



City of Colusa City Council **STAFF REPORT**

DATE: August 17, 2010
TO: Mayor Critchfield and Members of the City Council
FROM: Jan McClintock, City Manager

AGENDA ITEM:

Consideration of new MOUs for the Police Officers Association (POA), Colusa Firefighters Association (CFA), and the Confidential Unit (CU).

CITY COUNCIL PRIORITIES ADDRESS:

- Operate and manage the City in a fiscally responsible manner with open, accurate and comprehensible reporting.

REQUESTED ACTION:

Consider approval of new Memorandums of Understanding with the Police Officers Association, Colusa Firefighters Association, and the Confidential Unit.

BACKGROUND:

The POA and CFA have been working without a contract since July of 2009. The CU's contract expired July of 2010.

The POA and CFA have worked with the City to find cost savings in their budgets and with contract concessions to pay to change their pension from 2% at 55 to 2% at 50. This is a significant recruitment and retention issue for the City. The cost to hire a new police officer and to carry that new officer through the various mandatory training periods exceeds \$125,000 per police officer. The cost for Fire is approximately \$50,000 because much of the mandatory training has been covered through volunteer hours.

The City of Colusa is currently on the lowest of 4 levels with respect to public safety employee pensions. The City of Colusa is the lowest pay for public safety officers in the region based on a new salary survey conducted by the City. This meant that in previous years the Police Department was routinely losing 1-2 officers per year, making Colusa a training ground. That is something the City of Colusa can no longer afford.

The pension enhancement being offered puts our public safety officers on level 3 of the 4 tiers of public safety pensions. While this is not ideal, it does make us more competitive with respect to recruiting and retaining employees.

As part of this pension enhancement the City will be giving the public safety employees the employees contribution to PERS which the City previously paid for the employee as part of their

salary. The City also agreed to cover the additional FICA and Medicare premiums by adding an additional 2% to the public safety salaries.

These MOUs reduce the number of holidays from 14 to 11 per year.

These MOUs reduce the City's obligation for retiree medical services.

These MOUs provide for pay for performance.

The CU MOU makes mid-management benefits available to confidential employees. This is a common practice for confidential employees as is giving confidential employees 5% additional salary. This is because by being confidential they give up the right of collective bargaining. The City cannot afford to increase the salary but we are offering the benefits including administrative leave.

These MOUs eliminate the 2% COLA due in July 2009, the 5% increase due in Oct 2009, the 2% COLA due in July 2010 and the 5% increase due in October 2010 in favor of a single 2% increase.

Staff believes that this MOU will provide for stability in our public safety ranks and is in the best interests of the City.

The CU and miscellaneous member of POA will work a 36 hour schedule along with the rest of City Hall staff.

BUDGET IMPACT:

The costs of the MOU changes equates to approximately 3.9% of payroll for the public safety units and 2.3% for the Confidential Unit. These include the costs for the raises. The pension benefits are being offset by departmental savings with retirements and cost savings.