



**CITY OF FORT LAUDERDALE
City Commission Agenda Memo
REGULAR MEETING**

#13-1582

TO: Honorable Mayor & Members of the
Fort Lauderdale City Commission

FROM: Lee R. Feldman, ICMA-CM, City Manager

DATE: December 3, 2013

TITLE: Resolution ratifying tentative agreements with the Fraternal Order of Police, Lodge 31 – Police Officers and Sergeants, effective December 3, 2013 through September 30, 2016; and the Fraternal Order of Police, Lodge 31 – Police Lieutenants and Captains, effective December 3, 2013 through September 30, 2016

Recommendation

It is recommended that the City Commission ratify a tentative agreement with the Fraternal Order of Police (FOP), Lodge 31 – Police Officers and Sergeants, effective December 3, 2013 through September 30, 2016, as well as a tentative agreement with the Fraternal Order of Police (FOP), Lodge 31 – Police Lieutenants and Captains, effective December 3, 2013 through September 30, 2016.

Background

The previous FOP collective bargaining agreements expired on September 30, 2012. The City and FOP began negotiations for successor agreements in April 2013, and met 12 times for the Officers and Sergeants unit and 11 times for the Lieutenants and Captains unit.

Through these negotiations, the City and the FOP came to tentative agreements on successor agreements for both units. The tentative agreements were presented to the respective FOP memberships for ratification votes from November 18, 2013 through November 21, 2013. On November 22, 2013, the FOP advised the City that the respective employees had voted to ratify the successor agreements.

An outline of the significant changes to the collective bargaining agreements is included in Exhibit 1 attached hereto.

Resource Impact

It is projected that these agreements, combined, will save the City approximately \$584,000 through Fiscal Year 2016, not included the general wage increase scheduled for Fiscal Year 2016, as that will be based on a future Consumer Price Index (CPI).

Funding for the impacts for Fiscal Year 2014 is available within the Police Department operating budget. A table demonstrating the anticipated operational costs and savings per Fiscal Year for both successor agreements combined is included as Exhibit 2.

Specific to the pension provisions, it is anticipated that the revisions to the pension plan for new hires will generate a savings to the City of approximately \$67 million over 30 years. Additionally, separate from negotiations, on November 13, 2013, the City of Fort Lauderdale Police Officers' and Firefighters' Retirement Board (Retirement Board) approved salary growth actuarial assumption changes for the retirement plan, in line with the future salary growth revisions included in the tentative agreements, which is estimated to reduce the pension liability by an additional \$94 million over 30 years for FOP members only, for a total savings of approximately \$161 million attributable to FOP members. Exhibit 3 outlines the projected savings to the City for the pension changes made in the successor FOP collective bargaining agreements and by the Retirement Board, as calculated by Foster and Foster, the plan actuary.

Strategic Connections

This item is a FY 2014 *Commission Annual Action Plan* priority, included within the Policy Agenda, advancing the Pension Restructuring for Sustainability for Police and Fire strategy.

Attachment(s): Exhibit 1 – FOP Successor Agreement Significant Changes

Exhibit 2 – Anticipated Operational Costs and Savings for Fiscal Year 2014 through Fiscal Year 2016

Exhibit 3 – Anticipated Pension Liability Reduction

Exhibit 4 – Resolution and Tentative Agreement with the Fraternal Order of Police, Lodge 31 – Police Officers and Sergeants, effective December 3, 2013 through September 30, 2016

Exhibit 5 – Resolution and Tentative Agreement with the Fraternal Order of Police, Lodge 31 – Police Lieutenants and Captains, effective December 3, 2013 through September 30, 2016

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