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REVISED



CITY OF
FORT LAUDERDALE

City Manager's Office

Memorandum

Memorandum No: 13-265

Date: December 2, 2013

To: Honorable Mayor and Commissioners

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

**Re: December 3, 2013 – Revision to Commission Agenda Item 13-1582 (R1)
FRATERNAL ORDER OF POLICE LODGE 31 - RATIFYING
TENTATIVE AGREEMENTS - effective December 3, 2013 - September
30, 2016 - 1) Police Officers and Sergeants and 2) Police Lieutenants and Captains**

Exhibit 2 of the Commission Action Memo #13-1582 regarding the ratification of the Tentative Agreements between the City and the Fraternal Order of Police (FOP), Lodge 31 – Police Officers and Sergeants and Police Lieutenants and Captains has been amended. This exhibit outlines the anticipated operational costs and savings per Fiscal Year for both successor agreements combined. Please find a revised exhibit attached.

The exhibit now reflects an anticipated cost of \$1,143,000 for a general wage increase in the third year of the successor agreement, based on a 10 year Consumer Price Index (CPI) average of 2.53%.

With regard to pension, the exhibit has also been revised to include an additional \$100,000 savings in the current year, based on the salary assumption changes retroactive to January 1, 2013. It also now includes an estimated savings of \$335,000 in both the second and third years since future excess Chapter 185 funds will be used in their entirety to offset City's annual required contribution.

Based on these revisions and assumptions, it is estimated that the changes to be implemented with the Tentative Agreements will save the City approximately \$211,000 over the three years of the successor agreements.

Additionally, Exhibit 4, the draft Tentative Agreement with the Police Officers and Sergeants unit, needs to be revised. Article 4 of that Tentative Agreement deals with Non-discrimination. Both the City and the FOP intended to modify Section 3 of that Article to read as follows, but inadvertently left the language out of the Tentative Agreement:

“Section 3. The Union will not discriminate against employees covered by this Agreement as to membership or representation because of race, creed, color, sex, age, or national origin, religion, or sexual orientation.”

Adopting the resolution ratifying the Tentative Agreement with the Fraternal Order of Police, Lodge 31 – Police Officers and Sergeants, effective December 3, 2013 through September 30, 2016 will include this revision.

c: Stanley D. Hawthorne, Assistant City Manager
Susanne M. Torriente, Assistant City Manager
Cynthia A. Everett, City Attorney
Jonda K. Joseph, City Clerk
John C. Herbst, City Auditor
Department Directors
CMO Managers

**Fraternal Order of Police (FOP) Tentative Agreements
Anticipated Operational Costs and Savings for Fiscal Year 2014 through Fiscal Year 2016
December 3, 2013**

Economic Issue	Old Provision	New Provisions	Anticipated Year 1 Costs / (Savings)	Anticipated Year 2 Costs / (Savings) and Cumulative Totals	Anticipated Year 3 Costs / (Savings) and Cumulative Totals
Base Wages and General Wage Increase (Including FICA)	Non-Certified Police Officer: \$52,166.40 Certified Police Officer: \$54,808.00 - \$77,771.20 Certified K9 Police Officer: \$58,918.60 - \$83,604.04 Police Sergeant: \$74,588.80 - \$95,492.80 K9 Police Sergeant: \$80,182.96 - \$102,654.76 Police Lieutenant: \$76,273.60 - \$110,468.80 Police Captain: \$84,219.20 - \$121,950.40	Year 1 - 1%; Year 2 - 2%; Year 3 - CPI with a cap of no more than 25% higher than the prior year CPI	\$423,000	\$871,000 2 Year Total: \$1,294,000	\$1,143,000 Estimated based on 2.53% Average CPI 3 Year Total: \$2,437,000
Steps	Police Officer: 2 3%-4% steps per year Police Sergeant: 2 2%-3% steps per year Police Lieutenant: 2.5%, 5%, or 7.5% per year depending on performance Police Captain: 2.5%, 5%, or 7.5% per year depending on performance	<u>Officers and Sergeants</u> - Add 2 3.5% steps to beginning of salary range and new hires move only 1 step per year <u>Lieutenants and Captains</u> - Limit current to 2.5% and 5% increases per year; limit future to 1.5% and 3% increases	<u>Additional Steps:</u> (\$154,000) <u>New Hires move 1 step:</u> (\$67,000) <u>LT and Capt limit increases:</u> (\$23,900) 1 Year Total: (\$244,900)	<u>Additional Steps:</u> (\$168,000) <u>New Hires move 1 step:</u> (\$144,000) <u>LT and Capt limit increases:</u> (\$6,900) 2 Year Total: (\$563,800)	<u>Additional Steps:</u> (\$184,000) <u>New Hires move 1 step:</u> (\$250,000) <u>LT and Capt limit increases:</u> (\$18,400) 3 Year Total: (\$1,016,200)
Additional Step	No Current Contribution or Budget Impact for City	Add an additional step of 3.5% at top of range for Officers effective April 2016.	\$0	\$0	\$400,000
Personally Assigned Vehicles (PAVe)	\$55 for basic reimbursement (northern Miami-Dade County and southern Palm Beach County), \$65 for other parts of Miami-Dade County and Palm Beach County. No charge for in Broward County. Many exemptions from reimbursement requirement.	Increase Reimbursement Rates based on residence location (\$0/\$20/\$60/\$75). Eliminate Safe Driver Program. Captains excluded.	(\$310,000)	(\$310,000) 2 Year Total: (\$620,000)	(\$310,000) 3 Year Total: (\$930,000)

**Fraternal Order of Police (FOP) Tentative Agreements
Anticipated Operational Costs and Savings for Fiscal Year 2014 through Fiscal Year 2016
December 3, 2013**

Economic Issue	Old Provision	New Provisions	Anticipated Year 1 Costs / (Savings)	Anticipated Year 2 Costs / (Savings) and Cumulative Totals	Anticipated Year 3 Costs / (Savings) and Cumulative Totals
Pension	3.38% Multiplier; 81% Maximum payout; 2 year average of final pay; 10 year vesting; 60% joint and survivor benefit form; 8.25% or 8.5% employee contribution; 20 years service or age 55 with 10 years service retirement eligibility	For new hires on or after 4/1/14: 3% Multiplier; 75% Maximum payout; 5 year average of final pay; 10 year vesting; 10-year certain and life; 8.25% or 8.5% employee contribution; 20 years service or age 55 with 10 years service retirement eligibility. Balance of Chapter 185 reserve funds to offset pension contribution. Future excess 185 funds will be used in their entirety to offset City's annual required contribution	(\$100,000) Estimated savings based on upon preliminary actuarial report.	(\$100,000) (\$335,000) 2 Year Total: (\$535,000)	(\$600,000) (\$335,000) 3 Year Total: (\$1,470,000)
VEBA	No Current Contribution or Budget Impact for City	City contributes a value equal to the balance of the Chapter 185 reserve funds as a one time Contribution to the FOP VEBA. Employees contribute 75% of leave payouts at separation (does not include FICA savings to City on payout).	\$0	\$0	\$0
Health Insurance	\$834 per month for each eligible employee	City reimburses FOP cost of fees related to Affordable Care Act effective October 2013 (\$1 per plan participant in FY 2014 and \$2 per plan participant in FY 2015 for Patient Centered Outcome Research Fee and \$63 per plan participant for Transitional Reinsurance Contribution) (1,700 participants)	\$108,800	\$110,500 2 Year Total: \$219,300	\$110,500 3 Year Total: \$329,800
Clothing Maintenance Allowance	Detectives and plain clothes officers receive \$85 per month. All employees receive up to \$65 for safety shoes/\$150 for boots for mounted/motor officers. (Officers and Sergeants only)	Add for Lieutenants and Captains	\$12,745	\$12,745 2 Year Total: \$25,490	\$12,745 3 Year Total: \$38,235
ANNUAL TOTALS			(\$110,355)	(\$69,655)	(\$31,155)
CUMULATIVE TOTALS				(\$180,010)	(\$211,165)

¹ The General Wage Increase for FY 2016 and any impact that may have on related provisions in the successor collective bargaining agreements, is dependent upon the Consumer Price Index (CPI) comparing 2014 year end average to 2013 year end average, with a cap of no more than 25% higher than the prior year CPI. An estimated average CPI of 2.53% has been included at this time.