



City of Venice
Administrative Services Department

Interoffice Memorandum

DATE: July 15, 2014

TO: City Council

FROM: Alan Bullock, Director of Administrative Services

THROUGH: Ed Lavallee, City Manager

SUBJECT: Proposed FOP Collective Bargaining Agreements for FY14, FY15, FY16 and FY17

The city's Police Officers, Sergeants and Lieutenants are represented by the Florida State Lodge Fraternal Order of Police (one bargaining unit for Officers and a separate bargaining unit for Sergeants and Lieutenants).

The current collective bargaining agreements between the city and FOP are effective October 1, 2010 through September 30, 2013.

Terms and conditions of employment for the period commencing October 1, 2013 have been the subject of collective bargaining since June of 2013. These negotiations have now been concluded with proposed collective bargaining agreements covering the period October 1, 2013 through September 30, 2017.

In summary, the main changes are as follows:

Sick Leave

Other than effective date, mirrors changes implemented for non-bargaining and AFSCME employees for FY14. I.e. splits sick accruals into two banks. The new bank will have no cash value. Sick accruals used from now on will come from the old bank.

Health Insurance

Other than effective date, mirrors changes implemented for non-bargaining and AFSCME employees for FY14, but subject to a 15% annual cap. I.e. implements changes directed by Council in 2011 to reach an overall 80/20 split:

1. Introduces 4th contribution tier for single coverage.
2. Moves to %-based contributions for all coverage.

Wages

- Structure

All new hires will go into a new pay plan using current ranges but with no steps. Current employees will stay in the existing pay plan.

- Increases

For current employees at top step:

2.5% increase to base effective date of ratification (retroactive to 10/1/13 for those members who switch to FRS)

3.0% increase to base effective 10/1/14

3.0% increase to base effective 10/1/15

3.0% increase to base effective 10/1/16

For current employees not at top step:

An amount equivalent to one step increase to base effective 9/30/14

An amount equivalent to one step increase to base effective 9/30/17

For new employees hired after date of ratification

3% increases to base effective 10/1/14, 10/1/15 and 10/1/16

Pension

- General

The current pension plan will be closed to new members, who will be enrolled into the FRS. Current employees may choose to stay current plan as amended or transfer to the FRS. Amendments to the current plan are as follows:

- Benefit multiplier

The benefit multiplier for all prospective service after the date of pension change will reduce from 3.5% to 2.75%.

- Normal retirement

The normal retirement will change from [50 years of age with 10 or more years of service, or any age with 25 years of service] to [52 years of age with 10 or more years of service, or any age with 25 years of service].

- Early retirement

The early retirement option will be eliminated for employees who do not have 10 or more years of service before the date of plan change.

- Employee contribution rate

The employee contribution rate will reduce from 7.25% to 7.00%.

- Average Final Compensation calculation

Employees who retire on or after the date of the pension change will have their average final compensation based on base pay only as opposed to all W-2 earnings.

- Additional one-time incentive payments for employees who elect to switch to the FRS

Up to 5 years of service as of date of ratification by both parties - \$1,000

More than 5 years but less than 15 years of service as of date of ratification - \$7,500

15 or more years of service as of date of ratification - \$1,000

- Other

The city will pay for one hour with an independent financial advisor for each affected employee to help decide whether or not to switch to the FRS.

These proposed agreements have been ratified by the FOP membership. It is the recommendation of the management collective bargaining team that you approve the proposed agreements.