary Increase (GSI) from July 1, 2023 to July 2, 2023.

Prepared by:

Chelsea Phebus
Director of Human Resources & Risk Management

Approved and Recommended by:

Mark Sorensen
City Manager

DISTRIBUTION:

City Clerk (3)

ATTACHMENTS:

IAFF Letter Agreement

SIDE LETTER AGREEMENT
BETWEEN CITY OF CHICO AND THE
INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS, LOCAL 2734
REGARDING
CALPERS PICKUP AND GENERAL SALARY INCREASE EFFECTIVE DATES

Pursuant to Subsection 1.10, entitled “Letter Agreement for Variation of Provisions” of the Memorandum of Understanding between the City of Chico and International Association of Fire Fighters (“IAFF”) Regarding Pay, Hours and Other Terms and Conditions of Employment for the Period of January 1, 2021 through June 30, 2025 (“2022 MOU-IAFF”), the City of Chico (“City”) and International Association of Fire Fighters (“IAFF”) (collectively referred to as “the Parties”) enter into this Letter of Agreement to document adjustments to gym membership payment.

Therefore, the Parties agree to language modification as follows:

2.1 BASIC PAY PLAN

D. Pay Range Increases.

1. Effective the first pay period after ratification and approval, the City shall provide a five percent (5%) General Salary Increase (GSI) to IAFF members as specified in Exhibit B, retroactive to September 11, 2022.

2. Effective July 2, 2023, the City shall provide a five percent (5%) GSI as specified in Exhibit B.

3.10 RETIREMENT PLAN.

D. Employee Cost Sharing of Additional Benefits. Effective September 26, 2021, **Classic Members**, as defined in 3.10.A, covered by this MOU shall pay, through payroll deduction, an additional three percent (3%) of PERSable compensation towards the City’s costs, in addition to the amounts specified in 3.10.A. and B., toward the normal costs of pension benefits as permitted by Government Code Section 20516, and shall extend beyond the expiration of this MOU. If the contract amendment between the City and CalPERS is not completed as described in Section 3.10.C., the cost sharing, as described in this section, shall be implemented outside of a CalPERS contract amendment as authorized by Government Code Section 20516(f), and shall extend beyond the expiration of this MOU.

Effective the first pay period following ratification and approval of this MOU, each bargaining unit member shall pay, through payroll deduction retroactive to September 11, 2022,


an additional one percent (1%) of PERSable compensation in addition to previously agreed cost sharing amounts above, with employee cost share totaling four percent (4%) for Classic members and one percent (1%) for PEPRA members.

Effective July 1, 2023, each bargaining unit member shall pay, through payroll deduction, an additional one percent (1%) of PERSable compensation in addition to previously agreed cost sharing amounts above, with employee cost share totaling five percent (5%) for Classic members and two percent (2%) for PEPRA members.

1. Any amendments or modifications to this Side Letter Agreement shall be in writing, signed and dated by both parties.
2. All other terms and conditions in the 2022 MOU-IAFF remain in full force and effect.

Signed and dated as follows:

For IAFF:


Ken Smith (May 22, 2023 13:56 PDT) May 22, 2023
Ken Smith, President (Date)
Labor Relations Representative

For the City of Chico:


Mark Sorensen (May 22, 2023 14:14 PDT) May 22, 2023
Mark Sorensen (Date)
City Manager

Approved as to Form:


Vincent Ewing (May 22, 2023 14:47 PDT) May 22, 2023
Vincent C. Ewing, City Attorney*

*Pursuant to the Charter of the City of Chico, Section 906 (D)