

**SPECIAL CALL CITY COUNCIL MEETING
TUESDAY, JANUARY 27, 2015 3:00 P.M.
CITY HALL, COUNCIL CHAMBERS, VERO BEACH, FLORIDA**

A G E N D A

- 1. CALL TO ORDER**
- 2. PLEDGE OF ALLEGIANCE**
- 3. PUBLIC COMMENT**
- 4. ITEMS FOR DISCUSSION:**

Quasi-Judicial Hearing

- A) [Impasse Proceedings – City of Vero Beach and Teamsters Local Union No. 769 Blue Collar](#)

Quasi-Judicial Hearing

- B) Impasse Proceedings – City of Vero Beach and Teamsters Local Union No. 769
Technical/Clerical

- 5. ADJOURNMENT**

This is a Public Meeting. Should any interested party seek to appeal any decision made by Council with respect to any matter considered at such meeting or hearing, he will need a record of the proceedings and that, for such purpose he may need to ensure that a record of the proceedings is made which record includes the testimony and evidence upon which the appeal is to be based. Anyone who needs a special accommodation for this meeting may contact the City's Americans with Disabilities Act (ADA) Coordinator at 978-4920 at least 48 hours in advance of the meeting.

City of Vero Beach

1053 20th Place - P.O. Box 1389

Vero Beach, FL 32961-1389

Phone: (772) 978-4710 – Fax: (772) 978-4716

E-mail: citymgr@covb.org – www.covb.org

OFFICE OF THE
CITY MANAGER



To: The Honorable Mayor and City Council
From: James R. O'Connor, City Manager
Date: December 5, 2014
Re: City Manager's Recommendations for Resolving Impasse with Blue Collar and CT Units

The City and the Union conducted negotiations for successor CBAs in both units, but reached an impasse on articles 10, 15, 17, 19, 20, 23, and 24. The City's proposals on those articles were a "package deal." The City's package proposal specifically provided that: "articles 10, 15, 17, 19, 20, 23, and 24 are a *package deal* and if any *part* of the package is rejected it shall constitute a rejection of the entire package."

The Union rejected the City's package deal.

As a result, the City declared an impasse, and referred the matter to the Public Employees Relations Commission ("PERC"). A special magistrate was selected by the parties, a hearing was held on October 17, 2014, and the special magistrate issued a recommended decision.

Section 447.403(4)(a), Florida Statutes, provides, in pertinent part, that;

The chief executive officer of the governmental entity involved shall, within 10 days after rejection of a recommendation of the special magistrate, submit to the legislative body of the governmental entity involved a copy of the findings of fact and recommended decision of the special magistrate, together with the chief executive officer's recommendations for settling the disputed impasse issues.

The following are my recommendations for settling the disputed impasse articles. I have also attached for your review a copy of the special magistrate's recommended decision. (Exhibit A). A complete copy of this document is being provided to the Union through its business agent, Mr. Steve Myers.

I. Overview:

The City employs a total of 391 employees, of which approximately 200 are represented by the Union in what is known as the “Blue Collar Unit,” and another 65 employees in what is known as the “Clerical and Technical Unit” or “CT Unit.”

The City and the Union are party to two collective bargaining agreements: one for the Blue Collar Unit, which has an effective date of 2010 to 2013, and one for the CT Unit, which has an effective date of 2011 to 2013 (“CBA”). In late 2013, the parties reached a tentative agreement on all articles to successor agreements for both units, except for article 20 (wages) so an impasse was declared. (The City had proposed a 2.5-3% pay increase, while the Union proposed a 5% pay increase). The parties bypassed the special magistrate process and went directly to City Council. In February 2014, the Council resolved the impasse by awarding a 3% wage increase. Following resolution of the 2013 impasse, the CBAs were submitted to the bargaining units for ratification, but ratification failed.

Following the failed ratification vote, the parties resumed negotiations between April and July 2014. The City’s proposals on articles 10, 15, 17, 19, 20, 23, and 24 were presented to the Union as a package deal such that the entire package had to be accepted by the Union. While the parties negotiated changes to individual articles within the package, the entire package proposal had to be accepted by the Union or it was deemed rejected.

The Union rejected the City’s package proposal as to articles 10, 15, 17, 19, 20, 23, and 24. On June 27, 2014, the City notified the Union and PERC of an impasse as to those articles.

On July 17, 2014, Michael G. Whelan was appointed as Special Magistrate. An impasse hearing was then scheduled to take place on October 17, 2014, in Vero Beach, Florida.

A. Legislative Body's Role in Impasse Resolution Hearing:

Section 447.403(4)(c), Fla. Stat. provides that the Legislative Body shall conduct a hearing at which the parties shall be required to explain their positions with respect to the rejected recommendations of the special magistrate.

Section 447.403(4)(d), Fla. Stat. provides that after the parties explain their position(s) the legislative body shall take such action as it deems to be in the public interest, including the interest of the public employees involved, to resolve all disputed impasse issues.

B. Contract Articles at Impasse

The articles at impasse are articles 10 (layoff), 15 (annual leave), 17 (sick leave), 19 (holidays), 20 (wages), 23 (health insurance), and 24 (retirement) of the CBA for the Blue Collar Unit and the CT Unit. These articles were *all* submitted to the special magistrate for impasse resolution, even though some of the articles are not individually disputed by the parties. However, as stated above the City presented these articles as a "package deal," which meant the entire package had to be accepted or it was deemed rejected. Indeed, the special magistrate recognized in his recommended decision that it was a package proposal from the City.

Additionally, PERC law is clear that the City's package proposal remained in place during the impasse hearing before the Special Magistrate, and as such, the City has the right to reject a special magistrate's recommendations as to any individual article, even a favorable recommendation, if such recommendation amounts to a dissection of the package proposal. See, Pompano Beach Professional Firefighters, Local 1549 v. City of Pompano Beach, 18 FPER p 23124 (1992) (holding, the City properly rejected the special magistrate's favorable and unfavorable recommendations because the City's proposal was a "package deal," and therefore not subject to dissection).

C. Summary of the Parties Position on Each Impasse Article:

This chart shows the party's basic position as to each impasse article.

Article at impasse	City's position	Union's position
Article 10: Layoff, et al.	The parties are in agreement as to the language of article 10. However, article 10 is part of the City's package proposal, and therefore could only be accepted as part of the entire package.	
Article 15: Annual leave	In article 15.09, the City proposes that 5 days of annual leave be advanced to employees during the first year of the contract following the freeze of the annual leave bank.	The Union proposes that 15 days of annual leave be advanced to employees during the first year of the contract.
Article 17: sick leave	The parties are in agreement as to the language of article 17. However, article 17 is part of the City's package proposal, and therefore could only be accepted as part of the entire package.	
Article 19: holidays	In article 19.01, the City proposes to eliminate one holiday: Good Friday. In article 19.03, the City proposes to eliminate the "substitute holiday." The City proposes to pay all employees one day's wages for each holiday. The City also proposes to pay an additional time and one-half wages to all employees who actually work the day of the holiday	The Union proposes that the status quo on holidays be maintained.
Article 20: Wages	The City proposes no wage increase for 2014-2015 fiscal year and elimination of the longevity step plan. The City proposes that wages be negotiated on an annual basis.	The Union proposes a 2% wage increase and all employees moved up to their appropriate step on the longevity step plan as if the step plan had not been frozen in 2009. Additionally, the Union proposes that certain call taker and customer service employees be advanced in their respective pay scale.
Article 23: Health Insurance	The parties are in agreement as to the language of article 23. However, article 23 is part of the City's package proposal, and therefore could only be accepted as part of the entire package.	
Article 24: Retirement	The City proposes that the defined benefit pension plan be frozen and all employees offered a defined contribution plan. The City would contribute 7% to the plan. Existing employees would 3% and new hire employees would contribute 5%.	The Union proposes maintaining the status quo as to existing employees, except that their contribution rate will be increased to 4.25%. Additionally, the Union proposes placing all newly hired employees into a defined contribution plan.

D. City Manager's Recommended Resolution on Impasse Articles:

I have itemized below each article within the package proposal of articles at impasse, and discuss them individually. I have attached as Exhibit B are my recommendations for resolution on the articles at impasse for the Blue Collar Unit, and Exhibit C for the CT Unit. My recommendations are in a red-lined format so that you can see the existing contract language and what I have recommended be changed.

1. Article 10: Layoff, et al.

The parties are at impasse on article 10. Article 10 was not tentatively agreed to by the parties because it was part of the City's package proposal of articles that was rejected by the Union. Article 10 was presented to the Special Magistrate as an article at impasse.

a. Issue and position of the parties:

The special magistrate recommended acceptance of the City's proposed article 10. The City rejected the Special Magistrate's recommendation on Article 10 because it amounted to a dissection of the City's package deal on all the articles at impasse.

b. City Manager's recommendation:

The Special Magistrate's recommendation should be rejected, and the City's position should be adopted.

2. Article 15: Annual Leave

The parties are at impasse on article 15. Article 15 was not tentatively agreed to by the parties because it was part of the City's package proposal of articles that was rejected by the Union. Article 15 was presented to the Special Magistrate as an article at impasse.

a. Issue and position of the parties:

The City's proposal for article 15 freezes the employees' current annual leave bank and creates a new bank of annual leave. The employees keep the frozen bank of time and can use it in accordance with the rules for using leave time, but it cannot be replenished. However, the new bank of annual leave limits the amount of annual leave that can be carried over from one year to the next year.

The City proposes in article 15.09 to advance each employee five (5) days of annual leave during year 1 of the contract so that the employee will not have to use time in their frozen annual leave bank. The City's proposal of a five day advancement of annual leave in year 1 is the same that the City permits for rank and file police officers.

The Union proposes in article 15.09 an advancement of fifteen (15) days in year 1 of the contract.

b. Special Magistrate recommendation:

The Special Magistrate recommended that the City's proposal for Article 15 be accepted, except that in Article 15.09 the employees receive fifteen (15) instead of five (5) days of annual leave advanced in year 1 of the CBA.

c. City Manager recommendation:

The Special Magistrate's recommendation should be rejected, and the City's position of advancement of 5 days in year 1 of the contract should be adopted.

3. Article 17: Other Paid Leaves of Absence (Sick leave)

The parties are at impasse on article 17. Article 17 was not tentatively agreed to by the parties because it was part of the City's package proposal of articles that was rejected by the Union. Article 17 was presented to the Special Magistrate as an article at impasse.

a. Issue and position of the parties:

The special magistrate recommended acceptance of the City's proposed article 17. The City rejected the Special Magistrate's recommendation on Article 17 because it amounted to a dissection of the City's package deal on all the articles at impasse.

b. City Manager's recommendation:

The Special Magistrate's recommendation should be rejected, and the City's position should be adopted.

4. Article 19: Holidays

The parties are at impasse on article 19. Article 19 was not tentatively agreed to by the parties because it was part of the City's package proposal of articles that was rejected by the Union. Article 19 was presented to the Special Magistrate as an article at impasse.

a. Issue and position of the Parties:

The City's proposal for article 19: (1) eliminates Good Friday as a City holiday; (2) pays holiday pay for all employees; and (3) pays extra holiday pay at time and one-half for all employees who actually work the day of the holiday. First, the City is looking to save money by eliminating a holiday. The City's contract with the rank and file police department resulted in the elimination of two holidays instead of the one proposed for the Union's employees. Second, the City wants to save money by limiting the payment of extra holiday pay (the time and one-half payment) to only those employees who actually work the day of the holiday. Specifically, under the current CBA if an employee is scheduled to be off work on the actual day of the holiday, then that employee's next day at work is deemed the holiday and they are paid extra holiday pay. This is known as the "substitute holiday" rule. The City's proposal eliminates this "substitute holiday."

Simply put, the City's proposal pays holiday pay to all employees, but pays the extra holiday pay (time and one-half) only to those employees who work the actual day of the holiday. For example, the City is closed on Christmas day. All employees would receive holiday pay at their regular hourly rate for Christmas day. But if an employee works on Christmas day, he/she would receive an extra holiday pay at time and one-half for all hours worked.

The Union's proposal is to maintain the status quo on holidays. Under the Union's proposal, no holidays are eliminated and the substitute holiday rule stays in place.

b. Special Magistrate's Recommendation:

The Special Magistrate recommended that: (1) the City keep the same number of holidays proposed by the Union; but (2) accept the City's proposal to only pay extra holiday pay to those employees who actually work the day of the holiday, which would result in the elimination of the substitute holiday rule.

c. City Manager's Recommendation:

The Special Magistrate's recommendation should be rejected, and the City's position of (1) elimination of Good Friday as a City holiday; (2) pay holiday pay for all employees; and (3) pay extra holiday pay at time and one-half for only those employees who actually work the day of the holiday should be adopted.

5. Article 20: Wages

The parties are at impasse on article 20. Article 20 was not tentatively agreed to by the parties because it was part of the City's package proposal of articles that was rejected by the Union. Article 20 was presented to the Special Magistrate as an article at impasse.

a. Issue and position of the parties:

The City's proposal calls for: (a) no wage increase for FY 2014-2015; (b) to address wages on an annual basis through a reopener clause; (c) elimination of the longevity step plan; and (d) leaving the call takers and customer service representatives at their present pay level.

First, as for a wage increase and elimination of the longevity step plan the City submits that it provided the employees with a 3% increase last fiscal year, which was the first pay increase since 2009. The longevity step plan has not been used since 2009 when the pay plan was frozen, thus it is outdated and no longer fiscally viable. It would cost approximately \$112,000 to bring employees current on the longevity step plan alone, not to mention a general wage increase. Moreover, the City would then be obligated to additional annual pay increases, without negotiations, as each employee advances up the step plan.

Second, the pay scale for call takers and customer service representatives was also frozen in 2009, which is why they did not advance on their pay scale. The City proposes to leave these employees at their present pay level, because it would be unfair to advance these employees but not the other Union employees.

Additionally, certain economic realities have forced the City to be more judicious with its tax dollars. The City has tried to do this through, for example, attrition and making changes to employee benefits such as annual leave, sick leave, and holidays. The City's treatment of the Union employees has been consistent with its treatment of non-bargaining unit employees and the police department in that during the wage freeze from 2009 to 2012 no one received any wage increases. For fiscal year 2014-2015, no City employees are receiving a pay increase, except for those employees who did not get a pay increase in 2013 and 2014.

The Union proposed a 2% pay increase, advancement of all employees up to the appropriate step on the longevity step plan as if it had not been frozen in 2009, and advancement of the call takers and customer service representatives to what the Union contends is the proper step on their pay plan. The approximate cost of the Union's proposal is \$451,191, plus an additional \$34,299 for the call takers and \$17,316 for the customer service representatives, for a grand total of \$502,806. According to Cindy Lawson, finance director, there is no money in the City's approved budget to pay for the Union's proposal without dipping into the City's reserves.

b. Special Magistrate's recommendation:

The Special Magistrate recommended the following: (1) employees be placed in the appropriate step on the longevity step plan; (2) not require any further upward movement on the longevity step plan unless agreed to by the parties through bargaining; (3) no general wage increase for 2014-2015, unless the City gives a pay increase to other employees; and (4) a reopener provision for wages for fiscal year 2015-2016.

c. City Manager's Recommendation:

The Special Magistrate's recommendation should be rejected, and the City's position of (1) no wage increase for fiscal year 2014-2015; (2) to deal with wage increases on an annual basis through a reopener clause; (3) to eliminate the longevity step plan; and (4) to leave the call takers and customer service representatives at their present pay level should be adopted.

6. Article 23: Group Insurance

The parties are at impasse on article 23. Article 23 was not tentatively agreed to by the parties because it was part of the City's package proposal of articles that was rejected by the Union. Article 23 was presented to the Special Magistrate as an article at impasse.

a. Issue and position of the parties:

The special magistrate recommended acceptance of the City's proposed article 23. The City rejected the Special Magistrate's recommendation on Article 23 because it amounted to a dissection of the City's package deal on all the articles at impasse.

b. City Manager's recommendation:

The Special Magistrate's recommendation should be rejected, and the City's position should be adopted.

7. Article 24: Retirement Plans

The parties are at impasse on article 24. Article 24 was not tentatively agreed to by the parties because it was part of the City's package proposal of articles that was rejected by the Union. Article 24 was presented to the Special Magistrate as an article at impasse.

a. Issues and position of the parties:

The City proposes that: (1) the defined benefit plan ("DB plan") be frozen and employees be offered a defined contribution plan ("DC plan"); (2) the City would contribute 7% toward the new DC plan; and (3) existing employees would contribute 3% and newly hired employees would contribute 5%. Under the City's proposal, employees would keep their DB plan benefit, but it would no longer be an active plan able to accept contributions.

The DB plan imposes a financial burden on the City, and brings significant future financial risk. Specifically, the City is responsible for a \$37,000,000 unfunded liability in the DB plan, which makes up approximately 26% of payroll. As a result of the unfunded liability, the City makes annual required contributions to the DB plan in the millions of dollars (approximately \$5mm last year alone).

Additionally, by switching to a DC plan, the City would have a fixed payment based on its contribution rate instead of an ever increasing unfunded liability. While switching to a DC plan would cost an extra \$417,000 in year one, over time as the unfunded liability is paid off, employees retire, and new employees are solely in the DC plan, the City's economic future will greatly improve because it will not be burdened by the financial liability of a DB plan and ongoing risk associated with the stock market. The average employer contribution toward a DC plan, based on the City's research, is approximately 7%, which is precisely what the City proposes.

The Union proposes maintaining the status quo as to existing employees in the DB plan, except that their contribution rate will be increased to 4.25%, and all newly hired employees will go into a defined contribution plan.

b. Special Magistrate recommendation:

The Special Magistrate recommended adoption of the Union's proposal for Article 24.

c. City Manager's recommendation:

The Special Magistrate's recommendation should be rejected, and the City's position of (1) freezing the current defined benefit plan ("DB plan") and offer a defined contribution plan ("DC plan"); (2) the City would contribute 7% toward the new DC plan; and (3) existing employees would contribute 3% toward the DC plan, and newly hired employees would contribute 5% should be adopted.

STATE OF FLORIDA
PUBLIC EMPLOYEES RELATIONS COMMISSION

CITY OF VERO BEACH,

Public Employer,

and

Case No. SM-2014-029

TEAMSTERS LOCAL UNION NO. 769,

Employee Organization.

RECOMMENDED DECISION

Special Magistrate Michael G. Whelan

November 26, 2014

APPEARANCES

For the Public Employer:

Jason L. Odom, Esq.
Gould Cooksey Fennell, P.A.
979 Beachland Blvd.
Vero Beach, FL 32963
jodom@gouldcooksey.com

For the Employee Organization:

Steve Myers, Business Agent
Teamsters Local Union No. 769
3400 43rd Avenue, Suite 3
Vero Beach, FL 32960

Introduction and Procedural History

The City of Vero Beach ("City" or "Employer") and Teamsters Local Union No. 769 ("Union" or "Local 769") are parties to two collective bargaining agreements ("CBAs"): one for a unit of blue-collar employees (the "BC unit"); and one for a unit of clerical and technical employees (the "CT unit"). Both CBAs expired on September 30, 2013. In late 2013, the parties reached a tentative agreement on all articles to successor agreements for both units, except for Article 20 (wages), so an impasse was declared. The City had proposed a 2.5-3% pay increase, while the Union proposed a 5% pay increase. The parties bypassed the special magistrate process and went directly to the City Council. In February 2014, the Council resolved the impasse by imposing a 3% wage increase, but both bargaining units did not ratify the imposed CBAs. Afterwards, the parties resumed negotiations between April and July 2014, but did not reach a complete agreement on all open issues.

On June 27, 2014, the City declared impasse in its collective bargaining negotiations with Local 769. On July 17, 2014, the undersigned Special Magistrate was appointed by the Chair of the Public Employees Relations Commission, pursuant to Section 447.403, Florida Statutes (2014), to conduct a hearing and issue a recommended decision to resolve all disputed issues in the impasse between the parties. A hearing was held in the City of Vero Beach, Florida, on October 17, 2014, at which time the parties identified the issues in dispute and presented evidence in support of their respective positions. Both parties submitted timely post-hearing submissions on or by November 13, 2014, and the hearing was deemed to be closed. This

Recommended Decision is submitted pursuant to Section 447.405, Florida Statutes (2014), and Florida Administrative Code Rule 60CC-3.007.

Statutory Factors to be Considered by a Special Magistrate

Florida Statute § 447.405 sets forth the following five factors to be considered by a special magistrate in arriving at a recommended decision:

1. Comparison of the annual income of employment of the public employees in question with the annual income of employment maintained for the same or similar work of employees exhibiting like or similar skills under the same or similar working conditions in the local operating area involved.
2. Comparison of the annual income of the employment of the public employees in question with the annual income of employment of public employees in similar public employee governmental bodies of comparable size within the state.
3. The interest and welfare of the public.
4. Comparison of peculiarities of employment in regard to other trades or professions, specifically with respect to:
 - a. Hazards of employment.
 - b. Physical qualifications.
 - c. Educational qualifications.
 - d. Intellectual qualifications.
 - e. Job training and skills.
 - f. Retirement plans.
 - g. Sick leave.
 - h. Job security.
5. Availability of funds.

Issues at Impasse

The parties submitted the following articles to the impasse procedure: (1) Article 10 – Bids, Voluntary Lateral Transfers, Promotions, and Recalls; (2) Article 15 – Annual Leave; (3) Article 17 – Other Paid Leaves of Absence; (4) Article 19 – Holidays; (5)

Article 20- Wages, Temporary Assignments, and Premium Pay; (6) Article 23 – Group Insurance; and (7) Article 24 – Retirement Plans.

Findings of Fact

1. The Parties

The City is a political subdivision of the State of Florida and a public employer within the meaning of Florida Statute § 447.203(2) (2014). The City consists of 13.1 square miles and has a population of approximately 15,220. It serves as the county seat and is under a city manager form of government. The City provides traditional municipal services, including police, public works, and recreation, and it operates revenue-generating services, including electric power, water and sewer, solid waste collection, an airport, and a marina. The City employs a total of 391 employees.

The Union is an employee organization within the meaning of Florida Statute § 447.203(11) (2014). It is the exclusive bargaining representative of approximately 200 employees in the BC and approximately 65 employees in the CT unit. There are two other bargaining units of City employees, one comprised of rank-and-file police officers and the other a supervisory unit of police lieutenants.

2. Relevant Contract Articles

In the articles at issue in these proceedings, there are several key provisions, which are set out below. Except where noted, the BC unit and CT unit CBAs have the same numbered articles covering the same subjects, and the language addressing these articles in both CBAs is similar.

Article 15 covers annual leave. Pursuant to this Article, employees are awarded annual leave based on the number of years of continuous service with the City. For

example, employees with one to five years of service from their most recent date of hire earn 80 hours annually, while at the other end of the seniority spectrum, employees with twenty or more years of service earn 100 hours annually. Employees are permitted to accrue unused annual leave up to a maximum of 480 hours,¹ and unused leave is paid out pursuant to a formula upon an employee's departure from City employment.

Article 17 addresses other forms of paid leave, including medical or sick leave. Unused medical leave may be accrued up to a maximum of 960 hours, and it is paid out pursuant to a formula upon an employee's departure from City employment. Article 17 also permits employees to use three days of their accrued medical leave each year as personal days.

Article 19 provides for eleven paid holidays, and sets forth the rates of pay when employees work or do not work on a particular holiday. One feature of the BC unit contract that differs from the CT unit contract is that the BC unit contract contains the so-called "substitute holiday" rule. Under the substitute holiday rule, if an employee is scheduled to be off work on the actual day of certain holidays, another work day is deemed to be the holiday, and he or she is paid holiday pay and double time for all hours worked on that day.

Article 20 addresses wages. The parties have a longevity step plan, but it has been frozen since 2009, such that employees have not moved up the steps. The City also had a general wage freeze from 2009 until 2012. In 2013, the City granted an aggregated 2.5 % wage increase to employees in the police department, and in 2014, Union-represented employees received a 3% increase.

¹ Employees in the CT unit may be limited to 450 hours depending on their workweek.

Article 23 provides for group insurance and, most significantly for these proceedings, health insurance. Under the CBAs, unit employees have been required to pay a percentage of their premiums.

Article 24 covers retirement plans. The City presently has a defined benefit plan that provides a regular payment based on a formula that includes years of service, a salary computation, and a multiplier. The plan is funded by employees, who make a contribution equal to 3% of their pay, with the City providing the remaining funding as determined by plan actuaries. Over the years the extent of plan funding has followed financial markets. For example, before the financial meltdown in 2008 the DB plan was 73% funded, while the plan was 63% funded in May of 2014. The actuary recently opined that if no changes to the plan were made, it would be 75% funded in five years and could be 100% funded in 13 years.

3. The City's Financial Condition

The City and the surrounding area rely on three primary economic activities: tourism, agriculture, and retirement. These activities were hit hard by the financial crisis that shook the nation in the fall of 2008. However, while the City continues to feel the effects of the financial crisis and the resulting economic downturn, there are indicators that social and economic life in the City is improving. For example, the City's population, which dropped sharply in 2010, has shown modest increases every year since. Per capita personal income, which also dropped off precipitously in 2010, has steadily risen every year since. The unemployment rate, which peaked at 14% in 2010, has come down each year since to the rate of 8.6% in 2013.

The most recent annual data assembled in the City's Comprehensive Annual Financial Report for the Fiscal Year ended September 30, 2014 ("Annual Report"), also shows that the City's financial situation is improving, albeit slowly. The three main sources of revenue for the City by percent are (1) transfers from business activities – 35%; (2) utility and other taxes – 28%; and (3) property taxes – 20%. Transfers from business activities remained level in 2013 from prior year ranges. Utility and other tax collections increased 4% in 2013 from the prior year. The assessed value of taxable property within the City decreased 2.9% in 2013, which was less than prior years. Thus, with the City maintaining the same millage rate as the year before, property tax revenue declined 3% from the prior year. Declines from the City's remaining sources of revenue leveled off in 2013, except for a modest amount of revenue from investment earnings.

Overall, while the results of the City's revenue streams were mixed, the Annual Report shows several encouraging signs. Most major City Government expenditure categories decreased in 2013 due to the City lowering staffing levels and reducing operating budgets. Over the last five years, the City has reduced its overall workforce from 508 employees in 2010 to 391 employees today.

The Annual Report shows other signs of modest improvement. The net position of all business or proprietary funds was up over \$3 million, or 1.52%, from the prior year. Revenue from the electric system, which is the single largest contributor among the business activities, has increased steadily over the last three years from a bit over \$84 million in 2011 to nearly \$91 million in 2013. The fund balance for the general fund was up over \$1 million, or 16%, from the previous year, while the fund balance for total governmental funds was up nearly \$2 million, or 15%, over the previous year.

The City expressed that its financial condition was "excellent," with a significant caveat. The City expressed concerns about anticipated changes in the way that municipalities must report contingent liabilities, such as pension obligations. For example, the City's General Employee's Pension Fund, which covers the bargaining unit members represented by the Union, is presently 63% funded, representing a funding gap of about \$37 million. The City does have the obligation to fund its defined benefit pension plans, and it expects to be required to reflect those obligations in future financial statements, which could negatively affect the City's ability to issue debt obligations or borrow money for capital projects or other governmental purposes.

Discussion and Recommendations for Agreement

The role of the Special Magistrate is to make recommendations to encourage the parties towards agreement based on statutory guidance and perspective. The recommendations below, drawn from application of the evidence presented at the hearing to the statutory factors in Florida Statutes § 447.405, Fla. Stat., are intended to assist the parties in resolving the disputed issues. Each recommendation set forth below is presented after a summary of the parties' respective positions and a discussion of the issue on the merits.

1. **Article 10 – Bids, Voluntary Lateral Transfers, Promotions, and Recalls**

A. City's Position – Article 10

The City argues that Article 10 was not tentatively agreed to by the parties because it was part of the City's package proposal of articles that was rejected by the Union. The City submits that the Special Magistrate should recommend the City's Article 10 proposal as part of the City's package proposal.

B. Union's Position – Article 10

The Union is in agreement with the City's proposal regarding Article 10 and submits that this issue is not properly before the Special Magistrate for consideration because it is not in dispute. Nevertheless, the Union has indicated a willingness to accept the City's proposal, if so recommended by the Special Magistrate.

C. Discussion– Article 10

The Union did not propose any changes to Article 10. The City proposed language changes to Article 10 in both CBAs that the Union accepted. Most of these changes sought by the City appear to be for the purpose of clarification or legal compliance. Under these circumstances, the parties should accept the City's proposal.

D. Recommendation – Article 10

The Special Magistrate recommends that the parties include in their CBAs the City's proposals for Article 10.

2. Article 15 – Annual Leave

A. City's Position – Annual Leave

The City has proposed amending Article 15 to freeze employees' current annual leave bank and to create a new bank of annual leave. Under the City's proposal, employees keep their frozen bank of time (up to 480 hours) and can use it in accordance with the rules for using leave time, but the frozen bank cannot be replenished. Under the City's proposal, the new bank of annual leave limits the amount of leave that can be carried over from one year to the next year to twenty-five days. As a means of allowing unit employees to take leave in the first year of a new agreement

without dipping into their banks, the City proposed an advance of five days of annual leave in the first year of a new agreement.

The rationale for the City's proposal is to limit the large payouts of unused annual leave at the time of employee termination. Under the existing CBAs, employees can accrue up to 480 hours of annual leave, and this time is paid out pursuant to a formula upon the employee's departure from City employment. The City also submits that it agreed to increase the Union's maximum annual accrual to twenty-five days, which is more than the twenty days afforded the police department. Therefore, the City argues that its proposal is reasonable and consistent with its treatment of other similarly situated employees.

B. Union's Position – Annual Leave

The Union contends that it has agreed to the City's proposal to amend the annual leave Article, except with regard to the number of days employees may be advanced in the first year of new agreements. The Union proposes that employees be permitted to be advanced up to fifteen days of annual leave in the first year of the CBAs, rather than the five days proposed by the City.

The Union submits that it made a concession in agreeing to amend the annual leave article and that, because employee leave banks are now frozen and cannot be replenished, they should be advanced fifteen days upon request so they do not have to use accrued time in their frozen banks if they wish to take vacation prior to earning new leave time. The Union argues that its proposal is reasonable and will not cost the City any additional funds to advance the leave time. Further, the Union notes that by way of

comparison, the City agreed to allow employees in the police lieutenants bargaining unit to receive all of their annual leave in advance each year of their agreement.

C. Discussion – Annual Leave

This is an instance where the City made a proposal that would limit its accrued exposure to paying out large amounts of sick leave upon employee termination. The Union understood the nature of the City's problem and agreed to language that would assist the City in significantly reducing this contingent liability in the future. In so doing, the Union correctly notes that it made a concession. As a way of easing into this transition in the manner in which annual leave may be accumulated and used, the Union asked for an advance on leave only in the first year of the agreements to allow employees to take vacation and not dip into their frozen leave banks. This is entirely reasonable and consistent with the way police lieutenants are treated under their agreement with the City. In addition, unlike the police lieutenant agreement where annual leave is advanced every year, the Union's proposal would permit "up to" fifteen days to be advanced in only the first year of the agreement.

D. Recommendation – Annual Leave

The Special Magistrate recommends that the parties include in their CBAs the City's proposals for Article 15, except that Section 15.09 shall read "At the Employee's request, up to fifteen (15) days of annual leave shall be advanced in the first year of this Agreement."

3. Article 17 – Other Paid Leaves of Absence

A. City's Position – Other Paid Leaves of Absence

The City argues that Article 17 was not tentatively agreed to by the parties because it was part of the City's package proposal of articles that was rejected by the Union. The City submits that the Special Magistrate should recommend the City's Article 17 proposal as part of the City's package proposal.

B. Union's Position – Other Paid Leaves of Absence

The Union is in agreement with the City's proposal regarding Article 17 and submits that this issue is not properly before the Special Magistrate for consideration because it is not in dispute. In addition, the Union notes that it has made a concession in agreeing to the City's proposal. Nevertheless, the Union has indicated a willingness to accept the City's proposal, if so recommended by the Special Magistrate.

C. Discussion – Other Paid Leaves of Absence

The City proposed language changes to Article 17 in both CBAs that freeze employees' medical or sick leave banks at the current number of days each employee has accumulated (up to 960 hours), and begins a new medical leave bank that can accrue up to a maximum of 180 days. The benefit to the City of this proposal is that it limits the amount of medical leave payout when an employee terminates employment because medical leave accrued in the new bank is not paid out to employees upon termination.

Another feature of the City's proposal seeks to increase the number of medical leave days that may be used as personal days from 3 to 5. This proposal may benefit both the City and bargaining-unit employees because employees may take more

personal time off, and the City's medical leave banks (and the resulting contingent liability) may be reduced.

Overall, the Union properly characterizes its agreement to the City's proposal as concessionary because the City will over time greatly reduce its contingent liability for paying out unused medical leave to employees upon retirement. Because the Union has accepted the City's proposal, it should be included in the parties' CBAs.

D. Recommendation – Other Paid Leaves of Absence

The Special Magistrate recommends that the parties include in their CBAs the City's proposals for Article 17.

4. Article 19 – Holidays

A. City's Position – Holidays

The City has proposed the elimination of one holiday (Good Friday) and the contractual practice for the BC unit known as the "substitute holiday" rule. Under the substitute holiday rule, if an employee is scheduled to be off work on the actual day of certain holidays, another work day is deemed to be the holiday, and he or she is paid holiday pay and double time for all hours worked on that day. The City's proposal would provide straight-time holiday pay for the day of the holiday, regardless of whether the employee worked, and pay at time and one-half for hours worked on the day of the holiday.

The rationale behind the City's proposal is to save money by eliminating one holiday and limiting the payment of premium pay to those who work on the actual holiday. In support of its proposal, the City argues that its proposal on payment for work on holidays is the same as provided for in the agreement between the City and the

rank-and-file police officers and the rank-and-file police unit agreed to the elimination of two holidays. Further, the City notes that the Union agreed to the City's proposal on this Article during the 2013 negotiations.

B. Union's Position – Holidays

The Union proposed eleven holidays, which is the status quo on the number of holidays. In addition, the Union proposal would maintain the substitute holiday rule for the BC unit and include the substitute holiday rule in the CT unit contract. Finally, the Union proposed similar language to the City on addressing requests by two or more employees for the same holiday.

In support of its position, the Union argues that the City's non-bargaining unit employees are provided eleven holidays, and the City did not provide any evidence regarding what the police unit received in exchange for giving up two holidays.

C. Discussion – Holidays

The availability-of-funds factor should be considered in any proposal that has an economic impact, such as the Holiday Article. The City has made a case that it needs help in addressing sections in the CBAs that create current or long-term financial liabilities. In several instances noted herein, the Union has agreed to concessions that assist the City in reducing long-term contingent liabilities. The issues in this Article have a more immediate impact. It is not hard to see how the substitute holiday rule increases costs. Employees in the BC unit get holiday pay for the holiday. Then if they work the holiday or substitute holiday, they get double time. There is no good reason that justifies requiring the City to pay the premium rate for holiday work when the day worked is not actually the holiday. The better practice is to follow the holiday provision in the CT unit

agreement and simply pay the premium pay when an employee works on the actual holiday. Any cost savings from eliminating the substitute holiday rule could free up some funds to provide the increases recommended below. On the other hand, the elimination of a holiday is a bigger issue and one that the City failed to adequately justify.

D. Recommendation – Holidays

The Special Magistrate recommends that the parties (1) maintain the status quo on Section 19.01 (the number of holidays), (2) accept the Union's proposal on Section 19.06 (requests by two or more employees for the same holiday), and (3) accept the City's proposal on Section 19.02 and 19.03 for both units, which has the primary effect of eliminating the substitute holiday rule in the BC unit contract.

5. Article 20 – Wages, Temporary Assignments, and Premium Pay

A. City's Position – Wages

The City's proposal calls for (1) no wage increase for fiscal year 2014-2015, (2) reopens in the next two years of the agreements to address wage increases, and (3) the elimination of the longevity step plan for the BC unit and the pay scale for call takers and customer service representatives in the CT unit. The City claims that the total cost of the Union's proposal is \$502,806, which includes approximately \$339,191 for a 2% general wage increase, \$112,000 to implement the step plan for the BC unit, and \$51,615 to implement the pay scale for the call takers and customer service representatives.

As grounds for its proposal, the City submits that it must be judicious with its tax dollars because property taxes have declined considerably since 2006, without any indication that they would increase in the coming years. Further, the City submits that

there is no money in its approved budget to pay for the Union's proposal without dipping into the City's reserves, which it believes would be financially irresponsible to do.

Finally, the City disagrees with the Union's assertion that money budgeted to create a new DC plan could be used to fund pay increases because that assertion ignores the economic realities facing the DB plan.

The City also objects to restoring the step plans, contending that these plans have not been used since 2009 when the pay plan was frozen, and are, therefore, outdated and no longer fiscally viable. Finally, the City asserts that if it restored the step plans, the City would then be obligated to additional annual pay increases, without negotiations, as each employee advances up the step plan.

B. Union's Position – Wages

The Union is proposing a 2% increase for both units effective October 1, 2014, and a restoration of the step or classification plans for both units. The Union is also proposing a re-opener of the wage Article in the second year of the agreements.

The Union contends that its proposal of a 2% general increase and restoration of the step plans is reasonable considering the Union's proposal regarding Retirement would save the City approximately \$597,000 for FY 2014-2015. The Union concludes that if the Union's overall wage demands were met and the City also agreed to the Union's proposal on retirement, the City would still save \$94,193.46.

C. Discussion – Wages

The parties presented evidence on the availability of City funds to provide increases. As with any entity that is required to prepare and administer a budget, there are always choices to be made concerning how to spend revenue. The City has done a

good job in making choices to sustain itself in poor economic times, and unfortunately many of the choices the City has made have had a negative impact on its employees. The work force has been reduced by over 23%, and bargaining unit employees have had their salary step plans frozen. In the current round of bargaining, the City is seeking other concessions from its employees in the areas of health insurance, vacation, sick leave, holidays, and retirement. All of these concessions sought by the City will further reduce its immediate and long-term expenditures. Overall, the City's finances reflect that the choices it has made and the improving economy have left it in a stable, yet guarded, condition. The biggest concerns on the horizon being contingent liabilities and the changes to the way they must be reported on the City's financial statements.

The interest and welfare of the public is another factor to be considered in these proceedings, and that factor is best served by having a fairly compensated workforce. A fundamental component of a fair compensation system is internal equity. One component of internal equity is compensating employees who perform similar work in a similar manner. For example, in these proceedings, without labeling the concept as "internal equity," much was made by both parties of the treatment of the police units and non-represented groups when it came to wage increases, holidays, and other terms.

Although the City has been through some lean times, it appears that there is some money that could be used to fund modest increases. For example, there is \$43,000 in unrestricted funds budgeted in the general fund. The record is unclear how much, if any, is budgeted for unrestricted use in the City's enterprise funds, but because that part of the budget is significantly larger than the City's general fund, there is likely to be some flexibility on that side of the City's budget. In addition, the City has budgeted

about \$430,000 to fund a new defined contribution plan, which it has not yet established.

The City is not offering a general wage increase, but there is an internal equity problem caused by the City's freezing of its step plans that it should address. In a traditional step plan two employees who perform the same job will be paid differently depending on their seniority, but the plan creates a reasonable expectation that over time an employee will be paid similarly with his or her peers. For example, under the step plan applicable to the BC unit, a utility service worker III with six-months seniority would earn \$17.97 per hour, while a utility service worker III with twenty-years seniority would earn \$19.02 per hour. Because of the step plan, employees have the expectation that, over time, they will earn the top rate and be paid the same as other employees at the top rate. Two internal equity problems occur when this type of step plan is frozen. First, the expectation that a lower-paid employee will move up and join their peers is eliminated. Second, when general wage increases occur as a percentage, such as the 3% increase that the City provided to the BC and CT units last year, the higher-paid employees actually get a greater increase, so the wage gap between employees performing the same job is greater. For example, a utility service worker III with six months seniority would have received an increase of 54 cents per hour last year, while a utility service worker III with twenty years seniority would have received an increase of 57 cents per hour.

These internal equity problems would be eliminated by the unfreezing of the step plan. Although the City contends that it has no money for any increases, unfreezing the step plan for both units would cost less than a 1% general increase.²

The City argues that step plans are outdated and would require that increases be provided automatically each year without negotiation. The mere existence of the step plans does not require that they be funded each year. If the CBAs state that step increases will not be paid every year of the agreement unless the parties agree, there would not be an obligation to pay them.

If the City wants to eliminate the step plans completely because it believes they are outdated, it should propose some fair compensation system to take the place of the step plans. As noted above, if the City continues to give general across-the-board increases over time and eliminates the step plans without putting another compensation system in place, the gap between higher-seniority employees and lower-seniority employees in the same classification will continue to grow, thus exacerbating the internal equity problem.

At present, the City has not offered a general wage increase to Union-represented employees or any other group of City employees. In keeping the "stable, but guarded" condition of the City's finances, this seems to be a reasonable approach.

² There are differences in the plans applicable to the BC unit and the CT unit. The BC unit has a traditional step plan where movement is based solely on length of service. The CT unit has features of a traditional step plan in that it also takes into consideration length of service, but after step 2 there are other factors that must be considered prior to movement up the steps. For the purposes of this Recommended Decision, both plans are treated as step plans, such that if this recommendation is adopted, employees in the CT unit would move up according to their years of service as long as the other conditions for the steps were met. For example, prior to moving to Step 3, a Communication Officer I would not only have to have at least 3 years of service, but also would have to have, among other things, a recommendation for the position, at least two satisfactory evaluations, and working knowledge of law enforcement dispatch policies and procedures.

To the extent that the City holds to this position, it does serve the concept of internal equity, in that all employees would be treated the same. If, however, the City later determines that there is money available to fund a general wage increase, it would run afoul of internal equity to not provide these increases to Union-represented employees. For that reason, the City should commit to a "me too" provision that would require it to provide the BC and CT units with a general increase if it provides a general increase to any other employee group (except employees who did not get a pay increase in 2013 and 2014).

D. Recommendation – Wages

The Special Magistrate recommends the following:

- (1) employees in both bargaining units shall be placed in the appropriate step in the step plans;
- (2) include the following language in Section Article 20.01 of the CBAs so that step increases shall not be required after the first year of the CBAs unless they are negotiated by the parties: "Nothing shall require the payment of any wage increases, including but not limited to step increases, after September 30, 2015, unless the parties reach agreement to do so pursuant to the re-opener provisions in this agreement."
- (3) There shall be no general wage increase for 2014-2015, unless such increases are given to other bargaining units or groups of non-represented employees. Include the following language in the CBAs: "There shall be no across-the-board increase or other type of general wage increase for 2014-2015, unless the City provides such increases to other bargaining units or non-represented employees. If such increases are provided for other bargaining units or non-represented employees (except employees who did

not get increases in 2013 or 2014), bargaining unit members will receive the same increase.”

4) There shall be a reopener for wages in FY 2015-2016.³

6. Article 23 – Group Insurance

A. City's Position – Group Insurance

The City argues that Article 23 was not tentatively agreed to by the parties because it was part of the City's package proposal of articles that was rejected by the Union. The City submits that the Special Magistrate should recommend the City's Article 23 proposal as part of the City's package proposal.

B. Union's Position – Group Insurance

The Union is in agreement with the City's proposal regarding Article 23 and submits that this issue is not properly before the Special Magistrate for consideration because it is not in dispute. In addition, the Union notes that it has made a concession in agreeing to the City's proposal because employees will be paying more for their insurance. Nevertheless, the Union has indicated a willingness to accept the City's proposal, if so recommended by the Special Magistrate.

C. Discussion – Group Insurance

Article 23 of the CBAs provide for health insurance under three plans: a “Base Plan,” which is the least expensive; a “Middle Plan,” which is more expensive; and a “High Plan,” which is the most expensive. Under the City's proposal, unit employees would continue to be provided with the Base plan at no cost, but employees would pay

³ On wages, the City proposed a three-year agreement and the Union proposed a two-year agreement. This Recommended Decision is intended to cover two years – FY 2014-2015 and FY 2015-2016.

slightly more as a percentage for spousal, children, and family coverage. It is not entirely clear from the evidence submitted, but it also appears that employees would pay more by percentage for their own coverage and spousal, children, or family coverage under the Middle Plan. It also appears that the High Plan would be eliminated. To the extent that employees would pay more for their coverage on a percentage basis than under the CBAs, the Union correctly characterizes its agreement with the City's proposal as a concession.

D. Recommendation – Group Insurance

The Special Magistrate recommends that the parties include in their CBAs the City's proposals for Article 23.

7. Article 24 – Retirement Plans

A. City's Position – Retirement Plans

The City proposed that the current defined benefit plan ("DB plan") be frozen and employees be placed in a defined contribution plan ("DC plan"). The City notes that current employees would keep their DB plan benefit, but it would no longer be an active plan and no more contributions could or would be made to that plan. In the new DC plan, the City would contribute 7%, while existing employees would contribute 3%, and newly hired employees would contribute 5%.

In support of its proposal, the City pointed to the financial burden imposed on the City by the DB plan. Specifically, the City submits that it is responsible for a \$37,000,000 unfunded liability in the DB plan, which makes up approximately 26% of payroll. The City claims that as a result of the unfunded liability, it makes annual required contributions to the DB plan in the millions of dollars (approximately \$5 million

last year alone). The City claims that by freezing the DB plan and switching to a DC plan, the City would over time be able to get out of the financial liability and risk imposed by the DB plan, including the \$37,000,000 unfunded liability.

The City further argues that by switching to a DC plan, the City would have a fixed payment based on its contribution rate instead of an ever increasing unfunded liability. The City admits that switching to a DC plan would cost an extra \$417,000 in year one, but contends that over time as the unfunded liability is paid off and employees retire and no new employees are added to the DC plan, the City's economic future will greatly improve because it will not be burdened by the financial liability of a DB plan. Finally, the City contends that its retirement plan proposal is consistent with the plan the City intends for non-union employees.

B. Union's Position – Retirement Plans

The Union is proposing to maintain the DB plan for current employees and to increase employee contributions to the plan to 4.25%. The Union is proposing that employees hired after October 1, 2014 would not be eligible to participate in the DB plan but would participate in the DC plan with the City contributing 7% and the employees contributing 3%.

The Union contends that its proposal regarding the Retirement Article would save the City \$597,000.00 for FY 2014-2015. This figure is arrived at by adding the City's cost to transitioning to the DC plan for FY 2014-2015 of \$430,000 to \$167,000, which is the value of the additional 1% employee contribution to the DB plan the Union has proposed.

The Union also submits that the DB plan is sound, noting that the City's actuary stated "that if no changes are made to the plan, it would be 75% funded within 5 years and could possibly be 100% funded within 13 years." The Union contends that the DB plan is on its way to recovery primarily because of the changes the Union and the City agreed to in 2010, which included increasing employee contributions, reducing the multiplier from 2.25% to 1.6% for each year of service, and increasing the early retirement penalty from 1.5% per year to 3% per year.

Finally, the Union argues that the unfunded liabilities that currently exist in the DB plan will not be reduced simply by freezing the plan. In that regard, the Union notes that by increasing employee contributions by 1%, as the Union proposes, it will mean that employees will actually be paying almost 4% of contributions as a percent of payroll toward future anticipated cost and the City will be paying about 3% toward future anticipated cost. The Union submits that the effect of this is that the City would be saving about 4% on an annual basis over its proposal to contribute 7% to the new DC plan.

C. Discussion – Retirement Plans

Like several of the open items discussed above, the issue of retirement plans primarily concerns the availability-of-funds factor, yet it is not the current cost of the defined benefit plan that most concerns the City. In fact, the City acknowledges that freezing the DB plan and creating a DC plan will cost more, at least in the first year, than simply continuing with the DB plan.

The City is facing a significant unfunded liability in the funding of the DB plan and wants to shift the risk of retirement funding from the City to its employees. The problem

with the City's approach is that even if the DB plan is frozen it is not going away any time soon, and the City will be obligated to fund it as long as it exists. DB plan benefits are based on a formula that considers number of years of service, average compensation, and a multiplier. Under the City's proposal to freeze the DB plan, current employees would still be in the DB plan, but their years of service would no longer accumulate and would be set at the number they had as of the time the plan is frozen. When employees retire, they will still be eligible for a payment from the DB plan made according to the formula that applies to their years of service. It is true that the City will bear most of the burden for funding the DB plan and the City also has the risk if market forces or other factors reduce the value of plan assets, but the reality is that the City will be required to fund the DB plan for as long as current BC and CT employees are still alive even if the DB plan is frozen this year. This could be for the next 60 or more years.

The Union's proposal also offers the City significant relief for future pension funding obligations because the Union has agreed to close the DB plan to new employees and require them to enter the new DC plan. Because the Union has agreed to this proposal, and the City is obligated to continue funding the DB plan, it is impossible to determine at this point whether the City would achieve significant savings with its proposal to freeze the DB plan for current employees. There is no doubt that the City's obligations for funding the plan will go down "over time" as the City contends, but for many years there will be no significant reduction in the amount required to fund the plan. The City's finance director testified that the City could begin to see a reduction in "a decade," and even that may be optimistic.

A lot can happen in a decade, and, as the City's actuary noted last May, the plan may be fully funded within thirteen years, even if no changes are made to the DB plan. If the Union's proposal was adopted and only current employees remained in the DB plan with a higher employee contribution rate, this change would likely reduce the City's obligation and the plan could be fully funded within ten years. One thing that will remain after a decade, even if the DB plan is frozen for existing employees, is the City's obligation to continue funding the DB plan.

Under these circumstances, employees who expected to have a DB plan when they came to work for the City should get to keep their DB plan. The Union has made concessions in the recent past, such as reducing the plan multiplier, which will have the effect over the years of making the plan significantly less expensive to fund for years of service since the change was made. In addition, the Union has offered to increase the employee contribution percentage by 1% going forward. The Union's approach is a reasonable way to reduce the City's expense, if not the City's risk, going forward.

D. Recommendation – Retirement Plans

The Special Magistrate recommends that the parties include in their CBAs the Union's proposals for Article 24.

Conclusion

The City stressed at the hearing and in its brief that its proposals at impasse were part of a package, and it reserved the right to reject any recommendation in this process that did not conform to its package proposal. Package offers can be a very useful tool in negotiations because they encourage agreement by conditioning the grant of a desirable term with acceptance of a less-desirable or undesirable term. But the

reality here is that this technique has not resulted in a negotiated agreement, and the parties are stuck in the impasse resolution procedure.

Obviously, if the recommendations above followed in lockstep with either party's final proposal, they would be rejected because the parties have already rejected each other's proposals. So, if the special magistrate process has any chance of bringing about an agreement, the recommendations below cannot be in lockstep with either the City's or the Union's final proposals. For that reason, and because an agreement that results from mutual acceptance of recommendations is likely to be better for the parties' long-term labor relations than an agreement imposed by the City Council, the parties are encouraged to approach the recommendations above with an open mind. These recommendations are not simple compromises. Rather, they are based on a reasoned and balanced approach to both parties' interests.

The City may note that many of its proposals were recommended. The Union agreed to modify holiday and sick leave banks that will reduce the City's exposure for payouts in the future. The Union agreed to create a new DC retirement plan for new employees and to increase employee contributions to the DB plan. The Union also agreed to pay higher health insurance premiums. These recommendations also call for no general wage increase for 2014-2015, reopeners on wages in the second year of the agreements, and the elimination of the substitute holiday rule.

If these recommendations went into effect, the Union would retain several important terms. The step plans would be unfrozen for the first year of the agreement; any wage increases given to other units would be provided to Union-represented employees; and the subject of wages would be reopened in the second year of the

agreements. Existing employees would keep their DB pension plan and the same number of holidays. Unit members would also be better able to ease into the changes to annual leave by having a fifteen-day advance on leave in the first year of the agreement, and two more medical leave days each year could be used as personal days.

These recommendations may not be ideal for either party, but considering all that the City and its employees have been through in the last five years, the recommendations present a solid option for moving forward in their relationship.



Michael G. Whelan
Special Magistrate

11/26/14

Date

City
B.C.
Proposal

CITY OF VERO BEACH PROPOSALS: 4-29-14

| * Articles 10, 15, 17, 19, 20, 23, and 24 are a package deal and if any part of the package is rejected it shall constitute a rejection of the entire package. The City will bargain with the Union over any individual article or part of the package, but Articles 10, 15, 17, 19, 20, 23, and 24 remain a package deal that must be accepted in its entirety.

ARTICLE 10
BIDS, VOLUNTARY LATERAL
TRANSFERS, PROMOTIONS,
LAYOFFS, and RECALLS

10.01 Newly hired Employees shall be considered probationary during the first full six (6) months of employment, and shall not be eligible to bid for voluntary transfer to other positions in the City. Any newly hired Employee who has excused absences during the probationary period shall have the period extended by an equivalent number of days. The probationary period shall not be extended for any purpose, except to provide a full six (6) months' evaluation of the newly hired Employee. Probationary Employees will receive the rate of pay for their classification. During an Employee's probationary period, the City may, in its sole discretion, transfer in the event of layoff, discipline, or discharge such Employee; and the Employee shall have no access to the Article 8 grievance procedure.

10.02 Seniority is the length of continuous service with the City commencing with the latest date of hire. Continuous service with the City will be broken in the following circumstances:

- A. The Employee voluntarily terminates his/her employment;
- B. The Employee is discharged for cause;
- C. The Employee exceeds authorized leave of absence without advance approval of the Department Head;
- D. The Employee does not return from medical or disability leave after receiving physician's release;
- E. The Employee does not return from military leave of absence within the time governing veterans' re-employment rights;
- F. The Employee does not return from layoff when recalled within 14 calendar days after receiving notice of recall; or
- G. The Employee is laid off for 12 consecutive months.

10.03 The City agrees to post every job vacancy within the bargaining unit on the Union bulletin boards for 10 business days, to allow Employees the opportunity to submit a bid for assignment to the vacancy.

- A. Bids shall be submitted, on a form designed for that purpose, to the Human Resources Department by 4pm of the 10th business day after posting. The posted announcement shall indicate the date the selection process is to begin.
- B. After the bid closes, the selection process must be completed, and the job vacancy filled by a successful bidder, by the 20th business day. This period may be extended by mutual agreement of the parties. The selected Employee will be compensated at the higher rate on the first date of the pay period immediately following this 20th business day.
- C. When a bid is posted and the period to submit bids has closed but the vacancy has not yet been filled through the selection process, an Employee who is/was on annual leave, sick leave, workers' compensation leave, bereavement leave, FMLA leave, or other approved leave during the posting period, is to be afforded an opportunity to bid the vacancy.

10.04 Whenever there are vacancies for lateral transfers, or promotion, the City shall select the most qualified individual based only on the following factors when selecting the individual(s) who will fill the vacancy(ies):

- A. Length of continuous service with the City.
 - 0 - Less than one year of continuous service with the City.
 - 1 - One year, but less than 5 years, of continuous service with the City.
 - 2 - Five years, but less than 10 years, of continuous service with the City.
 - 3 - Ten years or more of continuous service with the City.
- B. Ability to perform the essential functions of the job with or without reasonable accommodation.
 - 0 - Employee has performed less than 25% of the essential functions for at least one year with the City or previous employer.
 - 1 - Employee has performed 25%, but less than 50%, of the essential functions for at least one year with the City or previous employer.

- 2 - Employee has performed 50%, but less than 75%, of the essential functions for at least one year with the City or previous employer.
- 3 - Employee has performed 75% or more the essential functions for at least one year with the City or previous employer.

C. Work record with the City, if relevant to Employee's suitability for the job.

- 0 - Employee has received multiple or serious disciplinary actions within the past three years.
 - 1 - Employee has received minor disciplinary actions within the past three years.
 - 2 - Employee has not received any disciplinary actions within the past three years and has performed at least satisfactorily for the past three years.
 - 3 - Employee has not received any disciplinary actions within the past four years and has performed satisfactorily or better for the past four years.
- * If the Employee has less than three years seniority, then the maximum points he can receive for 10.04(C) shall be two.

D. Prior formal education, apprenticeship programs, specialized training, military training and assignments; prior job experience and any other relevant qualifications the Employee might possess.

- 0 - Employee does not have any prior training or experience.
- 1 - Employee has all required licenses and certifications (if any) and two to three years prior relevant experience.
- 2 - Employee has all required licenses and certifications (if any) and four to five years prior relevant experience.
- 3 - Employee has prior formal training, all required licenses and certifications (if any) and more than five years prior relevant experience.

E. If two or more Employees are tied in the above-referenced scoring, the position shall be awarded to the Employee with the most City seniority. If there is a tie in seniority, it shall be awarded on the basis of veteran's

preference, if applicable, and if not applicable, then the position shall be awarded to the Employee with the best performance appraisal for the past two years.

- F. Notwithstanding anything to the contrary, all Employees must meet the minimum requirements for the position, including possession of any required licenses or certifications, unless the Parties mutually agree to waive this requirement based on a lack of qualified applicants.

10.05 Lay-off and Bumping Rights:

- A. The City Manager may reduce the number of City Employees when it is deemed necessary by reason of shortage of funds or work, the elimination of a position or positions, material changes in the duties or organization of a department, or for any other business reasons. The duties performed by a laid-off Employee may be discontinued or reassigned to other Employees who hold positions in appropriate classifications.
- B. The City has the sole discretion to determine and re-determine the number and job classifications of Employees subject to layoff. When it becomes necessary to reduce the number of Employees within a given department or job classification, the City manager will give primary consideration to management's need to carry out the provision of municipal services. Therefore, layoffs will be conducted in a manner that will minimize to the extent feasible the layoff's impact upon the delivery of municipal services. The City shall give thirty (30) days notice to the affected Employees identified for layoff.
- C. In the event of a layoff within a particular job classification(s) within a department, Employees will be selected in reverse order of seniority. The Employee laid-off may bump a junior Employee within the City in any lower classification which the laid-off Employee previously held for at least six months, provided that the laid-off Employee worked in the lower classification in the same Department as the Employee to be bumped and the laid-off Employee must meet all present qualifications and licensing/certification requirements for the position prior to exercising bumping rights.
- D. Any Employee who is laid-off or bumped from his position due to a reduction in force, and who cannot exercise bumping rights as described in Article 10.05(C) may request (but not require) that the Human Resources Department place the Employee in an open position for which the Employee is fully qualified and for which the City has exercised its discretion to decide to fill the position. A laid-off or bumped Employee who bids an open position which he has not formerly held, and who the City determines to be qualified for the position, will be paid the base rate for the position, plus any applicable incentives. In the event that the

placement of an Employee pursuant to this subsection results in a wage reduction of more than 15%, the Employee shall have the option of being laid-off for one year. Any Employee who is laid-off or bumped, and who is offered but refuses an open job, and who is not required to accept a wage reduction of more than 15% will be deemed to have resigned his position with the City.

E. Annual or medical leave balances that have accrued prior to the layoff shall not be paid until such time that the recall period expires, the Employee resigns, or the Employee declines an offer of recall, whichever occurs first. Annual and medical leave balances will be paid out pursuant to the requirements of Articles 15 and 17 of this Agreement.

F. In the event of a reduction in work force, the City shall notify the Chief Steward as soon as practicable after the Employees affected by the reduction have been informed of the pending reduction.

10.06 Recall

A. Employees shall remain eligible for recall to their former position for twelve (12) months. Laid-off Employees shall be recalled to their former position in reverse order of layoff. Additionally, laid-off Employees remain eligible to bid for any vacant positions in accordance and subject to the provisions of 10.03 and 10.04.

B. The offer of recall will be provided by certified mail that will be sent to the laid-off Employee's last known address. It is the responsibility of the laid-off Employee to provide the City with any changes to the Employee's address. Within three business days of receipt of the recall notice, the laid-off Employee must notify the City of the Employee's intent to return to work or the offer of recall shall be considered waived and declined.

C. A laid off Employee who receives the City's notice of recall shall return to work as soon as possible, but not later than 14 calendar days following receipt of the recall notice. The laid off Employee being recalled to work must meet all present qualifications and licensing/certification requirements for the position at the time of being recalled to work.

D. At the end of the twelve month recall period, if the Employee has not been recalled, the laid-off Employee shall be considered to have resigned in good standing and accrued annual and medical leave shall be paid out according to Section 8.05 A and Section 9 of the City Personnel Rules.

10.07 The City will provide the Union with a list of all bargaining unit members at the beginning of each fiscal year, or whenever the Union reasonably requests such list from the City Clerk.

10.08 An Employee who is promoted, laterally transferred, or bumped into a lower position shall be paid at the 6-month rate, plus any incentives that the Employee has earned and which are applicable to the new position. An Employee who is involuntarily transferred or bumped as a result of a reduction in work force would be paid the 6-month rate set for the position, plus any incentives that the Employee has earned and which are applicable to the new position.

~~10.01 Newly hired employees shall be considered probationary during the first full six months of employment, and shall not be eligible to bid for voluntary transfer to other positions in the City. Any newly hired employee who has excused absences during the probationary period shall have the period extended by an equivalent number of days. The probationary period shall not be extended for any purpose other than if needed to provide a full 6 months' evaluation of the newly hired employee's work. Probationary employees will receive the rate of pay for their classifications. During an employee's probationary period, the City may, in its sole discretion, transfer in the event of layoff, discipline, or discharge such employee; and the employee shall have no access to the Article 8 grievance procedure.~~

~~10.02 The parties recognize that the length of an employee's continuous service with the City is one of the important factors which will be given full consideration whenever there are promotions, layoffs, and recalls.~~

~~10.03 Length of continuous service with the City is the length of employment commencing with the latest date of hire.~~

~~10.04 The City agrees to post every job vacancy within the bargaining unit on the Union bulletin boards for 10 business days, to allow employees the opportunity to submit a bid for assignment to the vacancy.~~

~~A. Bids shall be submitted, on a form designed for that purpose, to the Human Resources Department by 4pm of the 10th business day after posting. The posted announcement shall indicate the date the selection process is to begin.~~

~~B. After the bid closes, the selection process must be completed, and the job vacancy filled by a successful bidder, on the 20th business day. This period may be extended by mutual agreement of the parties. The selected employee will be compensated at the higher rate from the 21st day. If the period is extended, the higher rate is retroactive to the 21st day.~~

~~C. When a bid is posted and the period to submit bids has closed but the vacancy has not yet been filled through the selection process, an employee who is/was on annual leave, sick leave, workers' compensation leave, bereavement leave, FMLA leave, or other approved leave during the posting period, is to be afforded an opportunity to bid the vacancy.~~

~~10.05 Whenever there are vacancies for lateral transfers, promotion, or recall from layoffs, the City shall consider only the following factors when selecting the employee[s] who will fill the vacancy [ies]:~~

- ~~A. Ability to perform all of the available work in the classification.~~
- ~~B. Ability to meet reasonable performance standards for quality and quantity of work.~~
- ~~C. Cumulative length of service in the classification.~~
- ~~D. Length of continuous service with the City.~~
- ~~E. Ability to perform the essential functions of the job with or without reasonable accommodation.~~
- ~~F. Overall work record with the City, if relevant to the employee's suitability for the job.~~
- ~~G. Prior formal education, apprenticeship programs, specialized training, military training and assignments; job experience prior to being employed by the City and any other relevant qualifications the employee might possess. This provision shall apply only to promotions.~~

~~10.06 Lay-off and bumping rights~~

- ~~A. In the event of a layoff within a particular classification, employees in that classification shall be laid off in reverse order of bargaining unit seniority (that is, most recent continuous assignment to a bargaining unit position). The employee being laid off may bump the most junior employee with less seniority, in any lower classification which the senior employee previously held with the City for at least six months.~~
- ~~B. Any employee who is laid off or bumped from his/her classification due to a reduction in work force, and who cannot exercise seniority bumping rights as described in §10.06(A), may request that the Human Resources Department place the employee in an open job for which the he/she is fully qualified. A laid-off or bumped employee who bids an open position which he/she has not formerly held, and whom the City determines to be qualified for the position, will be paid the base rate for the position, plus any applicable incentives. In the event that the placement of an employee pursuant to this Section results in a wage reduction of more than 15%, the displaced employee shall have the option of being laid off for up to one year. Any employee who is laid off or bumped, and who is offered but refuses an open job, and who is not required to accept a wage reduction of more than 15%, will be considered to have resigned his/her position with the City. For purposes of calculating an employee's Departmental seniority, an employee who has been transferred from one Department to another shall retain, but not accumulate, seniority in his/her previous Department. Seniority in the new Department shall accumulate from the effective date of the transfer.~~
- ~~C. Notwithstanding anything to the contrary, the City shall not lay off any bargaining unit employees during FY 2010-2011 unless the City's financial circumstances change to such an extent as to cause a financial crisis.~~

~~10.07 The City will send by certified mail to an employee's last known address any offer to recall an employee. If the certified letter is not deliverable to the last known address on file with the City, the employee will be deemed to have waived his/her~~

~~recall rights. An employee has the sole responsibility to inform the City of the employee's current address.~~

~~10.08 A laid off employee who receives by certified mail notice of recall will have 3 business days, including the day the notice was delivered, to notify the Human Resources Department of the employee's intention to return to work. If a laid off employee does not respond to the recall notice within 3 business days, the City will consider the employee to have abandoned his/her job, and will terminate the employee.~~

~~10.09 A laid off employee who receives the City's notice of recall shall return to work as soon as possible, but not later than 14 calendar days following receipt of the recall notice.~~

~~10.10 Continuous service with the City will be broken in the following circumstances:~~

~~A. The employee voluntarily terminates his/her employment.~~

~~B. The employee is discharged for cause.~~

~~C. The employee exceeds authorized leave of absence without advance approval of the Department Head.~~

~~D. The employee does not return from medical or disability leave after receiving physician's release.~~

~~E. The employee does not return from military leave of absence within the time governing veterans' re-employment rights.~~

~~F. The employee does not return from layoff when recalled within 14 calendar days after receiving notice of recall.~~

~~G. The employee is laid off for 12 consecutive months.~~

~~10.11 The City will provide the Union with a list of all bargaining unit members at the beginning of each fiscal year, or whenever the Union requests such list from the City Clerk.~~

~~10.12 An employee who is promoted, laterally transferred, or bumped into a lower position listed at Schedule A of this Agreement shall be paid the 6 month rate negotiated according to Schedule A for that position, plus any incentives that the employee has earned and which are applicable to the new position. An employee who is involuntarily transferred or bumped as a result of reduction in work force would be paid the 6 month rate negotiated according to Schedule A for the position, plus any incentives that the employee has earned in his/her previous position.~~

~~10.13 In the event of any reduction in work force, the City shall notify the Chief Steward as soon as possible after the employees affected by the reduction have been informed of the pending reduction.~~

**ARTICLE 15
ANNUAL LEAVE**

15.01 Regular full-time employees covered by this Agreement shall earn annual leave with pay based on continuous service with the City, commencing with their most recent date of hire. The leave schedule follows:

Years of continuous service	Hours earned annually
1 - 5 years	80 hours
6 - 10 years	120 hours
11 years	128 hours
12 years	136 hours
13 years	144 hours
14 years	152 hours
15 years	160 hours
16 years	168 hours
17 years	176 hours
18 years	184 hours
19 years	192 hours
20 or more years	200 hours

~~15.02 Subject to the restrictions of §15.03 of this Article, the Personnel Rules of the City of Vero Beach shall govern accrual, use, scheduling, payment, and charging of annual leave.~~

15.02 Employees annual leave balances as of October 1, 2014, are hereby frozen and placed into a separate account. Employees shall continue to accrue annual leave at their designated rate, but shall be limited to a maximum accrual of twenty-five (25) days.

15.03 Employees may use annual leave from their frozen account, but any such hours used from the frozen account cannot be replaced or replenished.

15.04 Upon separation from employment the Employee shall be paid for all accrued but unused annual leave.

15.035 The parties agree that Department Heads shall have the discretion to approve or deny an employee's request to use annual leave that is accrued at the time when the employee wishes to use the leave; that the Department Head shall determine whether the needs of the Department permit or deny variance from the permissive guidelines regarding annual leave found at the Personnel Rules of the City of Vero Beach; and that Department Heads shall have the autonomy to determine procedures for using annual leave specific to their own Department. The parties agree that, within the established practices of each Department, no leave request will be unreasonably denied. The parties further agree that a standardized form for annual leave requests will be developed by the labor Management Committee after the effective date of this Agreement.

15.06 The Parties agree that a standardized form for annual leave, which was developed by the Labor Management Committee, will be used for requesting annual leave time.

15.07 A minimum of 24 hour notice shall be given when scheduling annual leave, except in emergency situations when personal leave has been exhausted. Requests for annual leave shall be considered based upon the order submitted and the business needs of the City. City seniority shall be used to break any tie in approval of annual leave requests.

~~15.04 Annual leave may be accrued to 480 hours.~~

15.08 In the event an Employee has reached the maximum annual accrual of twenty-five days, or will reach the maximum accrual by the next pay period, and he gives at least five (5) days notice of the need to take annual leave but the request is denied, the City will pay the Employee for the value of the accrued annual leave the Employee will not accrue because he has reached the maximum accrual.

~~15.09 At the City Manager's discretion and upon request by~~The City will advance the Employee, five (5) days of annual leave may be advanced for the first year of this Agreement.

ARTICLE 17
OTHER PAID LEAVES of ABSENCE

17.01 Except upon retirement, employees covered by this Agreement shall be paid for medical leave pursuant to the Personnel Rules of the City of Vero Beach:

Non-exempt full-time employees covered by this bargaining agreement who leave employment with the City by resignation, permanent disability, or death, and who have worked for the City for at least one year, will be paid an amount equal to the employee's accrued frozen medical leave, up to a maximum of 960 hours, multiplied by 3.5% per year of service with the City, (up to 100% of the maximum of 960 hours) at the employee's final pay rate. Employees with more than one year of service with the City, but fewer than 3 years, will be paid at minimum 10% of accrued frozen medical leave.

Example: An employee resigning after 10 years of service with an ~~accrued sick-frozen~~ accrued medical leave balance of 60 _____ days:
_____ 60 days x 3.5% x 10 years = 21 days x final daily pay rate

17.02 Subject to the terms of the Family Medical Leave Act, which might vary the terms of this Section, an employee may use up to 80 hours accrued ~~sick-medical~~ leave per year to care for a spouse, child, or parent. The employee's Department Head shall have the discretion to approve additional days for this purpose. The Department Head shall determine the number of days appropriate to each circumstance.

17.03 Other paid leaves of absence provided for in the Personnel Rules of the City of Vero Beach, and not specifically described elsewhere in this Agreement, shall remain in effect for the duration of this Agreement. The parties agree, however, that Department Heads have the discretion to vary upward the permissive guidelines in the Personnel Rules governing other paid leaves of absence. Additionally, an Employee who has met the age and service eligibility requirements to retire with the City shall be paid up to 120 days of their frozen medical leave account.

17.04 Employee's sick leave hour balances as of October 1, 2014, are hereby frozen and placed into a separate account. Upon termination of employment, the frozen medical leave account shall be paid out to the Employee pursuant to Article 17.01. Employees shall continue to accrue medical leave in a new account, up to a maximum of 180 days. There shall be no payout for accrued and/or unused medical leave in the new account. However, Employees may use medical leave from their frozen account, but any such hours used from the frozen account cannot be replaced or replenished.

17.0317.05 Medical leave is a benefit and is not a right except to the extent FMLA applies. Employees are expected to make judicious use of medical leave so it will be available for true medical conditions. It is the responsibility of the Employee to maintain an adequate medical leave balance to cover any and all non-FMLA qualifying conditions. Failure to do so may be cause for progressive disciplinary action up to and including discharge.

17.0417.06 Personal days

- A. Employees covered by this Agreement may use 35 days of their accrued medical leave days as personal days per year.
- B. Personal days shall be used in increments no smaller than ~~one hour~~ 15 minutes.
- C. Requests for use of personal days can be scheduled on short notice; however, an employee must notify his immediate supervisor, if at all possible, prior to the scheduled reporting time. ~~must be made in advance, according to the individual Department's established practice.~~
- D. Notwithstanding the terms of §§17.04(B) and (C), the parties agree that the Department Heads have the discretion to determine how personal days are to be granted, especially in cases involving less than 24 hours' notice.

**ARTICLE 19
HOLIDAYS**

19.01 The City recognizes the following holidays. These days off with pay shall be granted to all eligible full-time Employees who, except for it being a recognized City holiday, would have been scheduled to work. Eligible full-time Employees shall be paid for their regularly scheduled hours of work at their regular hourly rate on the following holidays:~~parties agree that the following holidays shall be observed:~~

New Year's Day	January 1
Martin Luther King Birthday observance	3 rd Monday, January
Good Friday	As it falls in the calendar
Memorial Day observed	Last Monday in May
Independence Day	July 4 th
Labor Day observed	1 st Monday, September
Veterans' Day observed	November 11
Thanksgiving Day	4 th Thursday, November
Day after Thanksgiving	4 th Friday, November
Christmas Eve day	December 24
Christmas Day	December 25

~~19.02 Variations from holiday schedule~~

- ~~A. The parties agree that any of the holidays at §19.01 of this Article, which falls on a Saturday, except for Christmas Day, the Friday preceding the Saturday holiday, shall be the substitute holiday, and shall be observed as the holiday for purposes of this Agreement.~~
- ~~B. When Christmas Day falls on Saturday, the Thursday and Friday preceding the Christmas Saturday shall be observed as the City holidays.~~
- ~~C. When any of the holidays at § 19.01 except Christmas Eve falls on a Sunday, the Monday following the Sunday holiday shall be observed as the City holiday.~~
- ~~D. When Christmas Eve falls on a Sunday, the Monday and Tuesday following Christmas Eve Sunday shall be observed as the City holidays.~~

19.02 Variations from Holiday Schedule:

- A. If any holiday falls on a Saturday, except for Christmas Day, the Friday preceding the Saturday holiday shall be the observed holiday for purposes of this Agreement.
- B. When Christmas Day falls on Saturday, the Thursday and Friday preceding the Christmas Saturday shall be observed as the recognized City holidays for Christmas Eve and Christmas Day.

C. If any holiday, except Christmas Eve, falls on a Sunday, the Monday following the Sunday holiday shall be observed as the recognized City holiday.

D. When Christmas Eve falls on a Sunday, the Monday and Tuesday following Christmas Eve Sunday shall be observed as the recognized City holidays for Christmas Eve and Christmas Day.

19.03 Holiday pay shall be as follows:

A. Any regular full-time Employee who is not scheduled to work on the City holiday shall receive their regular schedule of hours of holiday pay, as referenced in Article 19.01, at his/her regular rate of pay.

B. In addition to regular holiday pay in Article 19.03(A), all full-time Employees who actually work on the City holiday shall be paid at one and one-half times their regular hourly rate for all hours actually worked.

C. Rotating shift Employees who are scheduled off on the City holiday will receive Holiday compensatory hours equal to his/her normal shift of hours, to be scheduled within the fiscal year.

D. When a holiday falls within a period of paid annual, paid military leave or bereavement leave, the employee will receive holiday pay in lieu of leave pay for that holiday.

E. When a holiday falls within the first 15 consecutive days of an Employee's paid medical or disability leave, holiday pay will be paid in lieu of leave pay for that holiday. Thereafter, the Employee will not be paid for holiday pay.

19.04 If two or more employees submit leave requests for the same holiday, the requests will be considered based on which request was submitted first. However, in the event the employees' supervisor receives two or more requests for leave at the same time, the leave request from the Employee with the highest seniority will be considered first.

~~19.03 Work schedules and leaves and their effect on holiday pay~~

~~A. Any regular full-time employee who is not scheduled to work on one of the holidays designated at §19.01 of this Agreement shall receive 8 hours' pay at his/her regular hourly rate for the holiday.~~

~~B. Any regular full-time employee whose regularly scheduled workweek consists of four 10-hour days will be granted holiday leave at the rate of 10 hours per day. Nothing in this Agreement shall prevent a Department Head from choosing to change the workweek to five 8-hour days during a holiday week. In that case, an employee would be paid 8 hours of holiday~~

pay.

- ~~C. In the event that a holiday falls on a day when an employee's regular work schedule is fewer than 8 hours, the holiday will be observed on that employee's next regularly scheduled 8-hour day.~~
- ~~D. When a holiday or the substitute holiday observed by the City coincides with a shift worker's scheduled day off, the shift worker shall observe his/her next scheduled work day as the substitute holiday.~~
- ~~E. When a holiday falls during an employee's annual or bereavement leave, holiday pay will be allowed, and will not be counted when computing the amount of leave to be debited.~~
- ~~F. The parties agree that the City will not change the Personnel Rules of the City of Vero Beach during the term of this Agreement in any way which might result in fewer holidays than are listed at §19.01 of this Article.~~

~~19.04 Overtime Payment for Holidays Worked.~~

~~An employee who is scheduled to work on one of the City-designated holidays or one of the substitute holidays shall be paid at two times his/her hourly rate for all hours actually worked on that day in addition to his/her regular straight time holiday pay. See §19.03 for related "holidays worked" provisions.~~

~~19.05 The provisions in 19.04 apply to a maximum of eleven holidays per calendar year.~~

**ARTICLE 20
WAGES, TEMPORARY
ASSIGNMENTS, and
PREMIUM PAY**

20.01 Schedule A - Wage and Incentive Plan

Schedule A, contains the ~~w~~Wage and ~~incentive p~~Plan for all job titles within the bargaining unit. There will be no general wage increases ~~nor longevity step increase for FY 20104-20145~~. The Wage Plan shall consist of the start rate and 6 month rate, and there shall not be any longevity step increases beyond the 6 month rate. All wage increases, if any, shall be in the form of a general wage increase.

20.02 General wage increase

- A. The parties agree to meet to negotiate general wage ~~and/or longevity~~ increases, if any, for FY 20145/20162 no later than June 30, 20145.
- B. The parties agree to meet to negotiate general wage ~~and/or longevity~~ increases, if any, for FY 20126/20136 no later than June 30, 20126.

~~20.03 Notwithstanding anything to the contrary in this Agreement, the City may furlough employees up to 96 hours, if necessary, for FY 2010-2011, in accordance with the modifications to the City of Vero Beach Personnel Rules.~~

20.034 Shift differential; certification premium

- A. Employees covered by this Agreement who work 2nd shift, which is defined as a normal work schedule starting at or after 2pm but before 10pm, shall be paid a shift differential of \$1.00 per hour added to base hourly pay rate for all hours worked.
- B. Employees covered by this Agreement who work 3rd shift, which is defined as a normal work schedule starting at or after 10pm but before 4am, shall be paid a shift differential of \$1.25 per hour added to base hourly pay rate for all hours worked.

~~B. — C.~~ C. All employees working weekends [Saturday and Sunday] will be paid a differential of 85 cents, per hour added to base hourly pay rate for all hours worked; except that the weekend shift differential will not apply to employees already eligible for 2nd or 3rd shift differential

D. Any permanent part-time lifeguard covered by this Agreement who has an Emergency Medical Technician certification shall receive a premium of \$52.50 per pay period so long as the certification is valid and maintained. Any full-time lifeguard covered by this Agreement who has an Emergency Medical Technician certification

shall receive a premium of \$80.00 per pay period so long as the certification is valid and maintained. This does not apply to the position of Lead Lifeguard where this certification is a minimum requirement of the position.

G. E. Water and Wastewater Plant Operators that undergo and complete the required training, testing, and licensure to become dual certified shall be paid an additional \$1.00 per hour upon completion of the training and obtaining the dual certified license(s).

20.045 Call out and call-out pay

- A. When an employee covered by this Agreement is required to report for work at a time other than his/her regular work schedule, and when he/she has been given fewer than 12 hours notice of the call out, the employee shall be paid a minimum of 3 hours at time-and-a-half the employee's regular hourly wage rate; except that if the employee is called out before his/her regular starting time and works through his/her regular shift, then the employee shall be paid only for the time actually worked. The call-out pay period does not end until the job has been called in as completed and confirmed by City staff, and an additional 15 minutes has passed. Once the completion has been confirmed and 15 minutes has passed a new call-out pay period can start. Any calls taken after the first call and before the end of the 15 minutes is to be considered part of the same call-out pay period. A call received after the 15 minute time period has expired is to be considered a new call-out.
- B. If an employee works more than 40 hours during a workweek because of a call out, and then time-and-a-half shall be paid for the time worked in excess of 40 hours.
- C. When a non-rotating day shift employee is called out after midnight, the employee will be given 5 hours rest time off-duty following the end of the call-out assignment, and before being required to report for the next regularly scheduled work shift. The 5-hour off-duty rest period does not apply when a non-rotating day shift employee reports for duty 2 hours or less prior to the employee's regular day shift starting time. If the 5-hour rest period overlaps any part of the employee's next regularly scheduled shift, then the employee will be paid at straight time for the number of hours which overlap, provided that the employee works the balance of the shift.
- D. When an employee covered by this Agreement, who is not on duty, is called by an authorized on-duty employee to troubleshoot problems over the phone/radio, the employee shall be paid at one-half hour of his regular base rate of pay, or actual time worked, whichever is greater, for each separate incident. Such time shall be counted as time worked for calculating overtime.

| 20.065

Stand-by duty

- A. An employee covered by this Agreement whose job requires stand-by duty will receive 1.5 hours' stand-by pay at time-and-a-half his/her regular hourly wage rate for each regular workday the employee is on stand-by status, Monday through Friday, in addition to any pay he/she might receive for work actually performed when he/she is called in to work from stand-by status.
- B. An employee covered by this Agreement whose job requires stand-by duty will receive 3 hours' stand-by pay at time-and-a-half his/her regular hourly wage rate for Saturdays, Sundays, and holidays in addition to any pay he/she might receive for work actually performed when he/she is called in to work from stand-by status.

| 20.076

Temporary Assignments

- A. A Department Head or designee may assign employees Temporary Assignments as he/she feels appropriate. If such assignment shall exceed five (5) working days, then the assignment shall be offered to the most senior qualified employee. Temporary Assignments will not be considered as time served in a position when evaluating promotions under Section 10.05 of this contract. The City will have sole discretion whether or not to place an employee on a temporary assignment depending on the most efficient use of employees who are qualified and available to perform the work. The City will not be obligated to make such an assignment simply because of a temporary absence of a supervisor or another employee.
- B. When an employee covered by this Agreement is temporarily assigned by the Department Head or his/her designee to work in a different job classification having the same or lower base hourly wage rate, the employee shall continue to receive his/her regular base hourly wage rate for the duration of the temporary assignment.
- C. If an employee covered by this Agreement is temporarily assigned to a job classification which has a base hourly wage rate higher than that which the employee occupies at the time of the temporary assignment, then the employee shall be paid a stipend of one hour at the employee's base regular rate of pay for each day of the temporary assignment, beginning on the first full work day of the assignment. The stipend will not be counted as time worked for purposes of overtime payment.
- D. In the event that a temporary assignment to a vacant bargaining unit position exceeds 20 calendar days, the City will post the position for bid; except that, in extraordinary or unusual circumstances, the parties agree to discuss an extension of the 20-day limit before posting would normally be required.

- E. No temporary assignment shall exceed 6 calendar months; except that, in extraordinary or unusual circumstances that might extend the assignment longer than 6 months, the parties agree to meet and discuss, in both parties' interest, varying the terms of this Section.
- F. An employee who is transferred temporarily to a classification, which is not in the bargaining unit, shall be subject to check off deduction during the term of the temporary transfer.

| 20.078 Clean-up break

A 5-minute personal clean-up break will be provided immediately before the lunch break on each shift and immediately before the end of each employee's workday. Employees may stop work during the clean-up break; but in no event shall the City provide any additional compensation to an employee covered by this Agreement who does not take either clean-up break.

| 20.098 Other breaks

- A. Under normal work conditions, employees covered by this Agreement shall have one 15-minute break during the first half of the shift and one 15-minute break during the second half of the shift.
- B. If the work being performed requires the postponement or waiver of employee's breaks on the decision of the Department Head or his/her designee, the postponement or waiver will not count toward overtime.

| 20.409 Union Stewards' pay: If grievance meetings, labor negotiations, or other Union business for which a Union steward is excused from work by the Department Head or his/her designee, the steward will be paid only for the portion of the Union business time that occurs during the steward's regular work shift. The City will make reasonable effort to schedule Union-related meetings, negotiations, and hearings during regular business hours.

| 20.140 The parties agree to follow the provisions of the Emergency Pay Policy. Notwithstanding anything to the contrary, the City Manager, with the advice of the Department Director will declare the recovery period over by classification for each division within each department. The City will pay the employee's regular rate of pay plus an additional one time the employee's regular rate of pay for each hour worked in a classification, which is still in the recovery period. All employees will be paid their regular rate of pay once their classification has been declared out of the recovery period. The decision to end the recovery period for each classification shall not be arbitrary and capricious.

**ARTICLE 23
GROUP INSURANCE**

Life Insurance

- 23.01 The parties agree that the City shall continue to provide at no cost to the employees covered by this Agreement group life insurance plans in an amount equal to each employee's base annual wage rate. If an employee's base annual wage rate is not evenly divisible by 1000, the policy amount shall be rounded to the next higher even \$1000 increment. If an employee's base annual wage rate increases, the corresponding life insurance amount will be changed once each calendar year on January 1, and shall be based on the January 1 annual rate.
- 23.02 An employee covered by this Agreement may choose an optional amount of life insurance coverage in the amount of 1 or 2 times the amount purchased by the City. The employee shall pay the same premium rate for the optional coverage as the City does for the basic coverage. Deductions for the optional coverage will be made from paychecks in the month of coverage.

Health Insurance

- 23.03 The parties agree that the City shall make available to employees covered by this Agreement and their dependents a base plan, middle plan and high plan of group health insurance. The selection of carrier[s] to underwrite group insurance coverage shall be solely determined by the City, which reserves the right to change carrier[s] at any time. Under normal circumstances, the City agrees not to reduce unilaterally the amount or scope of coverage currently provided to employees or their family members unless economic conditions justify the change or the change is the result of a change in the coverage offered by the insurance company. ~~Any changes shall apply to all City employees.~~
- 23.04 The City shall ~~continue to bear the entire cost of the~~ Employee only base level health insurance plan. ~~City's base plan of health care insurance coverage for employees. Employees.~~ The City shall pay the following percentage toward the cost:

Base Plan

- ~~Employee — 0%~~
- ~~Employee + Spouse — 23%~~
- ~~Employee + Child(ren) — 22%~~
- ~~Employee + Family — 24%~~

Middle Plan

~~Employee 7%~~
~~Employee + Spouse 28%~~
~~Employee + Child(ren) 27%~~
~~Employee + Family 20%~~

High Plan

~~Employee 15%~~
~~Employee + Spouse 35%~~
~~Employee + Child(ren) 34%~~
~~Employee + Family 35%~~

A. Base Plan:

Employee:	100%
Employee + spouse:	75%
Employee + child(ren):	75%
Employee + family:	75%

B. Middle Plan:

Employee:	100% of Base Employee plan
Employee + spouse:	75% of Base Employee + spouse plan
Employee + child(ren)	75% of Base Employee + child(ren) plan
Employee + family:	75% of Base Employee + family plan

23.057 Premiums will be deducted from paychecks for that month of coverage. The City agrees to maintain a Premium Conversion Program which will enable employees covered by this Agreement to make their contributions for dependent coverage with pre-tax earnings provided such programs remain permissible under federal tax regulations.

23.068 In order to provide premium assistance to retirees who continue their health care coverage under the City's current plan, the City, for employees covered by this bargaining agreement who retire after October 1, 2006 and who are under the age of 65, will pay 2.75 percent of the premium charged by the insurance carrier for single employee coverage for each full year of the employee's continuous credited active service with the City up to 100 percent of the single Employee only option-base plan.

For employees covered by this bargaining agreement who retire after October 1, 2006 and who apply for Medicare as soon as they become eligible, the City will pay 2.75 percent of the cost of the City's Medicare supplemental health care plan, provided by the City's carrier to assist Medicare covered persons, for each full year of the employee's continuous credited active service with the City up to 100 percent of the actual cost of the median supplemental health care plan. All premium assistance provided under this Section will terminate with the death of the retired employee.

**ARTICLE 24
RETIREMENT PLANS**

24.01 The parties agree that the City shall continue to provide employees covered by this Agreement with retirement benefits according to the General Employee Retirement Plan, as amended, ~~through the effective date of this Agreement.~~

24.02 Effective October 1, 2014, or as soon thereafter as it can be accomplished, the City will freeze the General Employee Retirement Plan. The provisions of the General Employee Retirement Plan shall govern retirement benefits for that particular plan. Upon the freezing of the General Employee Retirement Plan, Employees shall no longer be permitted or required to contribute toward the General Employee Retirement Plan and will not accrue any additional retirement benefits in that plan.

24.03 Effective October 1, 2014, or as soon as the General Employee Retirement Plan is frozen per Article 24.02, Employees covered by this Agreement will be offered a Defined Contribution Plan. The Defined Contribution Plan will be offered through ICMA. The selection of the plan sponsor, third party administrator, and investment firms and advisors for the Defined Contribution Plan shall be selected and may be changed by the City from time to time in its sole and exclusive discretion.

24.04 The City shall contribute 7% of the Employee's pay, excluding overtime, toward the Defined Contribution plan.

24.05 The Employee shall contribute 3% of the Employee's pay, excluding overtime, toward the Defined Contribution plan.

24.06 Employees hired on or after October 1, 2014, shall contribute 5% of the Employee's pay, excluding overtime, toward the Defined Contribution Plan, and the City shall contribute 7% of the Employee's pay, excluding overtime, toward the Defined Contribution Plan.

~~24.02 The City Council of Vero Beach reserves the right to amend the retirement plan from time to time. The parties agree, however, to discuss proposed retirement plan changes before the Council votes on them. No amendment to the retirement plan that has the effect of benefits under the plan shall take effect without first being negotiated between the parties.~~

~~24.03 The parties agree to meet, after the effective date of this Agreement, to discuss the feasibility of modifications to the retirement plan.~~

~~24.04. Effective October 1, 2010 for all employees covered by this agreement;~~

- ~~A. All current employees who are not participating in the plan will begin participating October 1, 2010. All new employees will begin participating in the plan on the first day of the month following their date of employment.~~
- ~~B. Employees who have already achieved 25 years of service as of September 30, 2010 will remain on the plan that was in effect on September 30, 2010.~~
- ~~C. Employees who are 65+ years of age (normal retirement age) and have 5 years of service as of September 30, 2010 will remain on the plan that was in effect on September 30, 2010.~~
- ~~D. Employees who are participating in the plan on October 1, 2010, and who have not yet reached 65+ years of age and have less than 25 years of service will have their pension contribution increased to 3.25% of their January 1 wage each year and their multiplier will be changed from 2.25% to 1.6% for each year of service. The reduction factor for early retirement calculation will change from 1.5% per year to 3.0% per year. These changes will take effect with the first pay period which includes October 1, 2010. For these employees, at time of retirement, benefits accrued as of September 30, 2010 based on prior benefit factors will be blended with benefits accrued after September 30, 2010 based on the change in retirement factors.~~
- ~~E. Employees who begin participating in the City's pension plan after October 1, 2010, will make a pension contribution of 3.25% of their base rate of pay which will change to 3.25% of their January 1 wage each year and their multiplier will be 1.6% for each year of service. The reduction to the pension benefit for early retirement will be 3.0% per year.~~
- ~~F. These provisions will remain in effect unless changes to the plan are agreed to in a successor agreement and ratified by both parties.~~

CITY OF VERO BEACH PROPOSALS—CT: 4-29-14

| * Articles 10, 15, 17, 19, 20, 23, and 24 are a package deal and if any part of the package is rejected it shall constitute a rejection of the entire package. The City will bargain with the Union over any individual article or part of the package, but Articles 10, 15, 17, 19, 20, 23, and 24 remain a package deal that must be accepted in its entirety.

**ARTICLE 10
BIDS, LATERAL TRANSFERS,
PROMOTIONS, LAYOFF/REDUCTION IN
WORKFORCE, AND RECALL**

- 10.01 Newly hired Employees shall be considered probationary during the first full six (6) months of employment, and shall not be eligible to bid for voluntary transfer to other positions in the City. Any newly hired Employee who has excused absences during the probationary period shall have the period extended by an equivalent number of days. The probationary period shall not be extended for any purpose, except to provide a full six (6) months' evaluation of the newly hired Employee. Probationary Employees will receive the rate of pay for their classification. During an Employee's probationary period, the City may, in its sole discretion, transfer in the event of layoff, discipline, or discharge such Employee; and the Employee shall have no access to the Article 8 grievance procedure.
- 10.02 Seniority is the length of continuous service with the City commencing with the latest date of hire. Continuous service with the City will be broken in the following circumstances:
- A. The Employee voluntarily terminates his/her employment;
 - B. The Employee is discharged for cause;
 - C. The Employee exceeds authorized leave of absence without advance approval of the Department Head;
 - D. The Employee does not return from medical or disability leave after receiving physician's release;
 - E. The Employee does not return from military leave of absence within the time governing veterans' re-employment rights;
 - F. The Employee does not return from layoff when recalled within 14 calendar days after receiving notice of recall; or
 - G. The Employee is laid off for 12 consecutive months.
- 10.03 The City agrees to post every job vacancy within the bargaining unit on the Union bulletin boards for 10 business days, to allow Employees the opportunity to submit a bid for assignment to the vacancy.
- A. Bids shall be submitted, on a form designed for that purpose, to the Human Resources Department by 4pm of the 10th business day after posting. The posted announcement shall indicate the date the selection process is to begin.

- B. After the bid closes, the selection process must be completed, and the job vacancy filled by a successful bidder, by the 20th business day. This period may be extended by mutual agreement of the parties. The selected Employee will be compensated at the higher rate on the first date of the pay period immediately following this 20th business day.
- C. When a bid is posted and the period to submit bids has closed but the vacancy has not yet been filled through the selection process, an Employee who is/was on annual leave, sick leave, workers' compensation leave, bereavement leave, FMLA leave, or other approved leave during the posting period, is to be afforded an opportunity to bid the vacancy.

10.04 Whenever there are vacancies for lateral transfers, or promotion, the City shall select the most qualified individual based only on the following factors when selecting the individual(s) who will fill the vacancy(ies):

- A. Length of continuous service with the City.
 - 0 - Less than one year of continuous service with the City.
 - 1 - One year, but less than 5 years, of continuous service with the City.
 - 2 - Five years, but less than 10 years, of continuous service with the City.
 - 3 - Ten years or more of continuous service with the City.
- B. Ability to perform the essential functions of the job with or without reasonable accommodation.
 - 0 - Employee has performed less than 25% of the essential functions for at least one year with the City or previous employer.
 - 1 - Employee has performed 25%, but less than 50%, of the essential functions for at least one year with the City or previous employer.
 - 2 - Employee has performed 50%, but less than 75%, of the essential functions for at least one year with the City or previous employer.
 - 3 - Employee has performed 75% or more the essential functions for at least one year with the City or previous employer.
- C. Overall ~~w~~Work record with the City, if relevant to Employee's suitability for the job.
 - 0 - Employee has received multiple or serious disciplinary actions within the past three years.

- 1 - Employee has received minor disciplinary actions within the past three years.
- 2 - Employee has not received any disciplinary actions within the past three years and has performed at least satisfactorily for the past three years.
- 3 - Employee has not received any disciplinary actions within the past four years and has performed satisfactorily or better for the past four years.

* If the Employee has less than three years seniority, then the maximum points he can receive for 10.04(C) shall be two.

D. Prior formal education, apprenticeship programs, specialized training, military training and assignments; prior job experience and any other relevant qualifications the Employee might possess.

- 0 - Employee does not have any prior training or experience.
- 1 - Employee has all required licenses and certifications (if any) and two to three years prior relevant experience.
- 2 - Employee has all required licenses and certifications (if any) and four to five years prior relevant experience.
- 3 - Employee has prior formal training, all required licenses and certifications (if any) and more than five years prior relevant experience.

E. If two or more Employees are tied in the above-referenced scoring, the position shall be awarded to the Employee with the most City seniority. If there is a tie in seniority, it shall be awarded on the basis of veteran's preference if applicable, if not, then the decision will be granted to the person who has received the best performance appraisal for the past two years.

F. Notwithstanding anything to the contrary, all Employees must meet the minimum requirements for the position, including possession of any required licenses or certifications, unless the Parties mutually agree to waive this requirement based on a lack of qualified applicants.

10.05 Lay-off and Bumping Rights:

A. The City Manager may reduce the number of City Employees when it is deemed necessary by reason of shortage of funds or work, the abolition of a position or positions, material changes in the duties or organization of a department, or for any other business reasons. The duties performed by a laid-off Employee may be discontinued or reassigned to other Employees

who hold positions in appropriate classifications.

- B. The City has the sole discretion to determine and re-determine the number and job classifications of Employees subject to layoff. When it becomes necessary to reduce the number of Employees within a given department or job classification, the City manager will give primary consideration to management's need to carry out the provision of municipal services. Therefore, layoffs will be conducted in a manner that will minimize to the extent feasible the layoff's impact upon the delivery of municipal services. The City shall give thirty (30) days notice to the affected Employees identified for layoff.
- C. In the event of a layoff within a particular job classification(s) within a department, Employees will be selected in the reverse order of seniority, within their respective job classifications based on the scoring method set forth in Article 10.04(A)-(F). The Employee laid-off may bump a junior Employee within the City in any lower classification which the laid-off Employee previously held for at least six months, provided that the laid-off Employee worked in the lower classification in the same department as the Employee to be bumped same Department as the laid-off Employee if the laid-off Employee previously held the classification of the Employee to be bumped for at least six months and meets all present qualifications and licensing/certification requirements for the position prior to exercising bumping rights. A laid-off Employee may not exercise bumping rights in a different City Department. For example, a laid-off clerical assistant in the Police Department cannot exercise bumping rights against a clerical assistant in the Public Works Department.
- D. Any Employee who is laid-off or bumped from his position due to a reduction in force, and who cannot exercise bumping rights as described in Article 10.05(C) may request (but not require) that the Human Resources Department place the Employee in an open position for which the Employee is fully qualified and for which the City has exercised its discretion to decide to fill the position. A laid-off or bumped Employee who bids an open position which he has not formerly held, and who the City determines to be qualified for the position, will be paid the base rate for the position, plus any applicable incentives. In the event that the placement of an Employee pursuant to this subsection results in a wage reduction of more than 15%, the Employee shall have the option of being laid-off for one year. Any Employee who is laid-off or bumped, and who is offered but refuses an open job, and who is not required to accept a wage reduction of more than 15% will be deemed to have resigned his position with the City.
- E. Per the Layoff and Recall Section of the Personnel Rules, aAnnualAnnual or medical leave balances that have accrued prior to the layoff shall not be paid until such time that the recall period expires, the Employee resigns, or the Employee declines an offer of recall, whichever occurs first. At that time they will be paid out in accordance with Articles 15 & 17 of this agreement.

- F. In the event of a reduction in work force, the City shall notify the Chief Steward as soon as practicable after the Employees affected by the reduction have been informed of the pending reduction.

10.06 Recall

- A. Employees shall remain eligible for recall to their former position for twelve (12) months. Laid-off Employees shall be recalled to their former position in reverse order of layoff. Additionally, laid-off Employees remain eligible to bid for any vacant positions in accordance and subject to the provisions of 10.03 and 10.04.
- B. The offer of recall will be provided by certified mail that will be sent to the laid-off Employee's last known address. It is the responsibility of the laid-off Employee to provide the City with any changes to the Employee's address. Within three business days of receipt of the recall notice, the laid-off Employee must notify the City of the Employee's intent to return to work or the offer of recall shall be considered waived and declined.
- C. A laid off Employee who receives the City's notice of recall shall return to work as soon as possible, but not later than 14 calendar days following receipt of the recall notice. The laid off Employee being recalled to work must meet all present qualifications and licensing/certification requirements for the position at the time of being recalled to work.
- D. At the end of the twelve month recall period, if the Employee has not been recalled, the laid-off Employee shall be considered to have resigned in good standing and accrued annual and medical leave shall be paid out according to Section 13.048.05 A and Section 14.059 of the City Personnel Rules.

10.07 The City will provide the Union with a list of all bargaining unit members at the beginning of each fiscal year, or whenever the Union reasonably requests such list from the City Clerk.

10.08 An Employee who is promoted, laterally transferred, or bumped into a lower position shall be paid at the 6-month rate, plus any incentives that the Employee has earned and which are applicable to the new position. An Employee who is involuntarily transferred or bumped as a result of a reduction in work force would be paid the 6-month rate set for the position, plus any incentives that the Employee has earned and which are applicable to the new position.

ARTICLE 15 ANNUAL LEAVE

15.01 Regular full-time Employees covered by this Agreement shall earn annual leave with pay based on continuous service with the City, commencing with their most recent date of hire. The leave schedule follows:

<u>CONTINUOUS EMPLOYMENT</u>	<u>ANNUAL HOURS EARNED</u>	
	<u>75 HOUR</u>	<u>80 HOUR</u>
1-5 year	75	80
6-10 years	112.5	120
11 years	120	128
12 years	127.5	136
13 years	135	144
14 years	142.5	152
15 years	150	160
16 years	157.5	168
17 years	165	176
18 years	172.5	184
19 years	180	192
20 years	187.5	200

15.02 Employees annual leave balances as of October 1, 2014 are hereby frozen and placed into a separate account. Employees shall continue to accrue annual leave at their designated rate, but shall be limited to a maximum accrual of twenty-five (25) days.

15.03 Employees may use annual leave from their frozen account, but any such hours used from the frozen account cannot be replaced or replenished. Subject to the restrictions of §15.03 of this Article, the Personnel Rules of the City of Vero Beach shall govern accrual, use, scheduling, payment, and charging of annual leave.

15.04 Upon separation from employment, the Employee shall be paid for all accrued but unused annual leave.

15.035 The parties agree that Department Heads shall have the discretion to approve or deny an Employee's request to use annual leave that is accrued at the time when the Employee wishes to use the leave; that the Department Head shall determine whether the needs of the Department permit or deny variance from the permissive guidelines regarding annual leave found at the Personnel Rules of the City of Vero Beach; and that Department Heads shall have the autonomy to determine procedures for using annual leave specific to their own Department. The parties agree that, within the established practices of each Department, no leave request will be unreasonably denied.

- 15.056 The parties further agree that a standardized form for annual leave, which was developed by the Labor Management Committee, will be used for requesting annual leave.
- 15.067 A minimum of 24-hour notice should be given when scheduling annual leave except for emergency situations when personal leave has been exhausted. Requests for annual leave shall be considered based upon the order submitted. Ties go to the person with the most seniority.
- ~~15.04 Annual leave may be accrued to a maximum of either 450 or 480 hours depending on Employee's normal work day.~~
- 15.08 In the event an Employee has reached the maximum annual accrual of ~~twenty~~ twenty five days, or will reach the maximum accrual by the next pay period, and he gives at least five (5) days notice of the need to take annual leave but the request is denied by the City because of operational needs, the City will pay the Employee for the value of the accrued annual leave the Employee will not accrue because he has reached the maximum accrual.
- ~~15.09 At the City Manager's discretion and upon request by~~ The City will advance the Employee, five (5) days of annual leave ~~may be advanced~~ for the first year of this Agreement.

ARTICLE 17
OTHER PAID LEAVES of ABSENCE

17.01 Except upon retirement, Employees covered by this Agreement shall be paid for medical leave pursuant to the Personnel Rules of the City of Vero Beach:

Depending upon their normal bi-weekly work schedule, full-time Employees covered by this bargaining agreement who leave employment with the City by resignation, permanent disability, or death, and who have worked for the City for at least one year, will be paid an amount equal to the Employee's accrued frozen medical leave, up to a maximum of either 900 or 960 hours, multiplied by 3.5% per year of service with the City, (up to 100% of the maximum of either 900 or 960 hours) at the Employee's final pay rate. Employees with more than one year of service with the City, but fewer than 3 years, will be paid at minimum 10% of accrued frozen medical leave.

Example: An Employee resigning after 10 years of service with an frozen accrued medical sick-leave balance of 60 days:
 $60 \text{ days} \times 3.5\% \times 10 \text{ years} = 21 \text{ days} \times \text{final daily pay rate}$

17.02 Subject to the terms of the Family Medical Leave Act, which might vary the terms of this Section, an employee may use up to 80 hours accrued medical leave per year to care for a spouse, child, or parent. The employee's Department Head shall have the discretion to approve additional days for this purpose. The Department Head shall determine the number of days appropriate to each circumstance.

17.03 Other paid leaves of absence provided for in the Personnel Rules of the City of Vero Beach, and not specifically described elsewhere in this Agreement, shall remain in effect for the duration of this Agreement. The parties agree, however, that Department Heads have the discretion to vary upward the permissive guidelines in the Personnel Rules governing other paid leaves of absence. Additionally, an Employee who has met the age and service eligibility requirements to retire with the City shall be paid up to 120 days of their frozen medical leave account.

17.04 Employee's medical leave hour balances as of October 1, 2014 are hereby frozen and placed into a separate account. The frozen medical leave account shall be paid out to the Employee pursuant to Article 17.01. Employees shall continue to accrue medical leave in a new account, up to a maximum of 180 days. There shall be no payout for accrued and/or unused medical leave in the new account. However, Employees may use medical leave from their frozen account, but any such hours used from the frozen account cannot be replaced or replenished.

17.05 Medical leave is a benefit and is not a right except to the extent FMLA applies. Employees are expected to make judicious use of medical leave so it will be available for true medical conditions. It is the responsibility of the employee to maintain an adequate medical leave balance to cover any and all non-FMLA conditions. Failure to do so may be cause for progressive disciplinary action up to and including discharge.

~~Subject to the terms of the Family Medical Leave Act, which might vary the terms of this Section, an Employee may use up to either 75 or 80 hours accrued sick medical leave per year to care for a spouse, child, or parent. The Employee's Department Head shall have the discretion to approve additional days for this purpose. The Department Head shall determine the number of days appropriate to each circumstance.~~

~~17.0305 Other paid leaves of absence provided for in the Personnel Rules of the City of Vero Beach, and not specifically described elsewhere in this Agreement, shall remain in effect for the duration of this Agreement. The parties agree, however, that Department Heads have the discretion to vary upward the permissive guidelines in the Personnel Rules governing other paid leaves of absence.~~

~~17.0406 Personal days~~

- ~~A. Employees covered by this Agreement may use 35 days of their accrued medical leave days as personal days per year.~~
- ~~B. Personal days shall be used in increments no smaller than ~~one hour~~15 minute increments~~
- ~~C. Requests for use of personal days ~~must be made in advance, according to the individual department's established practice~~ can be scheduled on short notice, however, an employee must notify their immediate supervisor, if at all possible, prior to the scheduled reporting time, otherwise at the start of their shift.~~
- ~~D. Notwithstanding the terms of §§17.0406(B) and (C), the parties agree that the Department Heads have the discretion to determine how personal days are to be granted, especially in cases involving less than 24 hours' notice.~~

**ARTICLE 19
HOLIDAYS**

19.01 The City recognizes the following holidays. These days off with pay shall be granted to all eligible full-time Employees who, except for it being a recognized City holiday, would have been scheduled to work. Eligible full-time Employees shall be paid for their regularly scheduled hours of work at their regular hourly rate on the following holidays:

1.	New Year's Day	January 1
2.	Martin Luther King Jr.'s Birthday	Third Monday in January
3.	Good Friday	As if falls on calendar
4.	Memorial Day	Last Monday in May
5.	Independence Day	July 4
6.	Labor Day	First Monday in September
7.	Veterans' Day	November 11
8.	Thanksgiving Day	Fourth Thursday in November
9.	Friday after Thanksgiving	Fourth Friday in November
10.	Christmas Eve Day	December 24
11.	Christmas Day	December 25

19.02 Variations from Holiday Schedule:

- A. If any holiday falls on a Saturday, except for Christmas Day, the Friday preceding the Saturday holiday shall be the observed holiday for purposes of this Agreement.
- B. When Christmas Day falls on Saturday, the Thursday and Friday preceding the Christmas Saturday shall be observed as the recognized City holidays for Christmas Eve and Christmas Day.
- C. If any holiday, except Christmas Eve, falls on a Sunday, the Monday following the Sunday holiday shall be observed as the recognized City holiday.
- D. When Christmas Eve falls on a Sunday, the Monday and Tuesday following Christmas Eve Sunday shall be observed as the recognized City holidays for Christmas Eve and Christmas Day.

~~19.0304~~ Holiday pay:

- ~~A. Any regular full-time Employee who is not scheduled to work on the City holiday shall receive 7.5 or 8 hours of holiday pay, as referenced in Article 19.01, at his/her regular rate of pay.~~
- ~~B. In addition to regular holiday pay in Article 19.0304(A), all full-time Employees who actually work on the City holiday shall be paid at one and one-half times their regular hourly rate for all hours actually worked.~~

- ~~C. Rotating shift Employees who are scheduled off on the City holiday will receive Holiday compensatory hours equal to his/her normal shift of hours, to be scheduled within the fiscal year.~~
- ~~D. When a holiday falls within a period of paid annual, paid military leave or bereavement leave, the employee will receive holiday pay in lieu of leave pay for that holiday.~~
- ~~E. When a holiday falls within the first 15 consecutive days of an Employee's paid medical or disability leave, holiday pay will be paid in lieu of leave pay for that holiday. Thereafter, the Employee will not be paid for holiday pay.~~

19.03 Holiday pay shall be as follows:

- A. Any regular full-time Employee who is not scheduled to work on the City holiday shall receive their regular schedule of hours of holiday pay, as referenced in Article 19.01, at his/her regular rate of pay.
- B. In addition to regular holiday pay in Article 19.03(A), all full-time Employees who actually work on the City holiday shall be paid at one and one-half times their regular hourly rate for all hours actually worked.
- C. Rotating shift Employees who are scheduled off on the City holiday will receive Holiday compensatory hours equal to his/her normal shift of hours, to be scheduled within the fiscal year.
- D. When a holiday falls within a period of paid annual, paid military leave or bereavement leave, the employee will receive holiday pay in lieu of leave pay for that holiday.
- E. When a holiday falls within the first 15 consecutive days of an Employee's paid medical or disability leave, holiday pay will be paid in lieu of leave pay for that holiday. Thereafter, the Employee will not be paid for holiday pay.

19.04 If two or more employees submit leave requests for the same holiday, the requests will be considered based on which request was submitted first. However, in the event the employees' supervisor receives two or more requests for leave at the same time, the leave request from the Employee with the highest seniority will be considered first.

ARTICLE 20
WAGES, STANDBY/DISASTER
DUTY/CALLOUT PAY

20.01 There will be no general wage increases or longevity step increases for ~~FY 2011-2012~~ 2014-2015. The Wage Plan shall consist of the start rate and 6 month rate, and there shall not be any longevity step increases beyond the 6 month rate. All wage increases, if any, shall be in the form of a general wage increase.

20.02 General wage increase

- A. The parties agree to meet to negotiate a general wage and/or longevity increases, if any, for FY 20145/20165 no later than June 30, 20145.
- B. The parties agree to meet to negotiate general wage and/or longevity increases, if any, for FY 20156/20167 no later than June 30, 20156.

20.0203 Shift differential

- A. Employees who work 2nd shift (evening) shall be paid a shift differential of \$1.00 per hour added to base hourly pay rate for all hours worked.
- B. Employees who work 3rd shift (midnight) shall be paid a shift differential of \$1.25 per hour added to base hourly pay rate for all hours worked.
- B. All Employees working weekends [Saturday and Sunday] will be paid a differential of \$.85, per hour added to base hourly pay rate for all hours worked; except that the weekend shift differential will not apply to Employees already eligible for 2nd or 3rd shift differential

20.0304 Call-Out and Call-Out Pay

When a full-time Employee is required to report for work at a time other than the regular work schedule and less than twelve hours of notice is given, Employee shall be paid a minimum of two-hours at one and one-half times Employee's regular hourly rate, except if Employee is called out before Employee's regular starting time and works through Employee's regular shift schedule, then Employee shall be paid at time and one-half only for the time actually worked. If a full-time Employee is on medical leave, Employee will not be eligible for overtime assignments until they return to the next regularly scheduled shift.

20.0405 Standby Duty

- A. Any Employee who is required for standby duty shall receive one hour of pay at one and one-half times the regular hourly rate for each work day on such standby duty, Monday through Friday, and two hours of pay at one and one-

half times the regular hourly rate for Saturdays, Sundays, and holidays in addition to any earnings that may be received for work actually performed when called in to work while on standby duty.

B. Stand-by List

Qualified Employees may request to be added to or deleted from the list of those serving in a standby capacity. Any Employee who requests to be relieved from the rotation of standby duty, however, shall lose the right to be reinstated to the standby list until there has been one full rotation of Employees serving on the list from the time the Employee's request for reinstatement has been received in writing or until a period of six months has passed since the Employee's name was removed from the list, whichever comes later. An exception to this rule may be made if, in the judgment of the department director, it is in the City's best interest to have the Employee reinstated earlier. Standby hours away from work shall not be considered as "time worked" when computing an Employee's eligibility for weekly overtime pay.

C. Special Provisions of Standby Duty

1. Employees who are officially on standby duty, but fail to respond to a call to work, are subject to disciplinary action. Under such circumstances, the department director, who has the responsibility to arrange coverage for standby duty, may seek volunteers. In the event volunteers are not available, qualified Employees will be required to take the assignment in order to maintain effective, proper and superior service to the community. The distribution of standby duty will be made as equitably as possible.
2. The standby Employee must remain available for communication by telephone or cellular phone.
3. An Employee on standby duty is not eligible for scheduled overtime.

| 20.05-06 Temporary Assignments

- A. The City will have sole discretion whether or not to place an Employee on a temporary assignment depending on the most efficient use of Employees who are qualified and available to perform the work. The City will not be obligated to make such an assignment simply because of a temporary absence of a supervisor or another Employee.
- B. When an Employee covered by this Agreement is temporarily assigned by the Department Head or his/her designee to work in a different job classification having the same or lower base hourly wage rate, the Employee shall continue to receive his/her regular base hourly wage rate for the duration of the temporary assignment.

- C. In the event that a temporary assignment to a vacant bargaining unit position exceeds 20 calendar days, the City will post the position for bid; except that, in extraordinary or unusual circumstances, the parties agree to discuss an extension of the 20-day limit before posting would normally be required.
- D. No temporary assignment shall exceed 6 calendar months; except that, in extraordinary or unusual circumstances that might extend the assignment longer than 6 months, the parties agree to meet and discuss, in both parties' interest, varying the terms of this Section.
- E. An Employee who is transferred temporarily to a classification, which is not in the bargaining unit, shall be subject to check off deduction during the term of the temporary transfer.

| 20.06-07 Clean-up break: A 5-minute personal clean-up break will be provided immediately before the lunch break on each shift and immediately before the end of each Employee's workday. Employees may stop work during the clean-up break; but in no event shall the City provide any additional compensation to an Employee covered by this Agreement who does not take either clean-up break.

| 20.07-08 Other breaks:

- A. Under normal work conditions, Employees covered by this Agreement shall have one 15-minute break during the first half of the shift and one 15-minute break during the second half of the shift.
- B. If the work being performed requires the postponement or waiver of Employee's breaks on the decision of the Department Head or his/her designee, the postponement or waiver will not count toward overtime.

| 20.0809 Union Stewards' pay: If grievance meetings, labor negotiations, or other Union business for which a Union steward is excused from work by the Department Head or his/her designee, the steward will be paid only for the portion of the Union business time that occurs during the steward's regular work shift. The City will make reasonable effort to schedule Union-related meetings, negotiations, and hearings during regular business hours.

| 20.0910 The parties agree to follow the provisions of the Emergency Pay Policy. Notwithstanding anything to the contrary, the City Manager, with the advice of the Department Director will declare the recovery period over by classification for each division within each department. The City will pay the Employee's regular rate of pay plus an additional one time the Employee's regular rate of pay for each hour worked in a classification, which is still in the recovery period. All Employees will be paid their regular rate of pay once their classification has been declared out of the recovery period. The decision to end the recovery period for each classification shall not be arbitrary and capricious.

**ARTICLE 23
GROUP INSURANCE**

Life Insurance

- 23.01 The parties agree that the City shall continue to provide at no cost to the Employees covered by this Agreement group life insurance plans in an amount equal to each Employee's base annual wage rate. If an Employee's base annual wage rate is not evenly divisible by 1000, the policy amount shall be rounded to the next higher even \$1000 increment. If an Employee's base annual wage rate increases, the corresponding life insurance amount will be changed once each calendar year on January 1, and shall be based on the January 1 annual rate.
- 23.02 An Employee covered by this Agreement may choose an optional amount of life insurance coverage in the amount of 1 or 2 times the amount purchased by the City. The Employee shall pay the same premium rate for the optional coverage as the City does for the basic coverage. Deductions for the optional coverage will be made from paychecks in the month of coverage.

Health Insurance

- 23.03 The parties agree that the City shall make available to Employees covered by this Agreement and their dependents a base plan, middle plan and high plan of group health insurance. The selection of carrier[s] to underwrite group insurance coverage shall be solely determined by the City, which reserves the right to change carrier[s] at any time. Under normal circumstances, the City agrees not to reduce unilaterally the amount or scope of coverage currently provided to Employees or their family members unless economic conditions justify the change or the change is the result of a change in the coverage offered by the insurance company. Any changes shall apply to all City Employees.
- 23.04 The City shall ~~continue to bear the entire cost of the Employee only base level health insurance plan. City's base plan of health care insurance coverage for Employees.~~ The City shall pay the following percentage toward the cost:

~~_____~~ Base Plan

- ~~_____~~ Employee ~~0%~~
~~_____~~ Employee + Spouse ~~23%~~
~~_____~~ Employee + Child(ren) ~~22%~~
~~_____~~ Employee + Family ~~24%~~

~~_____~~ Middle Plan

- ~~_____~~ Employee ~~7%~~
~~_____~~ Employee + Spouse ~~28%~~
~~_____~~ Employee + Child(ren) ~~27%~~
~~_____~~ Employee + Family ~~29%~~

~~High Plan~~

~~Employee 15%~~

~~Employee + Spouse 35%~~

~~Employee + Child(ren) 34%~~

~~Employee + Family 35%~~

A. Base Plan:

Employee:	100%
Employee + spouse:	75%
Employee + child(ren):	75%
Employee + family:	75%

B. Middle Plan:

Employee:	100% of Base Employee plan
Employee + spouse:	75% of Base Employee + spouse plan
Employee + child(ren)	75% of Base Employee + child(ren) plan
Employee + family:	75% of Base Employee + family plan

23.07—Premiums will be deducted from paychecks for that month of coverage. The City agrees to maintain a Premium Conversion Program which will enable Employees covered by this Agreement to make their contributions for dependent coverage with pre-tax earnings provided such programs remain permissible under federal tax regulations.

23.068 In order to provide premium assistance to retirees who continue their health care coverage under the City's current plan, the City, for Employees covered by this bargaining agreement who retire after October 1, 2006 and who are under the age of 65, will pay 2.75 percent of the premium charged by the insurance carrier for single Employee coverage for each full year of the Employee's continuous credited active service with the City up to 100 percent of the ~~single option~~ Employee only base plan.

For Employees covered by this bargaining agreement who retire after October 1, 2006 and who apply for Medicare as soon as they become eligible, the City will pay 2.75 percent of the cost of the City's Medicare supplemental health care plan, provided by the City's carrier to assist Medicare covered persons, for each full year of the Employee's continuous credited active service with the City up to 100 percent of the actual cost of the median supplemental health care plan. All premium assistance provided under this Section will terminate with the death of the retired Employee.

**ARTICLE 24
RETIREMENT PLANS**

24.01 The parties agree that the City shall continue to provide employees covered by this Agreement with retirement benefits according to the General Employee Retirement Plan, as amended.

24.02 Effective October 1, 2014, or as soon thereafter as it can be accomplished, the City will freeze the General Employee Retirement Plan. The provisions of the General Employee Retirement Plan shall govern retirement benefits for that particular plan. Upon freezing of the General Employee Retirement Plan, Employees shall no longer be permitted or required to contribute toward the General Employee Retirement Plan and will not accrue any additional retirement benefits in that plan.

24.03 Effective October 1, 2014, or as soon as the General Employee Retirement Plan is frozen per Article 24.02, Employees covered by this Agreement will be offered a Defined Contribution Plan. The Defined Contribution Plan will be offered through ICMA. The selection of the plan sponsor, third party administrator, and investment firms and advisors for the Defined Contribution Plan shall be selected and may be changed by the City from time to time in its sole and exclusive discretion.

24.04 The City shall contribute 7% of the Employee's pay, excluding overtime, toward the Defined Contribution plan.

24.05 The Employee shall contribute 3% of the Employee's pay, excluding overtime, toward the Defined Contribution plan.

24.06 Employees hired on or after October 1, 2014, shall contribute 5% of the Employee's pay, excluding overtime, toward the Defined Contribution Plan, and the City shall contribute 7% of the Employee's pay, excluding overtime, toward the Defined Contribution Plan.

~~24.01 The parties agree that the City shall continue to provide Employees covered by this Agreement with retirement benefits according to the General Employee Retirement Plan, as amended, through the effective date of this Agreement.~~

~~24.02 The City Council of Vero Beach reserves the right to amend the retirement plan from time to time. The parties agree, however, to discuss proposed retirement plan changes before the Council votes on them. No amendment to the retirement plan that has the effect of reducing benefits under the plan shall take effect without first being negotiated between the parties.~~

~~24.03 The parties agree to meet, after the effective date of this Agreement, to discuss the feasibility of modifications to the retirement plan.~~

~~24.04 Effective October 1, 2010 for all Employees covered by this agreement;~~

- ~~A. All current Employees who are not participating in the plan will begin participating October 1, 2010. All new Employees will begin participating in the plan on the first day of the month following their date of employment.~~
- ~~B. Employees who have already achieved 25 years of service as of September 30, 2010 will remain on the plan that was in effect on September 30, 2010.~~
- ~~C. Employees who are 65+ years of age (normal retirement age) and have 5 years of service as of September 30, 2010 will remain on the plan that was in effect on September 30, 2010.~~
- ~~D. Employees who are participating in the plan on October 1, 2010, and who have not yet reached 65+ years of age and have less than 25 years of service will have their pension contribution increased to 3.25% of their January 1 wage each year and their multiplier will be changed from 2.25% to 1.6% for each year of service. The reduction factor for early retirement calculation will change from 1.5% per year to 3.0% per year. These changes will take effect with the first pay period which includes October 1, 2010. For these Employees, at time of retirement, benefits accrued as of September 30, 2010 based on prior benefit factors will be blended with benefits accrued after September 30, 2010 based on the change in retirement factors.~~
- ~~E. Employees who begin participating in the City's pension plan after October 1, 2010, will make a pension contribution of 3.25% of their base rate of pay which will change to 3.25% of their January 1 wage each year and their multiplier will be 1.6% for each year of service. The reduction to the pension benefit for early retirement will be 3.0% per year.~~
- ~~F. These provisions will remain in effect unless changes to the plan are agreed to in a successor agreement and ratified by both parties.~~



MIKE SCOTT
President
JOSH ZIVALICH
Sec. - Treas.

Teamsters Local Union no. 769

AFFILIATED WITH INTERNATIONAL BROTHERHOOD OF TEAMSTERS



December 16, 2014

Hand Delivered

Honorable Mayor and City Council Members
City of Vero Beach
1053 20th Place
P.O. Box 1389
Vero Beach, FL 32961

Subject: Teamsters Local 769's Recommendations for Resolving Impasse with the Blue Collar
and Clerical & Technical Bargaining Units

Dear Mayor and Council Members:

The Union and the City went before Special Magistrate Michael G. Whelan on October 17, 2014 to present our case with respect to the matters which the City declared was at an impasse in contract negotiations. Special Magistrate Whelan admitted into evidence exhibits from both parties and allowed post-hearing arguments to be submitted by post-hearing briefs. On November 26, 2014, Special Magistrate Whelan submitted his Recommended Decision to the parties and to the Public Employees Relations Commission. On December 5, 2014, the City wrote to the Public Employees Relations Commission and rejected the entire Special Magistrate Recommended Decision.

The Union's is willing to accept the Special Magistrate Recommended Decision in its entirety. We have not rejected any of the recommendations because we believe the Special Magistrate submitted an impartial recommendation that is fair and equitable to both the Union and the City.



Therefore, the Union respectfully requests that the City Council adopt the Recommended Decision of the Special Magistrate to resolve this impasse. If the City Council adopts the Special Magistrate Recommended Decision in its entirety the Union will commit to recommending the collective bargaining agreements for ratification of both bargaining units. Having the collective bargaining agreements ratified is important because it would mean the parties would have collective bargaining agreements from the date of ratification through September 30, 2016, instead of having to return to the bargaining table immediately.

Again, the Union respectfully requests the City Council adopt the Special Magistrate Recommended Decision.

Sincerely,

TEAMSTERS LOCAL UNION NO. 769

A handwritten signature in black ink that reads "Steve Myers". The signature is written in a cursive style with a large, looping initial "S".

Steve Myers
Business Agent

C: James R. O'Connor, City Manager (by email)
Jason Odom, Esq., Gould Cooksey Fennell (by email)