



REPORT TO THE CITY COUNCIL

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| AGENDA ITEM NO. | |
| COUNCIL MEETING | 7/31/07 |
| <i>APPROVED BY</i> | |
| <i>DEPARTMENT DIRECTOR</i> | |
| <i>CITY MANAGER</i> | |

DATE: July 31, 2007

FROM: TERRY A. BOND, Director of Personnel Services
Personnel Services Department

SUBJECT: 1. ADOPT THE MEMORANDUM OF UNDERSTANDING (MOU) BETWEEN THE CITY OF FRESNO (CITY) AND THE FRESNO POLICE OFFICERS ASSOCIATION (MANAGEMENT – UNIT 9), COVERING THE PERIOD JULY 1, 2007, THROUGH JUNE 30, 2010.

2. ADOPT THE FIRST AMENDMENT TO THE SALARY RESOLUTION NO. 2007-215 AMENDING EXHIBIT 9, POLICE MANAGEMENT (FPOA).

KEY RESULT AREA

Customer Service, Employee Satisfaction, Financial Management

RECOMMENDATIONS

Staff recommends that Council approve the successor Memorandum of Understanding (MOU) between the City and the Fresno Police Officers Association, Management Unit (FPOA) Unit 9 and the Second Amendment to the Salary Resolution No. 2007-215.

EXECUTIVE SUMMARY

Consistent with Council direction, the City of Fresno has concluded negotiations with Unit 9/Police Management (FPOA) for a successor three (3) year agreement covering the period from July 1, 2007, through June 30, 2010. The successor MOU was ratified by Unit 9/Police Management membership on June 27, 2007. The successor MOU has been approved as to form by the City Attorney's Office, and an original signed copy filed with the City Clerk as part of this Agenda Item. The successor agreement supports the City's Key Result Areas of Customer Service, Employee Satisfaction, and Financial Management. The City and FPOA have also come to an agreement on the use of the Fresno Police Department Report of Performance for Sworn Employees incorporating the City's Key Objectives and Values, which is attached to the MOU.

KEY OBJECTIVE BALANCE

The successor MOU and revised Performance Evaluation balance the Key Objectives of Customer Satisfaction, Financial Management and Employee Satisfaction. Approval of the successor MOU presents a good solution for these Key Objectives through a three (3) year agreement that eliminates successor negotiations beyond the expiration of the expired MOU; provides employees with a definitive salary increase and pension contribution in FY08 while preserving the City's ability to assure sufficient growth to the General Fund Operating Revenue for future salary increases. This MOU provides prudent Financial Management in a creative fashion to allow economic satisfaction on behalf of Unit 9/ Police Management and appropriate cost management for the City.

BACKGROUND

SUBJECT 1

The City of Fresno began negotiations with Unit 9/ Police Management for a successor agreement on April 5, 2007. The parties reached a tentative agreement on a successor MOU, which was presented to Unit 9/ Police Management members who ratified the proposed successor MOU on June 27, 2007.

The successor MOU contains the following principal items:

1. An MOU term covering the period from July 1, 2007, through June 30, 2010.

2. Salary increases as follows:

FY08: Effective July 1, 2007, the three percent (3%) of the four (4%) pension contribution currently paid by the City toward the employee's share of his/her contribution shall be incorporated into the employee's base rate of pay. The City shall maintain payment of the remaining one percent (1%) pension contribution on behalf of all employees.

Effective July 1, 2007, salaries for Police Lieutenants and Police Captains shall be increased by two percent (2%).

Effective July 1, 2007, the lower end and upper end of the salary range for Deputy Police Chiefs shall be increased by two percent (2%) following the incorporation of the three percent (3%) pension contribution.

FY09: Effective July 1, 2008, salaries for Police Lieutenants and Police Captains shall be increased by two and one-half percent (2.5%) with two percent (2%) being subject to the actual growth of the Total General Fund operating revenue reported for FY08 increased by six (6%) or more over the FY07 General Fund operating revenues.

Effective July 1, 2008, the lower end and upper end of the salary range for Deputy Police Chiefs shall be increased by two and one-half percent (2.5%) with two percent (2%) subject to the actual growth of the Total General Fund operating revenue reported for FY08 increased by six (6%) or more over the FY07 General Fund operating revenues.

FY10: Effective July 1, 2009, salaries for Police Lieutenants and Police Captains shall be increased by three percent (3%) with two percent (2%) subject to the actual growth of the Total General Fund operating revenue reported for FY09 increased by six (6%) or more over the FY08 General Fund operating revenues.

Effective July 1, 2009, the lower end and upper end of the salary range for Deputy Police Chiefs shall be increased by three percent (3%) with two percent (2%) subject to the actual growth of the Total General Fund operating revenue reported for FY09 increased by six (6%) or more over the FY08 General Fund operating revenues.

3. Effective July 1, 2007, the FPOA Management members will participate with the Basic Unit Police Wellness Program with the City contributing \$25,000 to fund their joining the program providing for payments of monetary incentives and services provided under the current Police Department's Wellness Program.

4. Effective July 1, 2007, Police Management shall receive an increase of \$200 to the Uniform Allowance from \$790 to \$990/year.
5. Effective July 1, 2007, Police Management personnel who have attained the Supervisory P.O.S.T. Certificate shall be compensated two percent (2%) above his/her base rate of pay, and four percent (4%) for attaining a Management P.O.S.T. Certificate.
6. The City agrees to maintain the current Health Reimbursement Arrangement (HRA). Effective July 1, 2007, Employees will be credited with the number of accumulated sick leave hours in excess of 120 (reduced from 240 hours) at the time of retirement multiplied by 45% (increased from 40%) of the employee's then current hourly base rate of pay.
7. A revision of the Fresno Police Department Report of Performance for Sworn Employees which incorporates the City Key objectives and Values.
8. Effective July 1, 2008, an additional \$5,000 for a total of \$30,000 shall be added to the Police Wellness Program.
9. Effective July 1, 2008, Police Management shall receive an additional increase of \$100 to Uniform Allowance for a total of \$1,090 from \$990 in FY 08.
10. Effective July 1, 2008, Police Management personnel who possess the Supervisory P.O.S.T. Certificate shall be compensated an additional two percent (2%) for a total of four percent (4%) above his/her base rate of pay and an additional four percent (4%) for a total of eight percent (5%) for attaining a Management P.O.S.T. Certificate.
11. Under the current HRA, effective July 1, 2008, employees will be credited with the number of accumulated sick leave hours in excess of 120 at the time of retirement multiplied by an additional five percent (5%) for a total of fifty percent (50%) of the employee's then current hourly base rate of pay.
12. Effective July 1, 2009, Police Management personnel who possess the Management P.O.S.T. Certificate shall be compensated an additional one percent (1%) for a total of nine percent (9%) above his/her base rate of pay.
13. Effective July 1, 2009, the City will contribute an additional one percent (1%) towards an employee's share of his/her pension contribution for a total of two percent (2%).

SUBJECT 2

The attached First Amendment to the Salary Resolution No. 2007-215 will result in the following:

1. Amendment of Exhibit 9, Police Management (FPOA) to reflect adoption of the MOU between the City and Fresno Police Officers Association, Police Management (FPOA) Unit 9.

FISCAL IMPACT

In FY08, the cost of new benefits is estimated to be \$225,073. In FY09, the cost of new benefits is estimated to be \$232,391. In FY10, the cost of new benefits is estimated to be \$203,732, for a total of \$661,196.

July 27, 2007

Attachments: FPOA Police Management MOU
First Amendment to Salary Resolution 2007-215