

**ROSS VALLEY FIRE DEPARTMENT
STAFF REPORT**

For the meeting of: June 14, 2017

To: Board of Directors

From: RVFD Management Committee
Garrett Toy, Fairfax Town Manager (Executive Officer)
Dave Donery, San Anselmo Town Manager
Joe Chinn, Ross Town Manager

Subject: Adopt resolution approving Side Letters with the International Association of Firefighters Local 1775 and the Ross Valley Fire Chief Officers Association regarding revisions to cash-in-lieu payments and applying similar revisions to Administrative Assistant and Fire Inspector positions

RECOMMENDATION:

Adopt resolution approving Side Letters with International Association of Firefighters Local 1775 and Ross Valley Fire Chief Officers Association regarding cash-in-lieu payments and applying similar revisions to Administrative Assistant and Fire Inspector positions.

BACKGROUND:

In March 2017, the Ross Valley Fire Department (RVFD) Board approved new Memoranda of Understanding (MOU's) with the Ross Valley Firefighter's Association and the Ross Valley Fire Chief Officer's Association. At that time, one outstanding issue in the MOU's was the language addressing cash-in-lieu payments. We stated legal counsel was still working on the structure of cash-in-lieu payments being allocated to deferred comp or retirement health accounts. The issue was that the structure must comply with RVFD's IRS Section 125 cafeteria plan. We also noted that the MOU's may need to be modified in the future regarding this structure.

DISCUSSION:

Since March 2017, the RVFD negotiating team has been discussing alternative language with the represented groups. Attached are the side letters containing the agreed upon language which complies with IRS Section 125 regulations. The primary revision is that RVFD contribution for cash-in-lieu payments was reduced from \$320 per month to \$270 per month. However, we agreed that the cash-in-lieu payment will be increased to \$320 per month if FLSA is amended or a final and binding federal court ruling is made which would allow cash-in-lieu payments to be excluded from the regular rate of pay. The increase would be effective the pay period after the Authority informs the Association in writing of its desire to no longer include cash-in-lieu payments in the regular rate of pay calculation. The recommended resolution also applies this change in the cash-in-lieu payments to the Administrative Assistant and Fire Inspector positions. The change would take effect the next pay period after Board approval.

AGENDA ITEM # 4
Date 6/14/17

RESOLUTION NO. 17-06

**A RESOLUTION OF THE BOARD OF THE ROSS VALLEY FIRE DEPARTMENT
APPROVING SIDE LETTERS WITH INTERNATIONAL ASSOCIATION OF
FIREFIGHTERS LOCAL 1775 AND ROSS VALLEY FIRE CHIEF OFFICERS
ASSOCIATION REGARDING CASH-IN-LIEU PAYMENTS**

Whereas, on March 8, 2017 the Ross Valley Fire Department ("RVFD") approved new Memoranda of Understanding (MOU's) with the Ross Valley Firefighter's Association ("RVFF") and the Ross Valley Fire Chief Officer's Association ("RVFCO"); and

Whereas, one outstanding issue in the MOU's was the language addressing cash-in-lieu payments; and

Whereas, since March 2017, the RVFD negotiating team has been discussing alternative language with RVFF and RVFCO regarding cash-in-lieu payments; and

Whereas, RVFD has reached agreement with RVFF and RVFCO regarding cash-in-payments; and

Whereas, these revisions will also apply to the Administrative Assistant and Fire Inspector positions.

NOW, THEREFORE, BE IT RESOLVED, that the Board of the Ross Valley Fire Department hereby approves the Side Letters as attached in Exhibit A and authorizes the Executive Officer and Fire Chief to do everything necessary and appropriate to execute and implement the Side Letters and to apply the revisions in cash-in-lieu payments to the Administrative Assistant and Fire Inspector positions.

The Foregoing Resolution was adopted at a special meeting of the Board of the Ross Valley Fire Department held on June 14, 2017, by the following vote, to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

Thomas McInerney, President

JoAnne Lewis, Administrative Assistant

SIDE LETTER TO MEMORANDUM OF UNDERSTANDING

Between

ROSS VALLEY FIRE DEPARTMENT

And

ROSS VALLEY FIRE CHIEF OFFICERS ASSOCIATION

The authorized representatives of the Parties have met and conferred pursuant to the "Side Letter RE: 'Cash In Lieu' Benefit" and present the following joint recommendation to the Ross Valley Fire Department Board of Directors for amendment of the existing Memorandum of Understanding (MOU):

Section 1. Section 13 (Health Benefits), Paragraph b (Cafeteria Plan) is amended to read in full as follows:

- b. **Cafeteria Plan:** The Authority will provide a benefit program whereby the Authority will make a fixed donation to each employee's account during each month for benefits, and the employee will be given the maximum amount of flexibility allowed by the various plans to apply the contribution to the benefit(s) he/she prefers. For the term of this contract, the amount of the cafeteria plan shall be an amount equal to the full family cost of Kaiser (PERS Kaiser Bay Area Plan), less the Minimum Employer Contribution (MEC) established by the PEMHCA. Cafeteria benefits may be used for health insurance, dental insurance, life insurance, disability insurance, and cash-in-lieu of medical payments to the employee. The cash-in-lieu payment, however, cannot exceed \$270 per month. Cash-in-lieu will be increased to \$320 per month if FLSA is amended or a final and binding federal court ruling is made which would allow cash-in-lieu payments to be excluded from the regular rate of pay. The increase would be effective the pay period after the Authority informs the Association in writing of its desire to no longer include cash-in-lieu payments in the regular rate of pay calculation.

Section 2. This amendment is effective _____, 2017. Except as expressly modified by this Side Letter, all provisions of the MOU shall remain in full force and effect. This Side Letter will expire with the term of the existing MOU, which currently has a designated ending date of June 30, 2019.

Ross Valley Fire Chief Officers Association
Name: _____

Ross Valley Fire Department
Garrett Toy

SIDE LETTER TO MEMORANDUM OF UNDERSTANDING

Between

ROSS VALLEY FIRE DEPARTMENT

And

INTERNATIONAL ASSOCIATION OF FIREFIGHTERS LOCAL 1775

The authorized representatives of the Parties have met and conferred pursuant to the "Side Letter RE: 'Cash In Lieu' Benefit" and present the following joint recommendation to the Ross Valley Fire Department Board of Directors for amendment of the existing Memorandum of Understanding (MOU):

Section 1. Section 13 (Health Benefits), Paragraph b (Cafeteria Plan) is amended to read in full as follows:

- b. **Cafeteria Plan:** The Authority will provide a benefit program whereby the Authority will make a fixed donation to each employee's account during each month for benefits, and the employee will be given the maximum amount of flexibility allowed by the various plans to apply the contribution to the benefit(s) he/she prefers. For the term of this contract, the amount of the cafeteria plan shall be an amount equal to the full family cost of Kaiser (PERS Kaiser Bay Area Plan), less the Minimum Employer Contribution (MEC) established by the PEMHCA. Cafeteria benefits may be used for health insurance, dental insurance, life insurance, disability insurance, and cash-in-lieu of medical payments to the employee. The cash-in-lieu payment, however, cannot exceed \$270 per month. Cash-in-lieu will be increased to \$320 per month if FLSA is amended or a final and binding federal court ruling is made which would allow cash-in-lieu payments to be excluded from the regular rate of pay. The increase would be effective the pay period after the Authority informs the Association in writing of its desire to no longer include cash-in-lieu payments in the regular rate of pay calculation.

Section 2. This amendment is effective _____, 2017. Except as expressly modified by this Side Letter, all provisions of the MOU shall remain in full force and effect. This Side Letter will expire with the term of the existing MOU, which currently has a designated ending date of June 30, 2019.

Association (Local 1775)
Name: _____

Ross Valley Fire Department
Garrett Toy