



Legislation Text

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City of Alexandria, Virginia

MEMORANDUM

DATE: JANUARY 19, 2023

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: JAMES F. PARAION, CITY MANAGER /s/

DOCKET TITLE:

Public Hearing on the Fiscal Impact Study of the Tentative Collective Bargaining Agreement with the International Association of Fire Fighters Local 2141 and Consideration of a Resolution indicating City Council's Good Faith Commitment to the Appropriate Funding Necessary to Implement the Agreement. [ROLL-CALL VOTE]

ISSUE: Consideration of resolution to make a good faith commitment to appropriate funding necessary for the City to meet its obligations under the tentative collective bargaining agreement reached between the City and the International Association of Fire Fighters, Local 2141 (IAFF Local 2141).

RECOMMENDATION: That City Council adopt, following a public hearing, the attached resolution which reflects Council's commitment to fund the tentative collective bargaining agreement between the City and IAFF Local 2141, subject to actual appropriation with the approval of the budget in each fiscal year it is in effect.

BACKGROUND: At a public hearing on April 17, 2021, the Alexandria City Council voted unanimously to adopt a public employee collective bargaining ordinance. The authority for Virginia municipalities to undertake collective bargaining was enabled by new state legislation that took effect May 1, 2021. Alexandria was the first locality in Virginia to authorize collective bargaining under this new state law. The ordinance authorizes exclusive representatives of bargaining units to negotiate, among other things, wages, leave, insurance, and retirement plans presently made available under city authority. However, the ordinance and state law make clear that any agreement reached by collective bargaining is subject to appropriation of funds by the City Council.

The ordinance defines five bargaining units. Section 2-5-72(a) creates the fire and emergency medical services employees' bargaining unit which consists of "the uniformed employees, including fire marshals," of the Alexandria Fire Department, except those excluded by ordinance.

IAFF Local 2141 submitted a Petition for Representation Election dated June 17, 2021; the City received it on June 23, 2021. The Labor Relations Administrator (LRA) ordered an election from February 3, 2022 through

February 22, 2022. On March 1, 2022, the LRA certified that IAFF Local 2141 “has been designated by the City employees in the bargaining unit . . . , as their exclusive representative for the purpose of collective bargaining of terms and conditions of employment, with the City.”

DISCUSSION: On January 6, 2023, the Parties reached tentative agreement on employee wages and benefits for a period of three years, beginning July 1, 2023, through June 30, 2026.

The bargaining unit consists of employees in the following positions: Firefighter I, Firefighter II, Firefighter III, Firefighter IV, Medic II, Medic III, Medic IV, Deputy Fire Marshal I, Deputy Fire Marshal II, Deputy Fire Marshal III, Fire Lieutenant, EMS Lieutenant, Fire Captain, and EMS Captain.

The Parties negotiated market rate, competitive increases for specific positions that were below the median of the primary labor market. Specifically, the Parties negotiated a 5.0% market rate, base salary increase for the Firefighter I, Firefighter II, Firefighter III, Firefighter IV, and Fire Lieutenant (Virginia Retirement System) positions. It also negotiated a 10% market rate, base salary increases for the Fire Lieutenant (Fire & Police Retirement), EMS Lieutenant, Fire Captain, and EMS Captain positions.

Moreover, the Parties negotiated a 2.0% annual pay scale adjustment during the term of the Agreement. The pay scale adjustments promote recruitment, increase employee retention, and avoid pay compression.

They also negotiated merit increases, and the percentage amounts between pay scale steps. The Parties agreed that employees who did not meet performance expectations would be ineligible for merit increases.

The attached tentative agreement contains a copy of the negotiated pay scale for Fiscal Years 2024, 2025, and 2026.

Additionally, the Parties reached agreement on how to handle “premium pay” codes such as overtime and call-back pay. Under this article, an employee demonstrating proficiency to interpret conversations in American Sign Language, or any foreign language as determined at the City Manager’s discretion, is eligible to receive \$1,000 annually. To receive this pay, the employee must agree to provide interpretation services while on duty.

The Parties agreed to maintain status quo, and conduct limited studies, on the feasibility and fiscal impact of other benefits including retirement and retiree health insurance stipends. The additional agreements on wages and benefits are also memorialized in the attached tentative agreement.

Finally, the Parties agreed that, by July 30, 2025, employees assigned to a suppression/EMS shift will be scheduled to work an average of fifty (50) hours per week. Employees’ hourly rate of pay automatically increases because of a reduced number of hours in their scheduled tour of duty.

The city’s Office of Management and Budget prepared a fiscal impact statement on this tentative agreement which is outlined below.

The ordinance provides that Council will specify “by resolution no later than the last day of November its good faith commitment to appropriate funding necessary for the city to meet obligations under the tentative agreement as set forth in the fiscal impact study . . . with the understanding that any such resolution remains subject to actual appropriation.” The attached resolution contains the requisite language regarding a good faith commitment to appropriate necessary funding.

Staff recommends Council adopt the resolution of its good faith commitment to appropriate funding for the negotiated wages and benefits under the tentative agreement, as set forth in the fiscal impact study. Staff notes that the resolution is still subject to Council's actual appropriation of funding.

FISCAL IMPACT: The collective bargaining agreement contract for FY 2024 through FY 2026 is estimated to cost \$13.9 million for wages of 300 covered positions and ongoing costs of contracted grounds maintenance. These estimates represent the difference between salary and benefit costs under the new agreement and a baseline which assumes regular annual step increases would have otherwise occurred under the current pay scale and classification structure. The costs associated with the new agreement include increased salaries and the impact those salary increases would have on fringe benefits at current FY 2023 rates and overtime. Actual salary and benefit costs can be expected to vary due to employee turnover and changes in future benefit rates. The estimates include an annual 2.0% pay scale adjustment, however the agreement allows for the reopening of bargaining if inflation exceeds 2.5% in any 12-month period.

A breakout of those costs is presented in the table below.

Fiscal Impact	FY 2024	FY 2025	FY 2026	Total
Wages	3.56	4.60	5.71	13.88
Grounds Maintenance	0.02	0.02	0.02	0.06
Total	3.58	4.62	5.73	13.94

The collective bargaining agreement also calls for certain one-time costs for capital improvement projects and increased staffing. Specifically, the estimates below represent the addition of 52 positions to reduce firefighter work schedules from 56 hours per week to 50 and traffic signal installation at five stations. The following table illustrates the cost to add the positions and install the traffic signals in equal increments over the next three years. The actual implementation schedule could vary.

Fiscal Impact	FY 2024	FY 2025	FY 2026	Total
Increased Staffing	2.02	4.04	6.46	12.52
Emergency Traffic Signals	0.33	0.33	0.33	1.00
Total	2.35	4.37	6.79	13.52

In sum, the collective bargaining agreement contract for FY 2024 through FY 2026 is estimated to cost up to \$27.5 million over the three-year term, including up to \$5.9 million in FY 2024, up to \$9.0 million in FY 2025, and up to \$12.5 million in FY 2026.

ATTACHMENTS:

1. Resolution
2. Tentative Collective Bargaining Agreement between the City and the International Association of Fire Fighters, Local 2141

STAFF:

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