TO: HONORABLE CITY COUNCIL

FROM: CITY MANAGER DEPARTMENT: HUMAN RESOURCES

DATE: FEBRUARY 4, 2002 CMR: 134:02

SUBJECT: APPROVAL OF RESOLUTION AMENDING SECTION 1801 OF THE MERIT SYSTEM RULES AND REGULATIONS REGARDING THE MEMORANDUM OF AGREEMENT BETWEEN THE CITY OF PALO ALTO AND THE PALO ALTO FIRE CHIEFS’ ASSOCIATION, AND RESOLUTION ADOPTING COMPENSATION PLAN FOR FIRE CHIEFS’ ASSOCIATION MANAGEMENT PERSONNEL

RECOMMENDATION
Staff recommends that Council:
1. Approve the attached resolution amending Section 1801 of the Merit System Rules and Regulations regarding the Memorandum of Agreement between the City of Palo Alto and the Fire Chiefs’ Association management personnel.

BACKGROUND
The City’s agreement with the Fire Chiefs’ Association management personnel which represents six fire management positions expired on June 30, 2000. During the last several months, City staff members and members of the Fire Chiefs’ Association management personnel have been negotiating a new contract and have reached a tentative agreement.

DISCUSSION
The agreement closely tracks the provisions of the Memorandum of Agreement with the International Association of Fire Fighters (IAFF, Local 1319), including the provision for the Public Employees’ Retirement System (PERS) benefit, known as the “3% at 50” full formula (Section 21362.2) for safety members. The new Memorandum of Agreement and Compensation Plan for the Fire Chiefs’ Association provides for salary range adjustments of 5% effective July 01, 2000, 2% effective January 1, 2001, 5% July 1,
2001 and 5% July 1, 2002 as well as adjustments to EMT differentials and minimal benefit changes as stated in the agreement as attached.

**RESOURCE IMPACT**
The costs for the proposed Fire Chief’s Compensation Plan control point increases are $45,366 (effective July 1, 2000), $9,527 (effective January 1, 2001), $48,111 (effective July 1, 2001), and $50,516 (effective July 1, 2002). The 2001-02 Adopted Budget includes full funding in the General Fund salary contingency for the amounts to be paid in the current fiscal year.

As estimated by CalPERS, the annual costs of the 3% at 50 benefit is approximately 12% of Fire Chiefs salary expense or $121,239. The 2001-02 Adopted Budget includes full funding of this benefit, as the current employer PERS contribution rate is below the amount budgeted. Future year funding of this benefit may be required if the employer PERS contribution rate increases above the budget level. Other compensation plan changes are cost neutral.

**POLICY IMPLICATIONS**
This recommendation does not represent any change to existing City policies.

**ENVIRONMENTAL REVIEW**
This is not a project under the California Environmental Quality Act (CEQA).

**ATTACHMENTS**
1. Resolution of the Council of the City of Palo Alto Amending Section 1801 of the Merit System Rules and Regulations Regarding the Memorandum of Agreement Between the City of Palo Alto and the Palo Alto Fire Chiefs’ Association

PREPARED BY: Helen Del Grosso, Manager Employee Relations & Compensation

APPROVED BY: 

JAY C. ROUNDS  
Director of Human Resources

CITY MANAGER APPROVAL: EMILY HARRISON  
Assistant City Manager