



## City Council

### Approval of a Labor Contract with the International Association of Fire Fighters, CIO Local #468, Fire Mechanics

**Agenda Date:** 6/26/2018  
**Agenda Item Number:** 4.G  
**File Number:** 18-0622

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#### **Title**

Approval of a Labor Contract with the International Association of Fire Fighters, CIO Local #468, Fire Mechanics

#### **Recommended Action**

##### **Committee Recommendation:**

Not referred to a committee.

##### **City Manager Recommendation:**

Move to approve the labor contract with the International Association of Fire Fighters, Local #468, Fire Mechanics and authorize the City Manager to execute the agreements.

#### **Report**

##### **Issue:**

Whether to approve the labor contract between the City of Olympia and the International Association of Fire Fighters (IAFF), Local #468, Fire Mechanics

##### **Staff Contact:**

Joe Olson, HR Director, Executive Department, 360.753.8309

##### **Presenter(s):**

None - Consent Calendar Item.

#### **Background and Analysis:**

This is a new Collective Bargaining Agreement (CBA) with the Fire Department Mechanics (4 employees) who are represented by International Association of Fire Fighters, the same organization that represents the City Firefighters and Assistant Fire chiefs. This new agreement has been ratified by the Union and City staff are now bringing it forward for approval.

The new proposed contract for Council consideration is attached.

This agreement will end on December 31, 2019, so that in the future we are bargaining all Fire Department CBA's at the same time.

Significant articles in the contract are in the areas of wages and benefits.

### Wages

For the last several years, wage increases in the City CBA's had been based on "sales tax" tables. Rather than continue with the "sales tax" tables we have used for the past few years, we decided to move back to the more standard way of calculating wage increased for represented employees, which is using the Seattle-W Consumer Price Index (CPI). We felt that the "sales tax" method had helped us catch up for the years when we gave little or no wage increases because of the economy, but it was now time to go back to the more traditional method of wage increase calculation which is using a percentage of Seattle-W CPI.

The Fire Mechanics accepted our wage proposal:

Beginning January 2019, members will receive a cost of living increase based on 90 percent of Seattle CPI-W with a minimum of 1 percent and a maximum of 4 percent increase.

The Fire Mechanics also agreed to a wage increase on July 1, 2018 that will align them with the wages we pay other mechanics in the City (the Fire Mechanics had previously been non-represented employees and their pay had fallen behind that of other represented mechanics.)

A Master Fire Mechanic currently makes \$85,673.54 and will receive approximately a 1.7 percent increase in the new CBA. The Fire Mechanic supervisor makes \$97,111.25 and will receive a .01 percent increase in the new CBA.

### Medical/Dental/Vision Benefits

Beginning July 1, 2018, IAFF, Local #468, Fire Mechanics will be moving their member's medical, dental, and vision benefits from the Association of Washington Cities (AWC) to the Northwest Fire Fighters Benefits Trust (NWFFT).

In 2017, Staff spent a considerable amount of time evaluating the NWFFT medical, dental, and vision plans and found the coverages provided to be nearly identical to those offered by AWC. The expected savings generated by moving to the NWFFT plans in 2018 based on a July 1 changeover, is \$4,619. The savings for 2019 are estimated at \$10,537. The biggest generator of the savings is the decision of the Union to go to higher deductible health plans for active members in exchange for a yearly Voluntary Employees Beneficiary Association (VEBA) plan contribution to each member.

A VEBA is a tax-free health reimbursement account, which can continue year over year, and can be used by members and their eligible dependents to reimburse for qualified health expenses. The VEBA can be used by active members and their families to offset any added costs from going to a higher deductible plan. The balance of any VEBA funds not used can be used by members to offset post-retirement medical costs.

For 2018, the City will contribute \$1,000 for an active member and \$2,000 for an active member with dependents into a VEBA administered by the NWFFT. The cost for these contributions is approximately \$7,000, which will come out of the savings generated. For 2018 only, active members who incur more than \$1,000 in medical costs or active members with dependents who incur more than \$2,000 in medical costs can receive an additional \$500/\$1,000 into their VEBA accounts with

proper documentation.

For 2019, the City will contribute \$2,000 for an active member and \$4,000 for an active member with dependents into a VEBA administered by the NWFFT. The cost for these contributions is approximately \$14,000, which will come out of the savings generated. No additional VEBA contributions beyond the \$2,000/\$4,000 will be made.

The total cost to the City for the medical is \$2,318 in 2018, and \$3,463 in 2019.

The remainder of the contract changes are general and/or matching language to insure uniformity in CBA's and assist staff with the administration of all of the City CBA's.

**Neighborhood/Community Interests (if known):**

N/A

**Options:**

1. Move to approve the labor agreements with the International Association of Fire Fighters, Local #468, Fire Mechanics and authorize the City Manager to execute the agreements.
2. Move to approve the labor agreements with the International Association of Fire Fighters, Local #468, Fire Mechanics as amended by Council, and authorize the City Manager to execute the agreements.
3. Do not approve the labor agreements with the International Association of Fire Fighters, Local #468, Fire Mechanics as proposed and direct staff as to next steps.

**Financial Impact:**

The cost to the City for implementing this contract in 2018 is \$6,364. A summary of the economic agreements is attached.

**Attachments:**

Contract  
Economic Agreement Summary