

One-rdg. _____
P. Hrngs. _____
Pgs. 11
Filed: 06-07-16

Sponsored by: Fishel

First Reading: _____

Second Reading: _____

COUNCIL BILL NO. 2016- 136

SPECIAL ORDINANCE NO. _____

AN ORDINANCE

1 APPROVING the First Amendment to Sections 3.05 and 3.08 of The Collective Bargaining
2 Agreement Between The City of Springfield, Missouri and Southern Missouri
3 Professional Fire Fighters Local 152 (a/k/a, The International Association of
4 Fire Fighters Local 152) (the "First Amendment"), in conjunction with
5 amending Chapter 2, Administration, Article VI, Finances, Division 4,
6 Policemen's and Firemen's Pension Plan, for the fire participants, pursuant
7 to the ordinance adopted by Council Bill 2016-137 the Bargaining Unit; and
8 declaring an emergency.
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12

13 WHEREAS, the City of Springfield, Missouri (the "City") recognizes the Southern
14 Missouri Professional Fire Fighters Local 152 (a/k/a, The International Association of Fire
15 Fighters Local 152) (the "IAFF Local 152"), as the sole collective bargaining representative of
16 the Springfield Fire Department by special ordinance, Special Ordinance No. 26344; and
17

18 WHEREAS, the City's collective bargaining team (the "City's Team") and the IAFF
19 Local 152 reached a mutual agreement on a proposed collective bargaining agreement by
20 and between the City and the IAFF Local 152 (the "Agreement"), and said Agreement was
21 approved and ratified by City Council on November 10, 2014, by Special Ordinance No.
22 26482; and
23

24 WHEREAS, the City's Team and the IAFF Local 152 have met and conferred through
25 the collective bargaining process since said Agreement was approved and ratified for the
26 purposes of discussing wages, benefits, and other terms and conditions of employment in
27 order to reach mutually satisfactory changes or amendments to Section 3.05 of the
28 Agreement, titled Pension and Retirement ("Section 3.05"), and to Section 3.08 of the
29 Agreement, titled Compensation ("Section 3.08") (hereinafter collectively the "First
30 Amendment"); and
31

32 WHEREAS, the City's Team and the IAFF Local 152 presented the proposed
33 amendment to Section 3.05 to the City's Police and Fire Pension Board (the "Pension Board")
34 for approval and the Pension Board approved the proposed amendment to Section 3.05
35 which amends Section 2-455 of the Policemen's and Firemen's Pension Plan (later retitled as
36 the "Police Officers' and Fire Fighters' Retirement System") for the fire participants pursuant

37 to the ordinance adopted by Council Bill 2016-137; and

38

39 WHEREAS, the City's Team and the IAFF Local 152 submit the proposed First
40 Amendment (see Exhibit A, attached hereto and incorporated herein by reference) to City
41 Council for consideration, approval and ratification.

42

43 NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF
44 SPRINGFIELD, MISSOURI, as follows, that:

45

46 Section 1 – The Council of the City of Springfield, Missouri approves the proposed
47 First Amendment attached as Exhibit A and hereby ratifies the First Amendment as a final
48 and binding First Amendment to the Agreement between the City and the IAFF Local 152 for
49 a finite term and duration as set forth within the terms of the Agreement and its First
50 Amendment.

51

52 Section 2 – The Council of the City of Springfield, Missouri hereby authorizes and
53 directs the City Manager, or his designee, to acknowledge and deliver, for and on behalf of,
54 and as the act and deed of the City, the First Amendment to the IAFF Local 152 as the final
55 and binding First Amendment to the Agreement between the City and the IAFF Local 152,
56 and such other documents as may be necessary or desirable to carry out and comply with
57 the intent of this ordinance.

58

59 Section 3 – This ordinance shall inure to the benefit of the City and the IAFF Local 152
60 and their respective successors and assigns.

61

62 Section 4 – The sections of this ordinance shall be severable. In the event any section
63 of this ordinance is found by a court of competent jurisdiction to be invalid, the remaining
64 sections of this ordinance shall be deemed valid, unless the court finds the valid sections of
65 this ordinance are so essentially and inseparably connected with, and so dependent upon the
66 void sections, that it cannot be presumed that the City Council would have enacted the valid
67 sections without those deemed invalid; or unless the court finds that the valid sections,
68 standing alone, are incomplete and are incapable of being executed in accordance with the
69 legislative intent.

70

71 Section 5 – The City Council hereby finds and declares that an emergency exists in
72 that this ordinance relates to labor management relations and employee compensation and
73 benefits, and therefore, involves the immediate preservation of public peace, property, health,
74 and safety; therefore, this ordinance shall be in full force and effect immediately after its
75 adoption by the City Council, except the effective dates identified in any particular section
76 shall control over the date of said adoption.

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78 Passed at meeting: _____

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Mayor

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84 Attest: _____, City Clerk

85

86 Filed as Ordinance: _____

87

88 Approved as to form: Rhonda Lewaden , Assistant City Attorney

89

90 Approved for Council Action: Jay Bunt , City Manager

EXPLANATION TO COUNCIL BILL NO: 2016-136

FILED: 06-07-16

ORIGINATING DEPARTMENT: Human Resources

PURPOSE: To approve the first amendment to the Collective Bargaining Agreement between the City of Springfield, Missouri and Southern Missouri Professional Fire Fighters Local 152 (IAFF); to authorize the City Manager to acknowledge and deliver the first amendment to the bargaining unit; and to declare an emergency.

BACKGROUND: This Council bill contains proposed amendments to Section 3.05, Pension and Retirement and Section 3.08, Additional Compensation or Benefits. IAFF requested to open the Collective Bargaining Agreement for purposes of negotiation, as required per the Agreement and to be completed prior to July 01, 2016, as well as negotiating the implementation of the three and one-half percent (3.5%) compensation pool for their eligible employees.

A tentative agreement was reached between the City of Springfield and IAFF resulting in the submission of the first amendment to the Collective Bargaining Agreement for City Council's consideration.

Proposed amendment to Section 3.05, Pension and Retirement is to include the following language in a paragraph entitled Additional Funding Contribution:

Effective Fiscal Year 2017, the City will contribute \$236,120 in a lump sum to be applied to the Tier I employees' Additional Funding Contribution portion of the Tier I plan (hereinafter "Fire AFC").

Effective Fiscal Year 2018, the City will contribute \$291,918 in a lump sum on an ongoing annual basis until the Fire AFC is 100% funded as determined by the City of Springfield's Police Officer and Fire Fighter Retirement System Board's Actuary (Board's Actuary), or July 1, 2029, whichever comes first.

A permanent employee contribution rate of 15.13% shall be established and contributed for and by Tier 1 employees. This employee contribution rate will not be subject to recalculation, regardless of any actuarial calculation performed for the Fire AFC.

After the Fire AFC reaches a 100% funding ratio, as determined by the Board's Actuary, or July 1, 2029, whichever comes first, the Fire AFC will cease to be calculated separately from other pension liabilities. It will then become a normal liability of the pension system. If the Fire AFC reaches a 100% funding ratio, based on the Board's Actuary study prior to July 1, 2029, the additional contribution of \$291,918 will end on the last day of the current fiscal year following the Board's Actuary study.

The City's contribution to the Fire AFC will remain in the system for investment and benefit payments, and will not be subject to an employee's return of contribution at retirement.

These provisions solely relate to the Fire AFC benefit and are not meant to change or impact any other provisions or groups in the Police & Fire Retirement System.

Proposed amendment to Section 3.08, Additional Compensation or Benefits is to include the following language:

For Fiscal Year 2017, a compensation pool equivalent to 3.5% of Bargaining Unit total payroll will be available, and with this available compensation pool, the Union will fund:

- 1. Merit Steps at a cost of \$150,047.00 (base and benefits inclusive);*
- 2. An across-the-board increase of one-half of one percent (0.5%) for Fiscal Year 2017 at a cost of \$73,661.00 (base and benefits inclusive); and*
- 3. Funds in the available compensation pool for Fiscal Year 2017 of \$55,798 (base and benefits inclusive) will be used to provide a one-time payment to each former Springfield Fire Department, Police & Fire Pension Plan, Tier II participant who voluntarily elects and completes their service credit purchase with LAGERS by June 30, 2016, as required by General Ordinance No. 5854. The amount of the one-time payment is based on the employee's months of service credit purchased.*

Months of Service	Deferred Comp Payment
<i>40 - 48 months</i>	<i>\$5,000</i>
<i>30 - 39 months</i>	<i>\$4,000</i>
<i>20 - 29 months</i>	<i>\$3,000</i>
<i>10 - 19 months</i>	<i>\$2,000</i>

The following is also applicable:

- a. Confirmation of completion of the purchase of service credit must be verified by LAGERS prior to the one-time payment being issued;*
- b. The one-time payment will be in the form of a direct payment made to the eligible employee's ICMA 457 Deferred Compensation account and will be deposited no later than September 30, 2016; and*

- c. *Any funds reserved in the City's budget designated for eligible IAFF participants, but not used prior to March 31, 2016, to fund the prior service credit purchase will be used to offset the costs associated with the payments referenced in 3b above occurring between April 1, 2016, and June 30, 2016.*

In coordination with Section 3.05 of this Agreement (which includes a permanent employee contribution rate of 15.13% for and by Tier 1 employees), after the Fire AFC reaches a 100% funding ratio, as determined by the City of Springfield's Police Officer and Fire Fighter Retirement System Board's Actuary, or July 1, 2029, whichever occurs first, funds in the amount of \$291,918 (base and benefits inclusive) will be reallocated to the compensation pool on a prospective basis. This amount will not reduce, but rather be in addition to any compensation pool negotiated for the next fiscal year. This amount can then be directed to pay or benefits as deemed necessary by the Union.

This bill is presented as an emergency. City Council is not expected to vote on this bill after the first reading. The bill is presented as an emergency to allow changes to the ordinance after the first reading and prior to final approval by City Council.

REMARKS: City staff and IAFF recommend this Council bill and respectfully request City Council's approval.

Submitted by:



Sheila R. Maerz,
Director of Human Resources

Approved by:



Greg Burris,
City Manager

Exhibit A

**FIRST AMENDMENT TO SECTIONS 3.05 AND 3.08
OF COLLECTIVE BARGAINING AGREEMENT**

THIS FIRST AMENDMENT to Sections 3.05 and 3.08 of COLLECTIVE BARGAINING AGREEMENT BETWEEN THE CITY OF SPRINGFIELD, MISSOURI AND SOUTHERN MISSOURI PROFESSIONAL FIRE FIGHTERS LOCAL 152 THE BARGAINING UNIT OF THE SPRINGFIELD FIRE DEPARTMENT (“First Amendment”) is between The City of Springfield, Missouri (“the City”), and Southern Missouri Professional Fire Fighters Local 152 The Bargaining Unit of The Springfield Fire Department (“IAFF Local 152”).

WHEREAS, the City and IAFF Local 152 are parties to a certain Collective Bargaining Agreement effective November 10, 2014 (the “Agreement”); and

WHEREAS, the City and IAFF Local 152 wish to amend certain provisions of the Agreement as hereinafter provided.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and obligations hereinafter contained, the parties do hereby agree to amend the Agreement as hereinafter provided:

1. Effective as of the date approved by City Council, Section 3.05 – Pension and Retirement, of the Agreement, is hereby deleted in its entirety and the following is inserted in its place:

Police & Fire Retirement System

Employees hired before July 1, 2006 shall be members of the Police Officers' and Firefighters' Retirement System as established in Section 2 of the City Code (hereinafter “Tier I”).

TIER II

Employees hired after July 1, 2006 and before January 31, 2010, had been placed on Tier II of the Police Officers' and Firefighters' Retirement System (hereinafter “Tier II”). Per an agreement between the City and the Union, Tier II employees were allowed to migrate to LAGERS L-11 pension plan, and 100% of the employees on Tier II within the bargaining unit migrated to LAGERS. For purposes of this section, those employees shall be referred to as "former T2 employees."

Pursuant to City Ordinance 5854, after the proper vestment period in LAGERS, the former T2 employee may purchase their prior service for the time in which he or she was a member of Tier II. The former T2 employee shall be responsible for the cost of purchasing this prior service credit, up to an amount equal to their employee contributions made during their time on Tier II. The City shall be responsible for any other costs associated with purchasing this prior service credit.

Former T2 employees shall not be allowed to migrate back to the Police Officers' and Firefighters' Retirement System.

LAGERS

Former T2 employees and employees hired after February 1, 2010 shall be members of the State of Missouri's LAGERS L-11 pension plan. The City shall pay 100% of the required contributions, and employees shall maintain the status of non-contributory members of the L-11 plan.

Additional Funding Contribution

Effective Fiscal Year 2017, the City will contribute \$236,120 in a lump sum to be applied to the Tier I employee's Additional Funding Contribution portion of the Tier I plan (hereinafter "Fire AFC").

Effective Fiscal Year 2018, the City will contribute \$291,918 in a lump sum on an ongoing annual basis until the Fire AFC is 100% funded as determined by the City of Springfield's Police Officer and Fire Fighter Retirement System Board's Actuary (Board's Actuary), or July 1, 2029, whichever comes first.

A permanent employee contribution rate of 15.13% shall be established and contributed for and by Tier 1 employees. This employee contribution rate will not be subject to recalculation, regardless of any actuarial calculation performed for the Fire AFC.

After the Fire AFC reaches a 100% funding ratio, as determined by the Board's Actuary, or July 1, 2029, whichever comes first, the Fire AFC will cease to be calculated separately from other pension liabilities. It will then become a normal liability of the pension system. If the Fire AFC reaches a 100% funding ratio, based on the Board's Actuary study prior to July 1, 2029, the additional contribution of \$291,918 will end on the last day of the current fiscal year following the Board's Actuary study.

The City's contribution to the Fire AFC will remain in the system for investment and benefit payments, and will not be subject to an employee's return of contribution at retirement.

These provisions solely relate to the Fire AFC benefit and are not meant to change or impact any other provisions or groups in the Police & Fire Retirement System.

2. Effective as of the date approved by City Council, Section 3.08 – Compensation, of the Agreement, is hereby deleted in its entirety and the following is inserted in its place:

Truck Company Captains promoted on or after July 1, 2014 will be re-titled to Fire Lieutenant and will remain at the FPS 5T pay grade. Truck Company Captains promoted before July 1, 2014 will retain the title of Truck Company Captain and the FPS 5T pay grade. When a Truck Company Captain / Fire Lieutenant is to be reclassified to Fire Captain, the reclassification shall be offered to the employee based on PPM 12.T60. Upon reclassification, the employee will be placed on the same step on the FPS 6 pay grade which they occupied on the FPS 5T pay grade.

Effective July 12, 2015, the Fire Captain and Training Captain positions will be compensated at the FPS 6 pay grade current and applicable as of said date.

Fire Captains and Training Captains will be placed on the same step on the FPS 6 pay grade on July 12, 2015, which they occupied on the FPS 5 pay grade. This change will not impact an employee's eligibility to receive a merit step, as provided in Section 3.07. Any across the board pay adjustments implemented in 2015 will be added to the pay grade above.

Effective July 12, 2015, the City shall eliminate EMT payment for all bargaining unit employees with the exception of employees holding the rank of Firefighter.

Effective July 10, 2016, the City will eliminate EMT Pay for Firefighters.

Any across the board pay adjustments implemented in 2016, will be added to the pay grade current and applicable as of the date of adjustment.

For Fiscal Year 2017, a compensation pool equivalent to 3.5% of Bargaining Unit total payroll will be available, and with this available compensation pool, the Union will fund:

1. Merit Steps at a cost of \$150,047.00 (base and benefits inclusive);
2. An across-the-board increase of one-half of one percent (0.5%) for Fiscal Year 2017 at a cost of \$73,661.00 (base and benefits inclusive); and
3. Funds in the available compensation pool for Fiscal Year 2017 of \$55,798 (base and benefits inclusive) will be used to provide a one-time payment to each former Springfield Fire Department, Police & Fire Pension Plan, Tier II participant who voluntarily elects and completes their service credit purchase with LAGERS by June 30, 2016, as required by General Ordinance No. 5854. The amount of the one-time payment is based on the employee's months of service credit purchased.

Months of Service	Deferred Comp Payment
40 - 48 months	\$5,000
30 - 39 months	\$4,000
20 - 29 months	\$3,000
10 - 19 months	\$2,000

The following is also applicable:

- a. Confirmation of completion of the purchase of service credit must be verified by LAGERS prior to the one-time payment being issued;
- b. The one-time payment will be in the form of a direct payment made to the eligible employee's ICMA 457 Deferred Compensation account and will be deposited no later than September 30, 2016; and
- c. Any funds reserved in the City's budget designated for eligible IAFF participants, but not used prior to March 31, 2016, to fund the prior service credit purchase will be used to offset the costs associated with the payments referenced in 3b above occurring between April 1, 2016, and June 30, 2016.

In coordination with Section 3.05 of this Agreement (which includes a permanent employee contribution rate of 15.13% for and by Tier 1 employees), after the Fire AFC reaches a 100% funding ratio, as determined by the City of Springfield's Police Officer and Fire Fighter Retirement System Board's Actuary, or July 1, 2029, whichever occurs first, funds in the amount of \$291,918 (base and benefits inclusive) will be reallocated to the compensation pool on a prospective basis. This amount will not reduce, but rather be in addition to any compensation pool negotiated for the next fiscal year. This amount can then be directed to pay or benefits as deemed necessary by the Union.

Longevity Pay

Employees hired before January 1, 2005 receiving longevity pay shall continue to receive this benefit under its current administration, with \$300 annually being paid to employees with 5 years to 9 years, 364 days; \$600 annually being paid to employees with 10 years to 14 years, 364 days; \$900 annually being paid to employees with 15 years to 19 years, 364 days; and \$1200 annually being paid to employees with 20 years or more.

Deferred Compensation (457) Plan

As of July 1, 2015, employees shall be allowed to borrow against their Deferred Compensation account, regardless of the provider, in accordance with all laws and regulations.

3. Unless otherwise indicated, all remaining provisions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this First Amendment as of the date and year first above written.

THE CITY

Page 4 of 5

By: _____
Greg Burris, City Manager

IAFF LOCAL 152

By: _____
Tony Kelley, President