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Agenda Item No.

**COUNCIL COMMUNICATION**

Date: January 27, 2009

TO: Honorable Mayor and Members of the City Council

FROM: Joseph M. Tanner, City Manager *J. Tanner*  
 Sandy Salerno, Consultant/Negotiator *S. Salerno*  
 Craig Whittom, Assistant City Manager / Community Development *CW*

SUBJECT: CONSIDERATION OF RESOLUTION APPROVING SUPPLEMENTAL AGREEMENT BETWEEN CITY OF VALLEJO AND THE VALLEJO POLICE OFFICERS ASSOCIATION

**BACKGROUND & DISCUSSION**

On May 6, 2008 the City Council authorized the filing of a petition for protection under the provisions of chapter 9 of the U.S. Bankruptcy Code. A petition was filed on May 23, 2008. On June 17, 2008 the City filed a motion for approval of rejection of its collective bargaining agreements (CBAs) with each of the International Association of Firefighters (IAFF), Vallejo Police Officers Association (VPOA), International Brotherhood of Electrical Workers (IBEW) and Confidential Administrative, Managerial and Professional Association (CAMP). After eight days of hearings in July and August 2008, the Bankruptcy Court ruled on September 5, 2008 that the City was eligible for bankruptcy.

Under the protection of bankruptcy, the City adopted a FY 2008-09 budget that allowed for continued operations. On July 1, 2008 the City implemented a Pendency Plan (consistent with the adopted FY 2008-09 budget) that modified the terms of the CBAs. The principal change to the CBAs was that salaries were maintained at the levels in place as of the time of the bankruptcy filing (May 23, 2008). The salary increases called for in the CBAs to become effective July 1, 2008 were not implemented.

Subsequent to the September 5, 2008 eligibility ruling, three principal events related to the bankruptcy case and CBAs have occurred:

- 1) On September 18, 2008 IAFF, VPOA and IBEW appealed the ruling that the City was eligible for bankruptcy. This appeal is currently pending before the Bankruptcy Appellate Panel of the Ninth Circuit Court of Appeals, and will be argued on February 19, 2009.
- 2) A hearing was scheduled for the consideration of the City's motion for approval of rejection the City's four CBAs. The hearing is scheduled to begin on February 3, 2009.
- 3) City's labor negotiators resumed independent discussions with all four labor groups regarding modifications to the CBAs that would eliminate the need to reject the CBAs, and ideally lead to the dismissal of the bankruptcy case so long as agreements were reached with other significant creditors.

A proposed agreement has been reached with the VPOA as described in the following section. Members of the VPOA are scheduled to vote on the proposed agreement between January 23- 26, 2009 (after the distribution of this staff report. Staff will report on the results of that vote during the



presentation of this item to the City Council on January 27, 2009.

**Proposed Supplemental Agreement with VPOA**

Current CBAs for all bargaining units are effective through June 30, 2010. All of Vallejo's current CBAs are available via the City of Vallejo web-site (Human Resources Department > Benefit Web Links). Since July 1, 2008 the City has been operating pursuant to a Pendency Plan as discussed above.

Staff has negotiated a proposed supplemental agreement with VPOA (see Attachment C) with the following primary business terms:

Item	Description	Issues
1. Length of agreement	Extend Agreement two years (through June 30, 2012)	Provides additional continuity for City and police officers.
2. Minimum Staffing	Eliminate Minimum Staffing language in CBA that required minimum of 145 officers by May 2010	Provides flexibility to City to manage staffing level and reduce staffing as necessary.
3. Wages	<ul style="list-style-type: none"> <li>• 2008-09 – 0% (no change from Pendency Plan)</li> <li>• 2009-10 – 0%</li> <li>• 2010-11 – 7/1/10 increase based on Survey</li> <li>• 2011-12 – 7/1/11 increase based on Survey</li> <li>• Survey Description - Wages + Employer Paid Member Contribution ("retirement pickup")</li> <li>• Increase sufficient to move POA members to the Mean of the following seven 7 Cities               <ul style="list-style-type: none"> <li>a. Alameda</li> <li>b. Berkeley</li> <li>c. Daly City</li> <li>d. Hayward</li> <li>e. Oakland</li> <li>f. Richmond</li> <li>g. San Leandro</li> </ul> </li> <li>• Survey performed on October 1, 2010 to include all known wage increases effective 7/1</li> </ul>	Maintains Pendency Plan for FY 2008-09 and 2009-10 fiscal years and brings City Police officers to average in comparable cities.
4. Medical Benefits	1/1/10 – Capped at Kaiser Bay Area / Sacramento Area rate for each level (actives plus retirees)	Reduces City cost for employees and retiree health premiums by capping at Kaiser Bay Area / Sacramento Area.
5. Pre-Retirement Death Benefits	Pre-Retirement Optional Settlement 2W Death Benefit (GC 21548)	Provides improved survivor benefit at cost of 0.05 – 0.2% of salary.



Item	Description	Issues
6. Annual Leave	<ul style="list-style-type: none"> <li>Cap new employees at 3x annual accrual</li> <li>Cap current employees at 4x annual accrual</li> </ul>	Implements second tier cap on vacation leave (reducing cash out at retirement)
7. Rule of 2	Remove Sergeants from Rule of 2 vacation scheduling in MOU	Addresses scheduling issue in current agreement.
8. Sick Leave Cash out	<ul style="list-style-type: none"> <li>Existing banks stay as is</li> <li>Current Employees would have options to:               <ul style="list-style-type: none"> <li>Increase sick leave accrual from 10 to 15 hours per month with no cash out for any future hours at separation; or</li> <li>Leave accrual policy as is (10 hours per month) with cash out</li> </ul> </li> <li>New employees have higher accrual with no cash out</li> </ul>	Reduces long term sick leave cash payouts. Establishes second tier benefit for new hires.
9. Retiree Medical	<ul style="list-style-type: none"> <li>Retirees and current employees who retire from Vallejo and qualify under the Public Employees Medical and Hospital Care Act ("PEMHCA") will continue to receive the same PEMHCA contribution as active employees.</li> <li>For employees hired after January 1, 2009, any benefit in excess of the PEMHCA statutory minimum (currently \$101/month) will require ten (10) years of City of Vallejo service.</li> </ul>	Implements vesting for retiree medical for new employees
10. Longevity	<ul style="list-style-type: none"> <li>No change in levels or amount</li> <li>All employees (current and future) would require 8 years City of Vallejo service to be eligible for benefit</li> </ul>	Implements minimum City service threshold for benefit
11. Retired Annuitants	<ul style="list-style-type: none"> <li>Vallejo retirees allowed for use of short term backfill during active recruitment</li> <li>Not in bargaining unit</li> <li>Hire back up to 6 month term</li> </ul>	Provides management flexibility for short term hiring
12. Claims	<p>POA Members will be paid the following on account of their claims related to the reduction in payments due to the Pendency Plan:</p> <p>2012-13: \$333,333            2013-14: \$333,333            2014-15: \$333,333</p> <p>The claims amount will be a component of the total salary and benefits package negotiated by the parties or awarded in interest arbitration for each fiscal year in which a claim is paid.</p> <p>VPOA waives all other claims.</p>	Provides claim structure that does not require City cash payment.



Item	Description	Notes
	In the event the City breaches this agreement during the current bankruptcy case, the VPOA would be able to pursue original claims pursuant to the former CBA.	
13. Attorneys Fees	Under certain limiting conditions, City would pay VPOA's post ratification attorney fees in this bankruptcy case (i.e., if the City breaches the Supplemental Agreement).	Acknowledges City will not attempt to further modify Supplemental Agreement in current bankruptcy case.
14. Withdrawal of motion to reject CBAs / Withdrawal of Appeal	Upon VPOA ratification and City Council adoption: a. City would withdraw its motion to reject the VPOA CBA. b. VPOA would withdraw its appeal challenging the City's eligibility for bankruptcy protection.	Provides certainty as to the Supplemental Agreement and reduces City's legal costs in bankruptcy case.

Certain matters are important in considering the proposed modifications to the existing contract.

1. Police service to residents is arguably the most important service the City provides. It is the foundation to quality of life and future investment in the community.
2. The current demand nation-wide for police officers is very high, and many cities in the Bay Area are experiencing high vacancy levels. Staff currently estimates there are more than 150 police officer vacancies among Bay Area local and state agencies.
3. Vallejo has significantly fewer officers per capita than other cities with comparable work environments. For instance, according to the 2007 Uniform Crime report (the most recent available data), Vallejo had 1.24 officers per 1,000 citizens, while Richmond had 1.57 officers and Oakland had 1.82 officers. In addition, the police force has been reduced from approximately 145 officers in late 2007 to approximately 114 today. Vallejo officers have less officer support and more limited capital resources with which to conduct their job. In light of the City of Vallejo's continuing worsening revenue environment, staffing may well be further reduced in the future.
4. Without a compensation program that is comparable to that in other Bay Area cities, Vallejo will likely attract fewer and less qualified candidates, and may lose existing qualified officers to other municipalities. A scenario in which the City pays below market salary and benefits for police officers could expose the City to higher liability risk and diminished service

The proposed supplemental agreement with VPOA achieves the following objectives:

1. Reduces short and long-term costs relative to the current agreement.

The salary reductions achieve more than \$6 million in General Fund savings between July 1, 2008 and June 30, 2010 compared to the current CBA, based upon a workforce of 114 officers. The proposed supplemental agreement reduces salaries agreed to in the



current contract by more than 18 percent as of July 1, 2009.

2. Makes initial inroads to reducing the city's long-term liability for unfunded retiree health costs.

Instituting a cap on medical (to Kaiser Bay Area / Sacramento Area) for employees and retirees provides modest short-term and long-term savings. The City currently pays the premium on all plans including those more expensive than Kaiser Bay Area / Sacramento Area. Approximately 30 VPOA employees and 31 of the 131 VPOA retirees (as of November 2008) subscribe to plans more expensive than Kaiser Bay Area / Sacramento Area. As of January 1, 2010 the City will only pay for the premium equivalent to the cost of Kaiser Bay Area / Sacramento Area. If employees or retirees choose more expensive plans they will bear that cost.

3. Provides flexibility to reduce services in the likely event of worsening City revenue

Eliminating the minimum staffing provision provides management flexibility to reduce services as a result of reduced financial resources. The City's financial condition has continued to worsen in light of unprecedented regional, state and national economic uncertainty. The City Council will be reviewing the FY 2007-08 General Fund condition and preview preliminary estimates for FY 2009-10 on February 24, 2009. The elimination of the minimum staffing provision in the VPOA agreement (would have been effective May 2010) provides flexibility to reduce staffing if needed during the entire term of the agreement.

4. Ensures a competitive salary and compensation package that provides an opportunity to retain and recruit qualified police officers in a highly competitive market.

By June 30, 2010 it is likely the current salary and employer paid member contribution (e.g. pension payments) of Vallejo police officers will be below the mean of officers in cities with comparable work environments. Attachment C is the City's most recent updated salary and compensation survey. An adjustment to salary that brings Vallejo officers to the mean salary as of July 1, 2010 is very important to retaining existing officers and recruiting new officers in the event the City is in the position to recruit new officers in the future.

### RECOMMENDATION

Staff recommends that the City Council approve the supplemental agreement with VPOA.

### ENVIRONMENTAL REVIEW

This proposed action is not a project as defined by the California Environmental Quality Act (CEQA) pursuant to section 15378 (b)(4) of Title 14 of the California code of Regulations and is not subject to CEQA review.



**CITY COUNCIL AREAS OF FOCUS**

The proposed agreement supports *Area of Focus* 3.a. Improve Quality of Life – maintain current level of public safety services.

**PROPOSED ACTION**

City Council adopt a Resolution authorizing the City Manager to execute a Supplemental Labor Agreement with the Vallejo Police Officers Association (VPOA).

**DOCUMENTS ATTACHED**

Attachment A - Resolution authorizing the execution of VPOA Supplemental Agreement  
Attachment B – Supplemental Agreement  
Attachment C – FY 2008-09 Management Partners salary survey

**CONTACT:**

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ATTACHMENT A

RESOLUTION NO. \_\_\_\_\_ N.C.

**A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A  
SUPPLEMENTAL LABOR AGREEMENT WITH THE VALLEJO POLICE  
OFFICERS ASSOCIATION (VPOA) REGARDING SALARY, TERM, STAFFING  
AND OTHER TERMS OF THE AGREEMENT**

BE IT RESOLVED by the Council of the City of Vallejo as follows:

**WHEREAS**, representatives of the City and the Vallejo Police Officers Association ("VPOA") have met and conferred in good faith and have reached agreement on a Supplemental Labor Agreement between the City and VPOA.

**NOW, THEREFORE, BE IT RESOLVED** that the Council of the City of Vallejo hereby authorizes the City Manager to execute a Supplemental Labor Agreement, in substantially the same form as attached to the staff report, with the Vallejo Police Officers Association and further authorizes the City Manager or his designees to take any and all actions reasonably necessary to implement the Supplemental Labor Agreement.

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ATTACHMENT B

**SUPPLEMENTAL AGREEMENT  
BETWEEN  
THE CITY OF VALLEJO  
AND  
THE VALLEJO POLICE OFFICERS' ASSOCIATION**

This Supplemental Agreement ("Agreement") executed \_\_\_\_\_ is between and by the City of Vallejo ("City") and the Vallejo Police Officers' Association ("VPOA") for the purpose of modifying the Labor Agreement between the parties dated July 1, 2000 through June 30, 2005 and Supplemental Agreements dated March 25, 2003, July 15, 2003, June 15, 2004, and the Interim Agreements dated March 4, 2008, including any sideletters to these agreements (collectively the "Pre-existing Labor Agreement"). The new term of the agreement and supplementals shall be from July 1, 2000 through June 30, 2012. This document is intended to supersede any inconsistent provisions of the Pre-Existing Labor Agreement, and to supersede and modify, with respect to those represented by the VPOA, the City's unilaterally-adopted changes to compensation and benefits and Pre-existing Labor Agreement terms (together with any past, current, or future modifications to those changes, the "Pendency Plan") implemented during or in connection with its Chapter 9 bankruptcy case. For clarification and the avoidance of doubt, the provisions in Section V of the Pendency Plan providing for deferred payouts to retiring or separating employees with vacation and compensatory time and accrued vacation balances shall not apply to VPOA bargaining unit members who separate from employment after Adoption of this Agreement. All other terms and conditions in the Pre-existing Labor Agreement, including any supplemental agreements, whether or not listed above, and any side letters to the Pre-existing Labor Agreement or the supplemental agreements except the Pendency Plan shall remain in full force and effect unless modified by this Supplemental Agreement.

**The City and VPOA agree to amend the Pre-existing Labor Agreement as follows:**

1. **Eliminate minimum staffing.** Delete Recitals Section C.3.a – c in VPOA Supplemental Agreement July 2004, as well as the entire March 4, 2008 Final resolution of Staffing Grievance. The parties agree that there are no other references to minimum staffing in the Pre-existing Labor Agreement.
2. **Remove Sergeants from Rule of 2 vacation scheduling.** Delete and Replace Section 7.E.Vacation Selection with the following:
  - E. Vacation Selection
    1. All employees shall annually select first and second vacation leave periods (including annual leave in lieu of holidays) during the months of November and December of each year on the basis of classification seniority and rank order within assignments.
    2. The Chief of Police shall, during November of each year, designate the maximum number of employees, outside of the Patrol Division, who may be



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on vacation at any one time for each organizational unit, or specialized activity for the following calendar year.

3. The selection of first and second vacation periods may not be divided into segments of less than forty (40) or more than one hundred sixty (160) hours without the consent of the Chief of Police.
4. One Patrol Division Sergeant or Lieutenant per watch shall be on regular assigned duty at all times.
5. One Lieutenant or Sergeant per squad can be off on vacation at one time. In cases where a sergeant's work hours overlap with more than one lieutenant, that sergeant will be grouped with the lieutenant with the most overlapping hours.
6. For the Patrol Division, two corporals or officers per squad shall be allowed off on vacation at anytime. Squad supervisors may deviate from this provision in allowing additional personnel off in accordance with procedures established by the Chief of Police.

Delete E 7 thru 10.

3. **Salaries:** Delete and Replace Section 8.A - M: SALARIES with the following:
  - A. Effective July 1, 2008, wages for members of the bargaining unit shall remain at the level established by the Pendency Plan (effective July 1, 2008) (as set forth in Appendix A – Salary Schedule).
  - B. Effective July 1, 2009, wages for members of the bargaining unit shall remain the same as of July 1, 2008(as set forth in Appendix A – Salary Schedule).
  - C. Effective July 1, 2010, wages for members of the bargaining unit shall be modified by the amount necessary to bring the salary for the Vallejo Police Officer classification to the average salary of employees in the classification of Police Officer in the seven (7) cities listed in subsection E.2 below. The same percentage increase will be applied to all members of the bargaining unit. In no event will the survey result in a reduction in salaries for VPOA bargaining unit members.
  - D. Effective July 1, 2011, wages for members of the bargaining unit shall be modified by the amount necessary to bring Vallejo Police Officers to the average of salary of Police Officers in the seven (7) cities listed in subsection E.2 below. The same percentage increase will be applied to all members of the bargaining unit. In no event will the survey result in a reduction in salaries for VPOA bargaining unit members.

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### E. Survey Methodology

1. For comparison purposes "salaries" will include only top step base salary (not including longevity steps) and employer paid member contributions to PERS ("EPMC") for the Police Officer classification.
2. The seven (7) survey cities are:
  - Alameda
  - Berkeley
  - Daly City
  - Hayward
  - Oakland
  - Richmond
  - San Leandro
3. The use of the above seven (7) cities shall be for the purpose of salary comparisons only. The survey shall be performed on October 1, of the appropriate year and will include all known wage increases effective the first full pay period of July of that year (e.g., the 2010 survey shall include any scheduled increases effective the first full pay period of July, 2010 and known as of October 1, 2010). Any changes will be retroactive to July 1.

F. The Corporal classification shall receive salary at seven percent (7%) above the top step police officer classification. It is further understood and agreed that while first-line supervision for sworn officers is provided by Police Sergeants, Police Corporals may be assigned to directly supervise and evaluate small work groups composed of non sworn staff members. Nothing in this agreement is intended to diminish the role of Police Sergeants in the Police Department's organizational structure.

G. All bargaining unit employees shall have the option to enroll in the deferred compensation plan which is available through the City.

### H. Longevity Pay

1. The City shall compensate bargaining unit members who have at least eight (8) years of police service with the City of Vallejo and a total of twenty (20) or more years and less than twenty-five (25) years of police service, as defined in California Penal Code sections 830.1 and 830.2(a) (as the sections existed on July 1, 2003) an amount equal to five per cent (5%) above their base salary.

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2. The City shall compensate bargaining unit members who have at least eight (8) years of police service with the City of Vallejo and a total of twenty-five (25) or more years of police service, as defined in California Penal Code sections 830.1 and 830.2(a) (as the sections existed on July 1, 2003) an amount equal to ten per cent (10%) above their base salary.

At no time shall such benefit be more than ten per cent (10%). Longevity pay shall be included in the calculation of vacation and sick leave pay for eligible bargaining unit members.

#### 4. **Cap on Annual Leave Accruals.** Delete and Replace Section 19.C: ANNUAL LEAVE

- C. The annual leave accruals will be capped at the following levels:

1. Employees hired before February 1, 2009, are eligible to accumulate annual leave up to the amount which can be accumulated in four (4) years.
2. Employees hired on or after February 1, 2009, are eligible to accumulate annual leave up to the amount which can be accumulated in three (3) years.

#### 5. **Sick Leave Cashout.** Delete and Replace Section 20.A: SICK LEAVE

##### A. Sick Leave Accrual

1. Upon satisfactory completion of six (6) months of full-time service by any regular employee hired on or after February 1, 2009, his/her record shall be credited with ninety (90) hours sick leave. Thereafter, the employee shall be credited with fifteen (15) additional hours sick leave for each additional full month of employment up to a maximum of one hundred-eighty (180) hours in each consecutive twelve month period. Employees hired on or after February 1, 2009 cannot participate in the Sick Leave Buy-Back provision described in C, below. All accumulated sick leave shall apply towards retirement service credit pursuant to subsection E, below.
2. Employees hired before February 1, 2009 shall be credited with ten (10) hours sick leave for each additional full month of employment to a maximum of one hundred-twenty (120) hours in each consecutive twelve (12) month period, unless they make an election pursuant to subsection (a) below.

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- a. An employee hired before February 1, 2009 may choose from the following two (2) options.
  - i. Maintain existing sick leave accrual/cash out policy as it existed prior to this supplemental agreement (i.e., 10 hours accrual per month with option to cash out per C below); or
  - ii. Freeze his/her existing bank subject to the cash out policy existing prior to this supplemental agreement and increase sick leave accrual from ten (10) hours to fifteen (15) hours sick leave for each additional full month of employment.
    - a. Upon selection of this option any sick leave used will be deducted from the new accrual bank. If there are not sufficient hours in the new bank the frozen bank will have the hours deducted from it.
    - b. If an employee chooses to increase sick leave credit from ten (10) hours to fifteen (15) hours, the employee cannot utilize any hours earned after exercising this option to participate in the Sick Leave Buy-Back provision in C, below. Any hours earned prior to exercising the option remain eligible for the Sick Leave Buy-Back. All non-cashed out sick leave hours (whether accumulated before or after exercising the option) may be applied towards retirement service credit pursuant to subsection E, below. **[Note: Subsection E is part of the Pre-existing Labor Agreement and is not reproduced herein.]**
- b. An employee hired before February 1, 2009 may elect to freeze his or her existing sick leave bank and increase his or her sick leave accrual pursuant to Section a, above during the period between February 1 and February 14, inclusive, each year ("election period"). The election shall be made on a form provided by the Department of Human Resources and shall be submitted to the Department of Human Resources during the Department's regular business hours during the election period. The election will become effective the first full pay period after March 1 of that year. An election made pursuant to this section shall be non-revocable and all future sick leave hours earned will be subject to the restrictions in subsection a.ii, above.

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- B. Whenever an employee is granted and takes sick leave, the number of hours which occur during said leave based on the employee's scheduled work day shall be subtracted from accumulated sick leave benefits. Any member of the bargaining unit assigned to work a shift in excess of 10 hours, who is off sick for an entire work day, shall have only 10 hours deducted from his/her sick leave balance. The Intent of this provision is to ensure that each employee receives a full 12 or 18 sick days per year.

**6. Cap City Contribution to Employee and Retiree Medical at the Kaiser Bay Area / Sacramento Area Rate. Effective January 1, 2010.**

Delete and replace sections 22 A 1 thru 22 A 2

A. Health Insurance

1. The City shall provide to all eligible employees, retiree-annuitants, and dependents, the PERS Health Benefits Program subject to the following restrictions.
2. Effective January 1, 2010 and there after, the City's direct PEMHCA contribution of medical premiums for employees and eligible dependents shall be the full premium cost of the chosen medical plan offered through PERS Health Plan Services Division, not to exceed the Kaiser Bay Area / Sacramento Area rate for each level of participation – single, single plus one dependent, single plus two or more dependents. For example, if the Kaiser family rate is \$1000/month and an employee with family coverage chooses a plan costing \$1500/month, the City will pay \$1,000 (the Kaiser premium) and the employee will pay \$500 (the difference between the selected plan and the Kaiser premium) each month.
3. For employees hired on or before February 1, 2009, the City will contribute the same amount towards eligible retiree-annuitants' PEMHCA medical premiums as it contributes towards the PEMHCA medical premiums for current VPOA bargaining unit employees. For example, if the City's direct PEMHCA contribution is capped at the Kaiser Bay Area / Sacramento Area rate for each level of participation, the City will pay up to that same amount for eligible retirees at each level of participation.
4. With respect to retiree-annuitants hired on or after February 1, 2009, any benefit in excess of the PEMHCA statutory minimum will require ten (10) years of City of Vallejo service. Any employee hired before such date shall not be subject to the vesting requirement. This vesting requirement shall not apply to any employee who is granted a disability retirement. The benefit once

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vested will be the same as for retiree-annuitants hired before February 1, 2009 (i.e., the same as the amount of the City's PEMHCA contribution for current VPOA bargaining unit employees).

**7. Pre-Retirement Optional Settlement 2W Death Benefit (GC 21548). Add Section 27.G: RETIREMENT PLAN**

**G. Pre-Retirement Death Benefit**

Effective as soon as practical the City shall amend its contract with PERS to include the Pre-Retirement Optional Settlement 2-W Death Benefit set forth in Government Code Section 21548, for bargaining unit employees.

**8. Term. Delete and Replace Section 48.A: TERM OF AGREEMENT**

A. This Supplemental Agreement shall become effective at 12:01 a.m. February 1, 2009. This Agreement shall remain in full force and effect through June 30, 2012, and from year-to-year thereafter, unless either part shall have given written notice to the other of its desire to amend or terminate the Agreement not less than six (6) months prior to June 30, 2012, or any subsequent anniversary date of the Agreement. The parties may at any time mutually consent to extend this agreement for a specific period. Upon giving the notices provided herein, the parties shall meet, collectively negotiate and attempt to resolve differences concerning proposed amendments and changes submitted by either of them. Should the parties fail to agree upon said requested amendments and changes, then the matter shall be determined in accordance with the City Charter. There shall be no strikes, lockouts or stoppages of work during the life of this Agreement.

**9. Use of Retired Annuitants. Add Section 49: ANNUITANTS**

The City may hire retiree-annuitants who have retired as police officers (including all ranks in the Police Department) from the City of Vallejo to perform work currently performed by bargaining unit members for a term not to exceeding six (6) months. Retiree-annuitants may be used only to fill an existing vacancy until a regular officer can be hired (or for other assignments by mutual agreement of the parties). The Annuitant shall not work in any type of supervisory capacity, or specialized assignment. The Annuitant can only be assigned to a Patrol Squad after that assignment has been offered to all current members of the bargaining unit. These retiree-annuitants are not members of the bargaining unit represented by VPOA and are not eligible for or subject to the terms and conditions contained herein, or other benefits offered by the VPOA. Annuitants will not be paid more than the top step police officer salary.

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10. **Payment in Lieu of Bankruptcy Claim; Agreement on Allowance, Voting and Satisfaction of Bankruptcy Claims.** Add Section 50: PAYMENT IN LIEU OF BANKRUPTCY CLAIM AND MEANS OF SATISFYING CLAIMS UNDER CHAPTER 9 BANKRUPTCY
- A. The City shall pay to the VPOA for the benefit of its members \$333,333 on July 1, 2012; \$333,333 on July 1, 2013; and \$333,334 on July 1, 2014 (the "Required Payments") whether or not the City's Chapter 9 bankruptcy is dismissed or results in a confirmed plan of arrangement, all in compensation for the modification of VPOA salaries hereunder and under the Pendency Plan prior to the adoption of this Agreement.
  - B. VPOA contends that its members would have claims in the City's bankruptcy case on account of the City's imposition of the Pendency Plan, or the changes under this Agreement from the Pre-existing Labor Agreement (collectively, "Contract Modification Claims"). While the City agrees that VPOA members would have certain Contract Modification Claims, the parties agree that it is unnecessary to attempt to quantify them in light of this Agreement. In the event the Contract Modification Claims must be calculated and allowed, such determination shall be made by the Bankruptcy Court.
  - C. Subject to Paragraph D below, the Contract Modification Claims shall be satisfied in full by payment of the Required Payments regardless of whether a plan of arrangement calls for different or additional payment of the claims or otherwise similar claims, and that the City may satisfy its obligation to pay the Contract Modification Claims by paying the Required Payments in compliance with Section A above.
  - D. Notwithstanding Paragraph C, in the event that the City files a second bankruptcy case prior to June 30, 2012, or further modifies this Agreement during its current bankruptcy case or imposes any changes to this Agreement or to terms and conditions of employment for members of the VPOA bargaining unit under its plan of arrangement, then any and all claims of the VPOA and all bargaining unit members arising during fiscal years 2008/09 and 2009/10 shall be calculated based on the terms of the 2000-2010 POA MOU as constituted by the Pre-existing Labor Agreement.

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- E. By way of clarification and to avoid doubt, the Contract Modification Claims that are to be satisfied as provided in sections A, B, and C above do not include (1) any claims arising from future modifications of the Pendency Plan after signing this Agreement but prior to the effective date of this Agreement after ratification by the members of the VPOA and adoption by the City Council; (2) claims of particular injury to any member represented by the VPOA (including, without limitation, workers' compensation claims for injury or wrongful termination) not caused by the modification of the Pre-existing Labor Agreement by the Pendency Plan or this Agreement. Any such excluded claims are retained by the affected members and are not satisfied by the Required Payments.
- F. In connection with any extension or renegotiation of this Agreement for 2012-13, 2013-14, and 2014-15, the Required Payment amounts paid in those respective years (unless then modified or waived under such a subsequent agreement) shall be considered part of the total value of the salary and benefits package in those fiscal years during which the payments are made, by the parties and by the mediator or arbitrator when future contract terms are determined by bargaining or after impasse.
- G. The City warrants that in its bankruptcy case it will not seek to unilaterally impose any further changes in terms or conditions of employment within the scope of bargaining on the VPOA or its bargaining unit members. In the event that the City makes such unilateral changes in terms or conditions of employment within the scope of bargaining, any claims associated with those changes will be treated and allowed as administrative claims in the bankruptcy case and in any plan of adjustment proposed by the City, and the City agrees in advance that the automatic stay does not apply to prevent the VPOA or the members of its bargaining unit to bring a resulting grievance and have that grievance determined in accordance with this Agreement.
- H. This agreement shall not be affected by the length of the City's pending bankruptcy case or by any negotiations or agreements between the City and its other creditors, including other employee organizations and their members. Nor shall this agreement be affected by any plan of adjustment proposed by the City, no matter what the treatment of other creditors in such plan.
- I. The City agrees that VPOA has standing to object to any plan of adjustment to the extent such plan of adjustment is inconsistent with any provision of this Agreement. The City further agrees to promptly communicate with VPOA with respect to its negotiations with other creditors concerning any plan of adjustment; provided, however, that such agreement does not supersede confidentiality provisions reasonably imposed by the City or the other parties to such negotiations.



VPOA SUPPLEMENTAL AGREEMENT JANUARY 2009

- J. In the event that this Agreement has been approved by the City Council and ratified by VPOA prior to the hearing on the City's motion for approval of the rejection of the VPOA collective bargaining agreement, the City will withdraw such motion. Upon approval of this agreement by the City Council and ratification by VPOA, VPOA will withdraw as a party from its pending appeal from the order for relief.
11. **Ratification Date.** This Agreement shall be binding upon its approval by the City Council and ratification by the VPOA members (the "Ratification Date".)
12. **Attorneys Fees.** From and after the Ratification Date, the City shall reimburse VPOA for all of VPOA's post-Ratification Date reasonable attorney fees and costs actually incurred in the current bankruptcy case on account of or in connection with (a) protecting and defending this Agreement and the benefits it provides against any challenges (other than any challenge by the IBEW or IAFF or those unions' current or former members); and (b) protecting the reasonable interests and the interests of its members to receive all the compensation and benefits to which they are entitled under this Agreement. The foregoing includes without limitation, reasonable fees and costs incurred in connection with (i) the City's breach of this Agreement; and (ii) the objection to any plan of adjustment on the ground that such plan is inconsistent with this agreement; *provided, however,* that with respect to subpart (i) only, should the bankruptcy court determine that the City has not breached this Agreement, then the City is under no obligation to pay such attorney fees and costs; and *provided further* that with respect to subpart (ii) only, the City is under no obligation to pay for such attorney fees and costs should the bankruptcy court determine that the plan is consistent with this agreement. For clarification and the avoidance of doubt, because after the Ratification Date the VPOA will be withdrawing as an appellant in the existing appeal and the City will withdraw its motion to reject the Pre-existing Labor Agreement, the City shall not pay the VPOA's attorneys' fees in connection with (A) pursuing the appeal, or (B) opposing the motion to reject the Pre-existing Labor Agreement after the City withdraws that motion.
13. **Development of Final Agreement.** The parties further agree that the MOU and supplemental agreements need to be combined into a single comprehensive agreement and that that agreement will need to be updated and consolidated into a single document. By September 1, 2009 the parties will attempt to develop a single document covering the time period from July 1, 2008 through June 30, 2012.

IN WITNESS WHEREOF, the parties hereto acting by, and through their duly authorized representatives, have executed this Supplemental Agreement this \_\_\_\_ day of January, 2009.

VPOA SUPPLEMENTAL AGREEMENT JANUARY 2009

FOR THE CITY OF VALLEJO:

FOR VPOA:

\_\_\_\_\_  
JOSEPH TANNER  
City Manager

\_\_\_\_\_  
STEVE GORDON  
President – VPOA

\_\_\_\_\_  
MATHEW MUSTARD  
Vice-President – VPOA

APPROVED AS TO FORM:

\_\_\_\_\_  
FRED SOLEY  
City Attorney

ATTEST

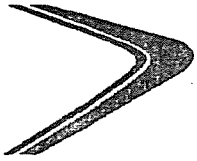
\_\_\_\_\_  
MARY ELLSWORTH  
City Clerk

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ATTACHMENT C



**MANAGEMENT PARTNERS**  
I N C O R P O R A T E D

To: Mr Craig Whittom, Assistant City Manager  
Mr. Rob Stout, Finance Director

From: Andrew Belknap, Senior Vice President, Management Partners

Subject: Updated Salary and Compensation Survey Findings for Police and Fire  
Services

Date: October 7, 2008

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At your request, Management Partners has completed an update to the survey of public safety salaries and benefits completed in May, 2008. As with the earlier report, the findings are intended to inform the ongoing negotiations between City administration and public safety unions with the goal of reaching an agreement between the parties.

***Methodology***

Upon determining the comparison agencies (below), Management Partners gathered the information available on each agency's web site and through email and phone conversations. This information typically included memorandums of understanding (MOUs), salary schedules, and benefits summaries. In cases where there was little or no readily available information via the internet, we contacted the Human Resources or Personnel Department to request the information. The information gathered for this study reflects each agency's current fiscal year (2008-2009) and the salary and benefit levels that each agency currently offers its public safety employees.

The information collected for each position included the following:

- Salary range
- Public Employee Retirement Benefit (PERS) benefit (e.g. 3% @ 50)
- Employee PERS obligation paid by the agency
- Longevity pay
- Annual vacation allotment for those with 10 years of service
- Annual sick leave allotment
- Maximum health plan benefit
- Maximum post-retirement health benefits
- Conversion of unused sick leave to cash or service credit

After compiling the above information, we asked each agency represented in the survey to review the information for accuracy.

**Labor Market Area**

The primary criteria for establishing the labor market was to consider the cities that lie within a 30-mile radius of Vallejo. This distance is expressed in the Fire Union MOU as the maximum distance from the City that Fire personnel may live in order to respond to disasters or other

emergencies and is a typical requirement for that profession's personnel. Additionally, a roster of City employees revealed that a large majority live within this 30-mile radius. Research by the Association of Bay Area Governments indicates that the average one-way commute distance to work in the Bay Area is approximately 15 miles, well within this 30-mile radius. For Solano County the average one-way commute distance was somewhat higher – approximately 21 miles – but still well within the 30-mile radius. These facts support establishing the 30-mile radius as a logical study boundary and are not intended to suggest that all public safety services draw from an identical labor market area.

For purposes of this analysis, the labor market area consists of the following:

- All cities within a 30-mile radius of Vallejo having populations of between roughly half Vallejo's population (i.e. 58,000) and 500,000.
- Cities in which 10 or more Vallejo employees reside. This accounts for the addition of Benicia to the list of the labor market cities.
- Of the cities in which employees reside, Dixon and Suisun City were eliminated from the survey as these cities were not considered comparable with Vallejo because they are more clearly associated with the Central Valley labor market than the Northern Bay Area market.

Table 1 shows the labor market cities.

**TABLE 1: VALLEJO LABOR MARKET CITIES FOR POLICE AND FIRE**

Agency	Population	Distance to 94590 (miles)
Alameda	75,823	23.58
Antioch	100,361	25.07
Benicia	27,978	5.22
Berkeley	106,697	13.80
Concord	123,776	13.59
Daly City	106,361	29.69
Fairfield	105,753	17.92
Napa	77,106	13.05
Oakland	420,183	18.61
Pittsburg	63,652	19.27
Richmond	103,577	12.01
San Leandro	81,851	27.00
San Rafael	58,235	16.64
Vacaville	96,905	22.91
Vallejo	121,097	0
Walnut Creek	65,306	17.44

Population Source: California Department of Finance E1 Table January 1, 2008

Distance Source: [www.zip-codes.com/zip-code-radius-finder.asp](http://www.zip-codes.com/zip-code-radius-finder.asp)

All cities noted in Table 1 maintain a police department. For fire services, cities shown in Table 1 either maintain their own fire departments or they engage the services of another nearby fire authority. Of the cities in Table 1, San Leandro contracts with the Alameda County



Fire Department (ACFD); the cities of Antioch, Concord, Pittsburg, and Walnut Creek contract with the Contra Costa County Fire Protection District (CCCFPD); and Daly City administers the North County Fire Authority (NCFA), which serves Daly City, Brisbane, and Pacifica.

In addition to the labor market shown above, we chose to include the California Highway Patrol (CHP). CHP provides many services similar to a city police department and has a presence throughout the local area. This study does not include CalFire, which generally covers rural and exurban areas and not urban areas like Vallejo.

### **Use of Median Salary**

This study uses the calculation of median salary when comparing an agency to the overall findings. The median is a measure of central tendency. The median is established by sorting a data set from lowest to highest values and taking the point in the middle of the series. If there is an even number of data points in the set the median is calculated by taking the mean of the two middle points. Unlike the mean or average calculation, the median is not influenced by outliers or extremes in a data set. A median is often used when there may be a few extreme values which can skew the mean calculation in attempting to measure or define a typical value for a set of data. For this reason the median is commonly used when trying to establish typical home prices or incomes. By using the median, the study is able to reflect the "typical" pay of the labor market.

This study calculated the median salary using the labor market agencies' reported figures. Vallejo's salaries are not included in the median calculation so that Vallejo is not comparing against itself when looking at the market results.

### **Salary Levels**

The information gathered in this study is based on a snapshot of the current compensation levels. The agencies represented are in various stages of contract negotiations and compensation adjustments; each agency's information presents the compensation figures for September 1, 2008. This survey expresses salaries as base pay and does not include extra allotments provided for educational credit, bilingual status, special assignments or other potential extra pay.

This survey evaluates comparison jurisdiction compensation against several Vallejo benchmarks. The City defines these benchmarks as follows:

"Vallejo 07/08" reports salaries paid to public safety employees during the period from July 1, 2007 through February 29, 2008. These rates represent a 8.5% increase from the rates paid during the prior fiscal year. Because the public safety labor contracts provide for retroactive salary adjustments during the year for subsequent increases granted by other cities in its benchmark formula, the ultimate contractual rate due to employees for FY 07-08 (July 1, 2007 to June 30, 2008) was determined to have been 1.7% higher, for a total FY 07-08 increase on July 1, 2007 of 10.2%. This 1.7% salary increment was waived by the employee unions through June 30, 2008, as further described below, and not paid, but remained in the base salary to be used for computation of contractual salary rates commencing July 1, 2008.

"Vallejo EAP" refers to salaries negotiated under an emergency action plan (EAP). Specifically, on March 3, 2008, the Vallejo City Council approved supplemental agreements between the



City and the employee bargaining units. To assist the City with fiscal issues, the employee unions agreed to an emergency action plan (EAP), which rolled back 6.5% of the 8.5% salary increase granted on July 1, 2007, with a net remaining increase of 2%. These EAP salary rates continue to be in effect as of the survey date, and have been incorporated into the City's FY 08-09 budget and its operating plan during the pendency of its bankruptcy case.

"Vallejo 08/09" reports the salary rates that would have been in effect under the collective bargaining agreements commencing July 1, 2008. These rates have not been implemented. The rates compound the 10.2% contractual rate increase due for FY 07/08 with an additional 4.42% (preliminary) increase due for FY 08/09. The rate for FY 08-09 is based upon the status of the 13 of the 14 cities that have acted in the labor contract's benchmark formula.

**Public Safety Positions Considered**

This review considers the public safety positions shown in Table 2.

TABLE 2: SURVEYED PUBLIC SAFETY POSITIONS

Department	Position
Fire	Fire Fighter
	Fire Captain
	Battalion Chief
Police	Police Officer
	Police Sergeant
	Police Lieutenant

Note that in the case of Vallejo, this study uses the Assistant Fire Chief position to compare to the labor market's Battalion Chief position. This comparison was made at the request of City of Vallejo staff and was included because the position works the 56 hour schedule typical of Battalion Chiefs and shares the same shift commander duties.

**Fire Agency Comparisons**

**Position Salaries**

Tables 3, 4, and 5 show the monthly salary findings for Firefighter, Fire Captain, and Battalion Chief positions. Each table accounts Vallejo's salary levels for the Fiscal Year 07-08, Fiscal Year 08-09, and the revised EAP salary as of March 1, 2008. Figures 1, 2, and 3 express the salaries in chart form by descending rate of monthly salary. Adjusted salary figures take into account the amount of employee PERS contribution that is paid by the employer, which effectively raises the overall salary value.

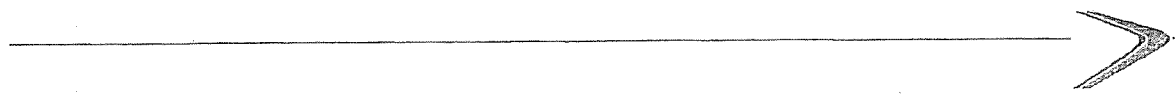


TABLE 3: FIREFIGHTER MONTHLY SALARIES

Agency	Monthly Salary Range	Additional PERS	Adjusted Monthly Salary Range
ACFD	\$6,293 - \$7,653	0%	\$6,293 - \$7,653
Alameda	\$5,278 - \$7,677	0%	\$5,278 - \$7,677
Benicia	\$5,909 - \$7,182	0%	\$5,909 - \$7,182
Berkeley	\$6,484 - \$8,169	0%	\$6,484 - \$8,169
CCCFPD	\$5,939 - \$7,219	0%	\$5,939 - \$7,219
Fairfield	\$5,858 - \$7,120	9%	\$6,385 - \$7,761
Napa	\$6,205 - \$7,797	0%	\$6,205 - \$7,797
NCFA	\$6,167 - \$7,507	0%	\$6,167 - \$7,507
Oakland	\$6,396 - \$8,416	0%	\$6,396 - \$8,416
Richmond	\$5,811 - \$7,982	0%	\$5,811 - \$7,982
San Rafael	\$5,645 - \$6,862	0%	\$5,645 - \$6,862
Vacaville	\$6,306 - \$7,665	0%	\$6,306 - \$7,665
Median	\$6,053 - \$7,659		\$6,186 - \$7,671
Vallejo EAP	\$6,315 - \$7,675	0%	\$6,315 - \$7,675
Vallejo 07/08	\$6,717 - \$8,165	0%	\$6,717 - \$8,165
Vallejo 08/09	\$7,124 - \$8,659	0%	\$7,124 - \$8,659

FIGURE 1: MONTHLY FIREFIGHTER SALARY RANGE (ADJUSTED FOR ADDITIONAL PERS CONTRIBUTIONS)

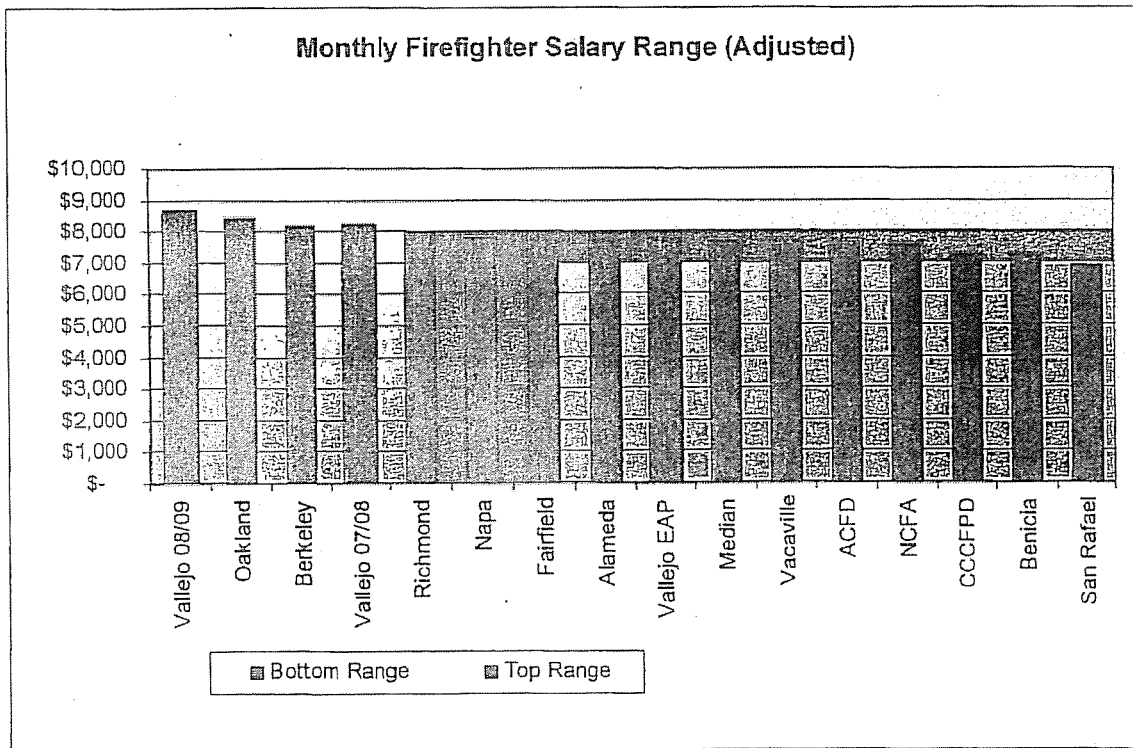
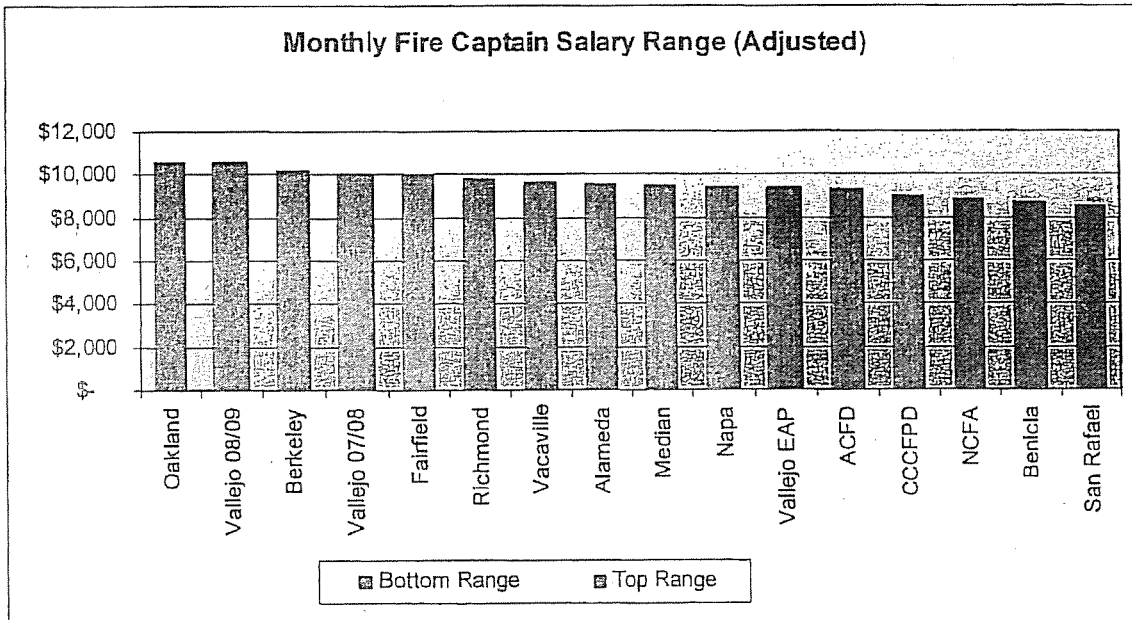




TABLE 4: FIRE CAPTAIN MONTHLY SALARIES

Agency:	Monthly Salary Range	Additional PERS	Adjusted Monthly Salary Range
ACFD	\$7,643 - \$9,300	0%	\$7,643 - \$9,300
Alameda	\$8,935 - \$9,523	0%	\$8,935 - \$9,523
Benicia	\$7,149 - \$8,690	0%	\$7,149 - \$8,690
Berkeley	\$9,546 - \$10,188	0%	\$9,546 - \$10,188
CCCFPD	\$7,377 - \$8,967	0%	\$7,377 - \$8,967
Fairfield	\$7,499 - \$9,115	9%	\$8,174 - \$9,935
Napa	\$7,504 - \$9,434	0%	\$7,504 - \$9,434
NCFA	\$7,297 - \$8,870	0%	\$7,297 - \$8,870
Oakland <sup>1</sup>	\$10,599 - \$10,599	0%	\$10,599 - \$10,599
Richmond	\$7,816 - \$9,773	0%	\$7,816 - \$9,773
San Rafael	\$7,713 - \$8,504	0%	\$7,713 - \$8,504
Vacaville <sup>2</sup>	\$9,644 - \$9,644	0%	\$9,644 - \$9,644
Median	\$7,678 - \$9,367		\$7,765 - \$9,478
Vallejo EAP	\$7,685 - \$9,342	0%	\$7,685 - \$9,342
Vallejo 07/08	\$8,175 - \$9,937	0%	\$8,175 - \$9,937
Vallejo 08/09	\$8,670 - \$10,539	0%	\$8,670 - \$10,539

FIGURE 2: MONTHLY FIRE CAPTAIN SALARY RANGE (ADJUSTED FOR ADDITIONAL PERS CONTRIBUTIONS)



<sup>1</sup> Oakland reports a single salary (no range) for Fire Captain.

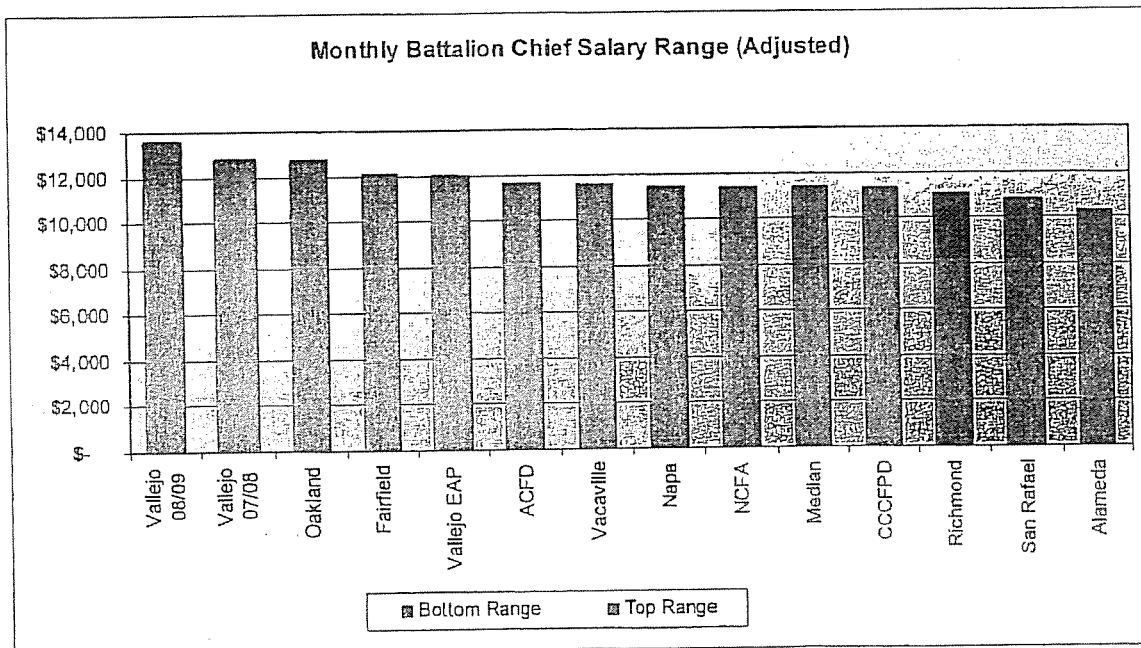
<sup>2</sup> Vacaville reports a single salary (no range) for Fire Captain.



TABLE 5: BATTALION CHIEF MONTHLY SALARIES<sup>3</sup>

Agency	Monthly Salary Range	Additional PERS	Adjusted Monthly Salary Range
ACFD	\$9,572 - \$11,656	0%	\$9,572 - \$11,656
Alameda	\$10,292 - \$10,292	0%	\$10,292 - \$10,292
Benicia	n/a	0%	n/a
Berkeley	n/a	0%	n/a
CCCFPD	\$10,274 - \$11,327	0%	\$10,274 - \$11,327
Fairfield	\$9,136 - \$11,105	9%	\$9,958 - \$12,104
Napa	\$9,471 - \$11,447	0%	\$9,471 - \$11,447
NCFA	\$9,338 - \$11,351	0%	\$9,338 - \$11,351
Oakland <sup>4</sup>	\$12,748 - \$12,748	0%	\$12,748 - \$12,748
Richmond	\$9,163 - \$11,039	0%	\$9,163 - \$11,039
San Rafael	\$9,344 - \$10,825	0%	\$9,344 - \$10,825
Vacaville	\$9,552 - \$11,612	0%	\$9,552 - \$11,612
Median	\$9,512 - \$11,339		\$9,562 - \$11,399
Vallejo EAP	\$9,868 - \$11,995	0%	\$9,868 - \$11,995
Vallejo 07/08	\$10,497 - \$12,759	0%	\$10,497 - \$12,759
Vallejo 08/09	\$11,132 - \$13,532	0%	\$11,132 - \$13,532

FIGURE 3: MONTHLY BATTALION CHIEF SALARY RANGE (ADJUSTED FOR ADDITIONAL PERS CONTRIBUTIONS)



<sup>3</sup> As noted, this study uses Vallejo's Assistant Fire Chief position for this comparison.

<sup>4</sup> Oakland reports a single salary (no range) for Battalion Chief.



Table 6 shows Vallejo's fire position salary ranges in comparison to the median of surveyed cities.

**TABLE 6: VALLEJO FIRE DEPARTMENT SALARY COMPARISON TO THE MEDIAN<sup>5</sup>**

Salary Range	Fire Fighter	Fire Captain	Battalion Chief
Median	\$6,186 - \$7,671	\$7,765 - \$9,478	\$9,562 - \$11,399
Vallejo EAP	\$6,315 - \$7,675	\$7,685 - \$9,342	\$9,868 - \$11,995
% above/below Median	2.1% - 0.05%	(1.0%) - (1.4%)	3.2% - 5.2%
Vallejo FY 07-08	\$6,717 - \$8,165	\$8,175 - \$9,937	\$10,497 - \$12,759
% above/below Median	8.6% - 6.4%	5.3% - 4.8%	9.8% - 11.9%
Vallejo FY 08-09	\$7,124 - \$8,659	\$8,670 - \$10,539	\$11,132 - \$13,532
% above/below Median	15.2% - 12.9%	11.7% - 11.2%	16.4% - 18.7%

**Fire Union Benefits**

Table 7 below shows an array of additional compensation in the form of benefits offered to local fire union positions.

**TABLE 7: ADDITIONAL FIRE UNION BENEFITS**

Agency	PERS	Longevity Pay	Vacation at 10 Years Service	Annual Sick Leave	Post Retirement Health
ACFD	3% @ 50	no	10 shifts	7.5 shifts	yes
Alameda	3% @ 50	no	9 shifts	6.8 shifts	yes
Benicia	3% @ 50	no	11 shifts	6.8 shifts	no
Berkeley	3% @ 50	no	9 shifts	6.8 shifts	yes
CCCFPD	3% @ 50	2.5% (battalion chief only)	7 shifts	10.3 shifts	yes
Fairfield	3% @ 50	no	7 shifts	9.6 shifts	no
Napa	3% @ 50	no	9 shifts	9.6 shifts	partial <sup>b</sup>
NCFA	3% @ 55	2.50%	8 shifts	10.3 shifts	partial <sup>c</sup>
Oakland	3% @ 50	no	9 shifts	10.3 shifts	yes
Richmond	3% @ 55	up to 9%	9 shifts	10.3 shifts	partial <sup>b</sup>
San Rafael	3% @ 55	no	12.5 shifts	6.8 shifts	yes
Vacaville	3% @ 50	no	11.5 shifts	6.8 shifts	yes
Vallejo	3% @ 50	Up to 10%	9 shifts	12 shifts	yes

<sup>5</sup> If Vallejo's salaries are included in the median figures, Table 6 then reads as follows:

Salary Range	Fire Fighter	Fire Captain	Battalion Chief
Median Including Vallejo EAP	\$6,205 - \$7,675	\$7,713 - \$9,434	\$9,572 - \$11,447
Vallejo EAP	\$6,315 - \$7,675	\$7,685 - \$9,342	\$9,868 - \$11,995
% above/below Median Including Vallejo EAP	1.8% - 0.0%	(0.4%) - (1.0%)	3.1% - 4.8%
Median Including Vallejo FY 07-08	\$6,205 - \$7,677	\$7,816 - \$9,523	\$9,572 - \$11,447
Vallejo FY 07-08	\$6,717 - \$8,165	\$8,175 - \$9,937	\$10,497 - \$12,759
% above/below Median Including Vallejo FY 07-08	8.3% - 6.4%	4.6% - 4.4%	9.7% - 11.5%
Median Including Vallejo FY 08-09	\$6,205 - \$7,677	\$7,816 - \$9,523	\$9,572 - \$11,447
Vallejo FY 08-09	\$7,124 - \$8,659	\$8,670 - \$10,539	\$11,132 - \$13,532
% above/below Median Including Vallejo FY 08-09	14.8% - 12.8%	10.9% - 10.7%	16.3% - 18.2%

<sup>6</sup> For those over 65 with Medicare (single-party coverage only).

<sup>7</sup> Applies to Fire Management employees only.

<sup>8</sup> Specific post-retirement health benefits are not defined as of this writing.

The above table shows that for fire unions, the typical PERS benefit is 3% @ 50. Agencies that provide longevity pay are generally those who offer the 3% @ 55 benefit. The City of Vallejo offers both the 3% @ 50 retirement and longevity pay.

**Agency Contributions to Fire Health Benefits**

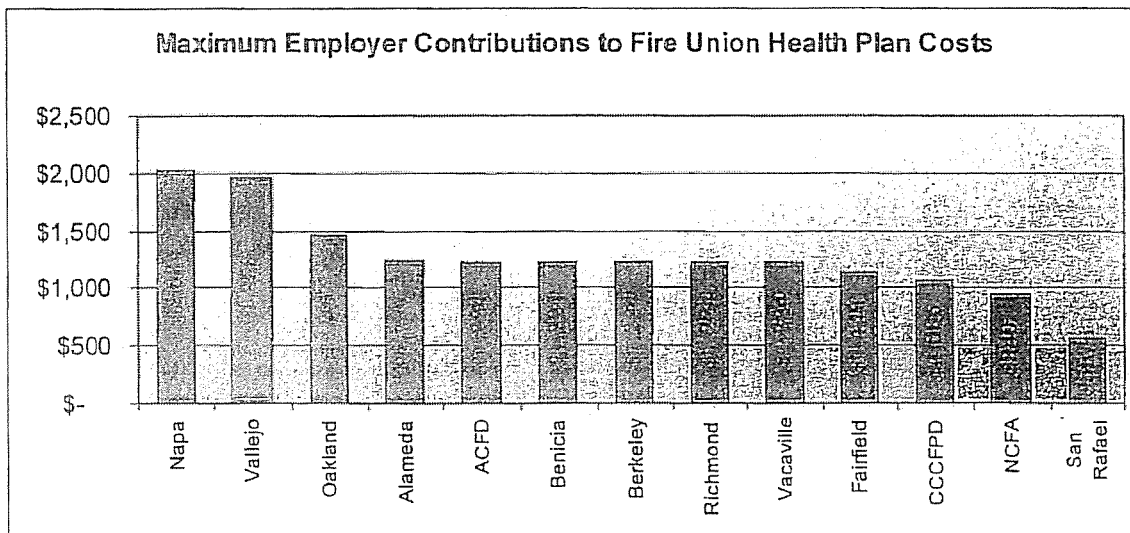
Table 8 shows the portion of employee health plan benefits that is paid by the employer. Values indicate the maximum amount allotted to the employee based on plan selection and number of family members to be covered.

**TABLE 8: MAXIMUM MONTHLY EMPLOYER CONTRIBUTIONS TO FIRE UNION HEALTH PLAN COSTS**

Agency	Maximum
ACFD	\$1,224
Alameda	\$1,247
Benicia	\$1,224
Berkeley	\$1,224
CCCYPD	\$1,065
Fairfield	\$1,144
Napa	\$2,034
NCFA	\$940
Oakland	\$1,457
Richmond	\$1,224
San Rafael	\$557
Vacaville	\$1,224
Vallejo	\$1,950

Figure 4 below shows the above table data in chart form. Values are displayed in descending order.

**FIGURE 4: MAXIMUM MONTHLY EMPLOYER CONTRIBUTIONS TO FIRE UNION HEALTH PLAN COSTS**



**Fire Post-Retirement Health Benefits**

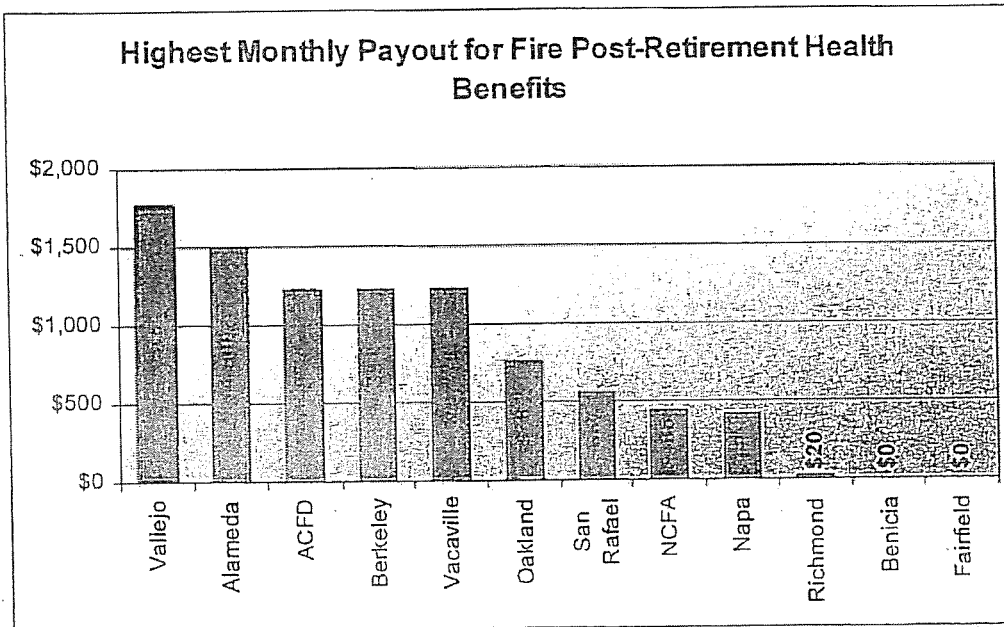
Table 9 shows the current maximum dollar amount paid out by those agencies that provide post-retirement health benefits.

**TABLE 9: MAXIMUM AMOUNT PAID FOR FIRE POST-RETIREMENT HEALTH BENEFITS**

Agency	Highest Monthly Payout
ACFD	\$1,224
Alameda	\$1,500
Benicia	\$0
Berkeley	\$1,224
Fairfield	\$0
Napa	\$414
NCFA	\$435
Oakland	\$764
Richmond	\$20
San Rafael	\$557
Vacaville	\$1,224
Vallejo	\$1,761

The exact figures for CCCFPD are not confirmed, because the District has not responded to our requests for this information, and so are not included in the analysis at this time. Figure 5 expresses the post-retirement health benefits in chart form in descending order.

**FIGURE 5: HIGHEST MONTHLY PAYOUT FOR FIRE POST-RETIREMENT HEALTH BENEFITS**



**Fire Sick Leave Conversion**

An employer may allow unused sick time to be converted to cash, service time, funds for a health savings account, or a combination of these benefits. Conversion of unused sick leave can happen annually or upon retirement. Occasionally, agencies allow sick leave conversion upon separation as well. This survey looks at conversion on an annual or retirement basis only.

Table 10 below describes the approach that the labor market agencies use to convert sick leave for the Fire Unions. Data points are shaded within the table as a visual aid in understanding the data. As expected, agencies have varying approaches that they have negotiated, resulting in an overall non-standardized approach.

**TABLE 10: FIRE UNION SICK LEAVE CONVERSION POLICIES**

Agency	Frequency		Maximum Benefit/Type			Accrual Limit
	Annual	At Retirement	Cash	Service Credit	Health Savings Account	
ACFD		X	25%			129 shifts
Alameda	n/a	n/a				n/a
Benicia		X		100%		None
Berkeley	X	X	50%			None
Fairfield	X	X	25%			None
Napa <sup>9</sup>	X	X			1 day=1 month's premium	180 days <sup>10</sup>
NCFA		X	100%		100%	116 shifts
Oakland				75%		97 shift
Richmond	X	X	50% (retirement) 25% (annual)	50% (retirement)		None
San Rafael		X	50%	100%		120 shifts
Vacaville		X	25%			None
Vallejo <sup>11</sup>		X	50%	100% (retirement)		None

Vallejo currently allows all accrued sick time to be used towards service credit. One other agency (Benicia) in this survey also has no limit to the amount of service credit that a retiring employee may use. CCCFPD has not responded to requests for information so this data has not been included.

<sup>9</sup> Unused sick days can also be converted to vacation at 3:1 ratio, with max of 5 new vacation days created.

<sup>10</sup> For comparison purposes to the other agencies listed, 180 days is the equivalent of 103 shifts.

<sup>11</sup> Sick leave can also be converted upon separation.



**Police Agency Comparisons**

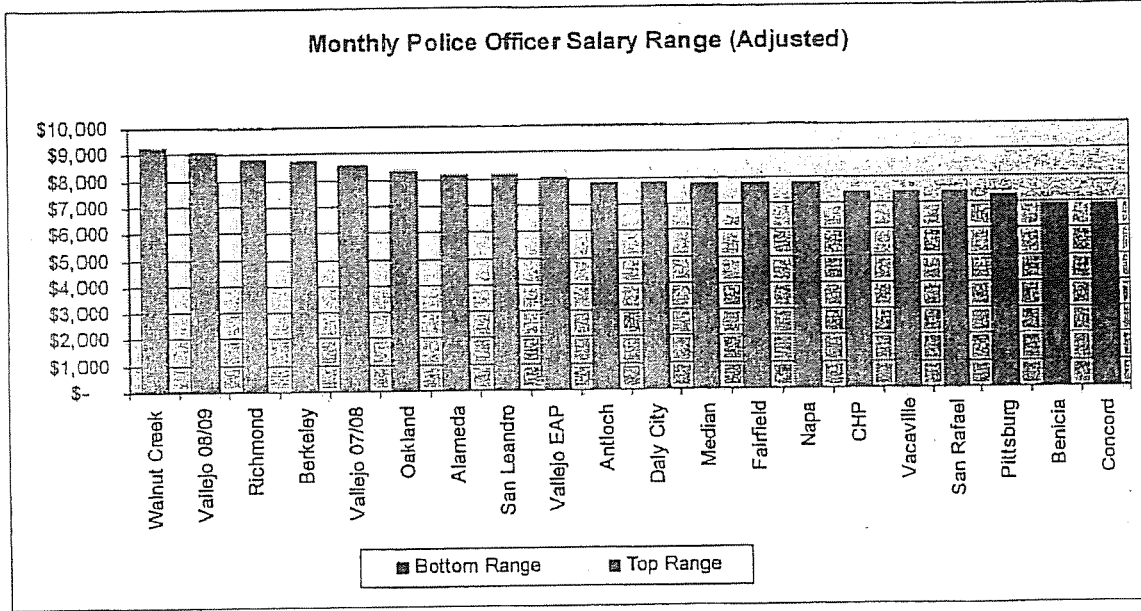
**Position Salaries**

Tables 11, 12, and 13 show the monthly salary findings for the Police Officer, Police Sergeant, and Lieutenant positions. Each table accounts Vallejo's salary levels for the Fiscal Year 07-08, Fiscal Year 08-09, and the revised EAP salary as of March 1, 2008. Figures 6, 7, and 8 express the salaries in chart form by descending rate of monthly salary. Adjusted salary figures take into account the amount of employee PERS contribution that is paid by the employer, which effectively raises the overall salary value.

**TABLE 11: POLICE OFFICER MONTHLY SALARIES**

Agency	Monthly Salary Range	Additional PERS	Adjusted Monthly Salary Range
Alameda	\$6,713 - \$8,161	0%	\$6,713 - \$8,161
Antioch	\$5,903 - \$7,175	9%	\$6,434 - \$7,821
Benicia	\$5,640 - \$6,855	0%	\$5,640 - \$6,855
Berkeley	\$6,870 - \$8,550	2%	\$7,007 - \$8,721
CHP	\$5,121 - \$7,272	2%	\$5,223 - \$7,417
Concord	\$5,173 - \$6,289	9%	\$5,639 - \$6,855
Daly City	\$6,413 - \$7,796	0%	\$6,413 - \$7,796
Fairfield	\$4,723 - \$7,111	9%	\$5,148 - \$7,751
Napa	\$6,369 - \$7,748	0%	\$6,369 - \$7,748
Oakland	\$6,352 - \$7,613	9%	\$6,923 - \$8,298
Pittsburg	\$5,439 - \$6,612	9%	\$5,929 - \$7,207
Richmond	\$6,239 - \$8,431	4.5%	\$6,520 - \$8,810
San Leandro	\$6,134 - \$7,456	9%	\$6,686 - \$8,127
San Rafael	\$6,064 - \$7,371	0%	\$6,064 - \$7,371
Vacaville	\$6,050 - \$7,394	0%	\$6,050 - \$7,394
Walnut Creek	\$6,134 - \$8,504	9%	\$6,686 - \$9,269
Median	\$6,099 - \$7,425		\$6,391 - \$7,773
Vallejo EAP	\$6,577 - \$7,995	0%	\$6,577 - \$7,995
Vallejo 07/08	\$6,997 - \$8,504	0%	\$6,997 - \$8,504
Vallejo 08/09	\$7,420 - \$9,019	0%	\$7,420 - \$9,019

**FIGURE 6: MONTHLY POLICE OFFICER SALARY RANGE (ADJUSTED FOR ADDITIONAL PERS CONTRIBUTIONS)**



**TABLE 12: POLICE SERGEANT MONTHLY SALARIES**

Agency	Monthly Salary Range	Additional PERS	Adjusted Monthly Salary Range
Alameda	\$8,173 - \$9,935	0%	\$8,173 - \$9,935
Antioch	\$6,936 - \$8,431	9%	\$7,560 - \$9,190
Benicia	\$6,768 - \$8,227	0%	\$6,768 - \$8,227
Berkeley	\$8,491 - \$9,667	2%	\$8,661 - \$9,860
CHP	\$6,231 - \$8,881	2%	\$6,356 - \$9,059
Concord	\$6,569 - \$7,985	9%	\$7,160 - \$8,704
Daly City	\$8,134 - \$9,887	0%	\$8,134 - \$9,887
Fairfield	\$7,487 - \$9,101	9%	\$8,161 - \$9,920
Napa	\$7,871 - \$9,556	0%	\$7,871 - \$9,556
Oakland	\$8,790 - \$8,790	9%	\$9,581 - \$9,581
Pittsburg	\$6,522 - \$7,927	9%	\$7,109 - \$8,640
Richmond	\$7,425 - \$10,050	4.5%	\$7,759 - \$10,502
San Leandro	\$7,361 - \$8,947	9%	\$8,023 - \$9,752
San Rafael	\$8,026 - \$8,849	0%	\$8,026 - \$8,849
Vacaville	\$9,354 - \$9,822	0%	\$9,354 - \$9,822
Walnut Creek	\$8,441 - \$9,339	9%	\$9,201 - \$10,180
Median	\$7,679 - \$9,024		\$8,025 - \$9,667
Vallejo EAP	\$7,888 - \$9,588	0%	\$7,888 - \$9,588
Vallejo 07/08	\$8,391 - \$10,199	0%	\$8,391 - \$10,199
Vallejo 08/09	\$8,899 - \$10,816	0%	\$8,899 - \$10,816



FIGURE 7: MONTHLY POLICE SERGEANT SALARY RANGE (ADJUSTED FOR ADDITIONAL PERS CONTRIBUTIONS)

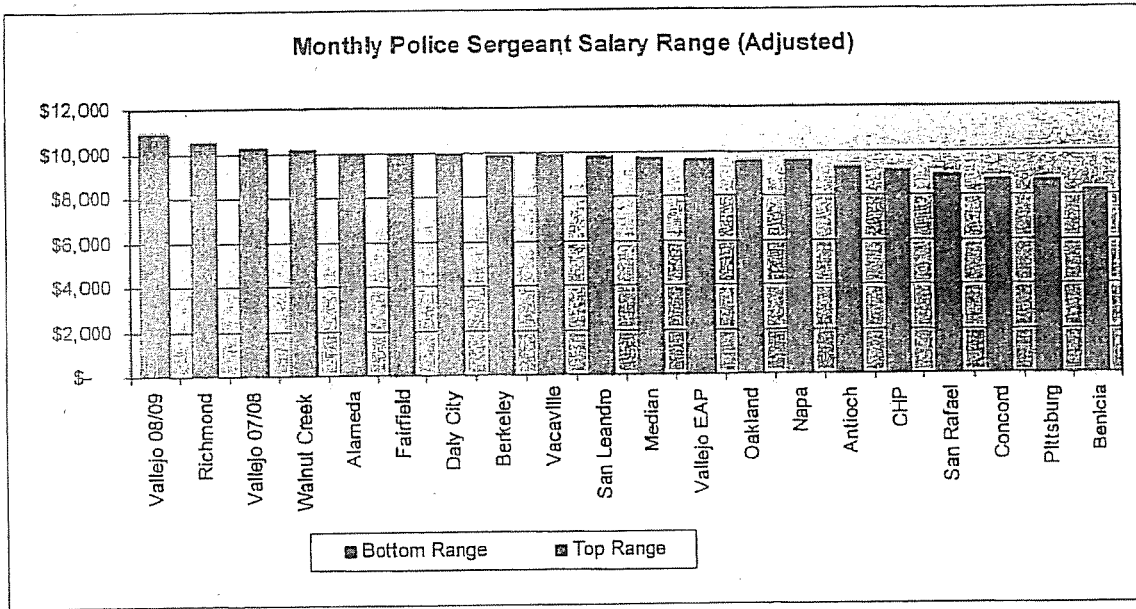


TABLE 13: POLICE LIEUTENANT MONTHLY SALARIES

Agency	Monthly Salary Range	Additional PERS	Adjusted Monthly Salary Range
Alameda	\$9,596 - \$11,663	0%	\$9,596 - \$11,663
Antioch	\$8,670 - \$10,539	9%	\$9,450 - \$11,488
Benicia	\$7,888 - \$9,588	0%	\$7,888 - \$9,588
Berkeley	\$10,183 - \$11,226	2%	\$10,387 - \$11,451
CHP	\$9,012 - \$10,433	2%	\$9,192 - \$10,642
Concord	\$10,052 - \$12,219	9%	\$10,957 - \$13,319
Daly City	\$9,397 - \$11,421	0%	\$9,397 - \$11,421
Fairfield	\$9,123 - \$11,089	9%	\$9,944 - \$12,087
Napa	n/a	0%	n/a
Oakland	\$10,161 - \$10,161	9%	\$11,075 - \$11,075
Pittsburg	\$8,154 - \$9,911	9%	\$8,888 - \$10,803
Richmond	\$8,425 - \$11,414	4.5%	\$8,804 - \$11,928
San Leandro	\$9,201 - \$11,184	9%	\$10,029 - \$12,191
San Rafael	\$9,394 - \$10,875	0%	\$9,394 - \$10,875
Vacaville	\$11,104 - \$11,661	0%	\$11,104 - \$11,661
Walnut Creek	\$8,583 - \$11,784	9%	\$9,355 - \$12,845
Median	\$9,201 - \$11,184		\$9,450 - \$11,488
Vallejo EAP	\$9,393 - \$11,417	0%	\$9,393 - \$11,417
Vallejo 07/08	\$9,991 - \$12,144	0%	\$9,991 - \$12,144
Vallejo 08/09	\$10,596 - \$12,880	0%	\$10,596 - \$12,880

**FIGURE 8: MONTHLY POLICE LIEUTENANT SALARY RANGE (ADJUSTED FOR ADDITIONAL PERS CONTRIBUTIONS)**

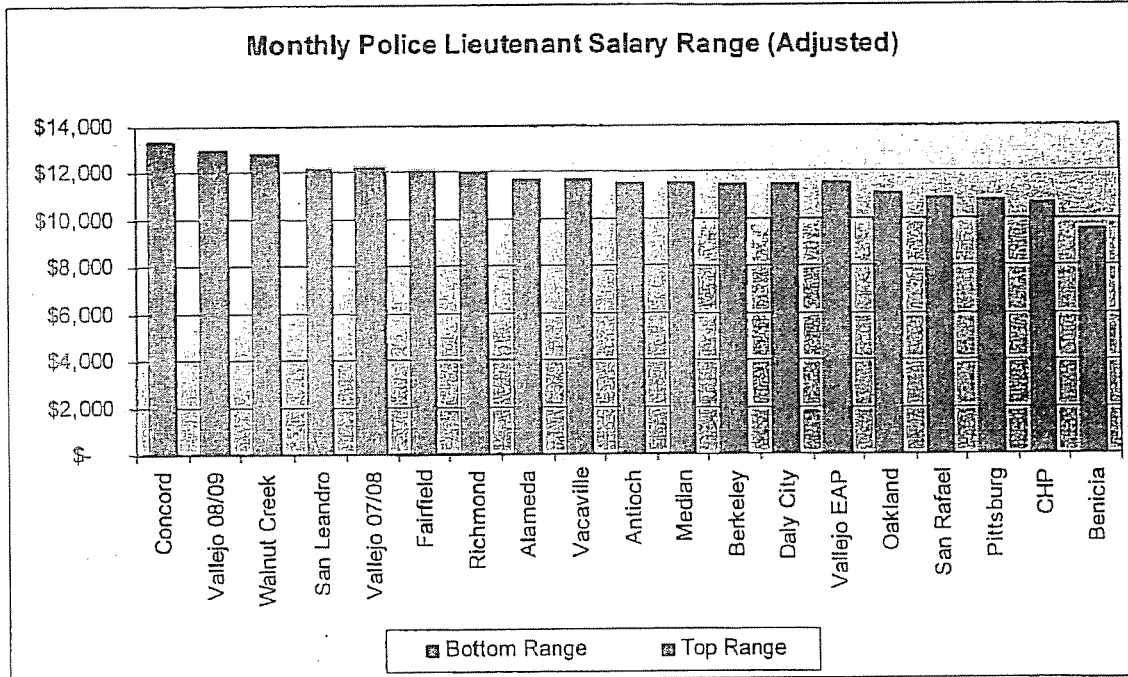


Table 14 shows the relationship of Vallejo's police salary ranges in comparison to the median of surveyed cities.

**TABLE 14: VALLEJO POLICE DEPARTMENT SALARY COMPARISON TO THE MEDIAN<sup>12</sup>**

Salary Range	Police Officers	Sergeant	Lieutenant
Median	\$6,391 - \$7,773	\$8,025 - \$9,667	\$9,450 - \$11,488
Vallejo EAP	\$6,577 - \$7,995	\$7,888 - \$9,588	\$9,393 - \$11,417
% above/below Median	2.9% - 2.9%	(1.7%) - (0.8%)	(0.6%) - (0.6%)
Vallejo FY 07-08	\$6,997 - \$8,504	\$8,391 - \$10,199	\$9,991 - \$12,144
% above/below Median	9.5% - 9.4%	4.6% - 5.5%	5.7% - 5.7%
Vallejo FY 08-09	\$7,420 - \$9,019	\$8,899 - \$10,816	\$10,596 - \$12,880
% above/below Median	16.1% - 16.0%	10.9% - 11.9%	12.1% - 12.1%

<sup>12</sup> If Vallejo's salaries are included in the median, Table 14 reads as follows:

Salary Range	Police Officers	Sergeant	Lieutenant
Median Including Vallejo EAP	\$6,413 - \$7,796	\$8,023 - \$9,752	\$9,424 - \$11,469
Vallejo EAP	\$6,577 - \$7,995	\$7,888 - \$9,588	\$9,393 - \$11,417
% above/below Median Including Vallejo EAP	2.6% - 2.6%	(1.7%) - (1.7%)	(0.3%) - (0.5%)
Median Including Vallejo FY 07-08	\$6,413 - \$7,796	\$8,026 - \$9,752	\$9,523 - \$11,574
Vallejo FY 07-08	\$6,997 - \$8,504	\$8,391 - \$10,199	\$9,991 - \$12,144
% above/below Median Including Vallejo FY 07-08	9.1% - 9.1%	4.5% - 4.6%	4.9% - 4.9%
Median Including Vallejo FY 08-09	\$6,413 - \$7,796	\$8,026 - \$9,752	\$9,523 - \$11,567
Vallejo FY 08-09	\$7,420 - \$9,019	\$8,899 - \$10,816	\$10,596 - \$12,880
% above/below Median Including Vallejo FY 08-09	15.7% - 15.7%	10.9% - 10.9%	11.3% - 11.4%

**Police Union Benefits**

Table 15 below shows an array of additional compensation in the form of benefits offered to the police-related positions shown above.

**TABLE 15: ADDITIONAL POLICE UNION BENEFITS**

Agency	PERS	Longevity Pay	Vacation @ 10 Years Service	Annual Sick Leave	Post Retirement Health
Alameda	3% @ 50	up to 12%	18 days	18 days	yes
Antioch	3% @ 50	up to 7.5%	23 days	12 days	partial <sup>13</sup>
Benicia	3% @ 50	no	20 days	18 days	partial <sup>14</sup>
Berkeley	3% @ 50	up to 5%	15 days	18 days	yes
CHP	3% @ 50	no	16.5 days	18 days	yes
Concord	3% @ 50	no	17 days	12 days	yes
Daly City	3% @ 55	up to \$100/mo	18 days	18 days	yes
Fairfield	3% @ 50	no	15 days	12 days	no
Napa	3% @ 50	no	19.3 days	12 days	partial <sup>15</sup>
Oakland	3% @ 50	up to \$1875/yr	15 days	12 days	yes
Pittsburg	3% @ 50	no	18 days	12 days	no
Richmond	3% @ 55	up to 9%	15 days	18 days	yes
San Leandro	3% @ 50	up to 3%	19.5 days	12 days	partial <sup>16</sup>
San Rafael	3% @ 55	no	25 days	12 days	yes
Vacaville	3% @ 50	no	26 days	12 days	yes
Walnut Creek <sup>17</sup>	3% @ 50	no	26 days	n/a	yes
Vallejo	3% @ 50	up to 10%	12-15 days <sup>18</sup>	12 days <sup>19</sup>	yes

Vallejo is one of a number of agencies to offer the 3% @ 50 PERS benefit as well as longevity pay.

**Agency Contributions to Police Health Benefits**

Table 16 shows the portion of employee health plan benefits that is paid by the employer. Values indicate the maximum amount allotted to the employee based on plan selection and number of family members to be covered.

<sup>13</sup> Antioch pays up to 2.5% of an employee's salary into a health savings account each month while they are an active employee.

<sup>14</sup> Benicia pays 2% of an employee's salary into a health savings account each month while they are an active employee.

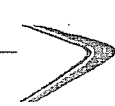
<sup>15</sup> For those over 65 with Medicare (single-party coverage only).

<sup>16</sup> Coverage expires at age 65.

<sup>17</sup> Walnut Creek has combined vacation and sick time.

<sup>18</sup> Employee receives 12 days if on 10 hour shift schedule and 15 days if on 8 hour shift schedule.

<sup>19</sup> Employees on 10 hour shift schedule receive 12 days.

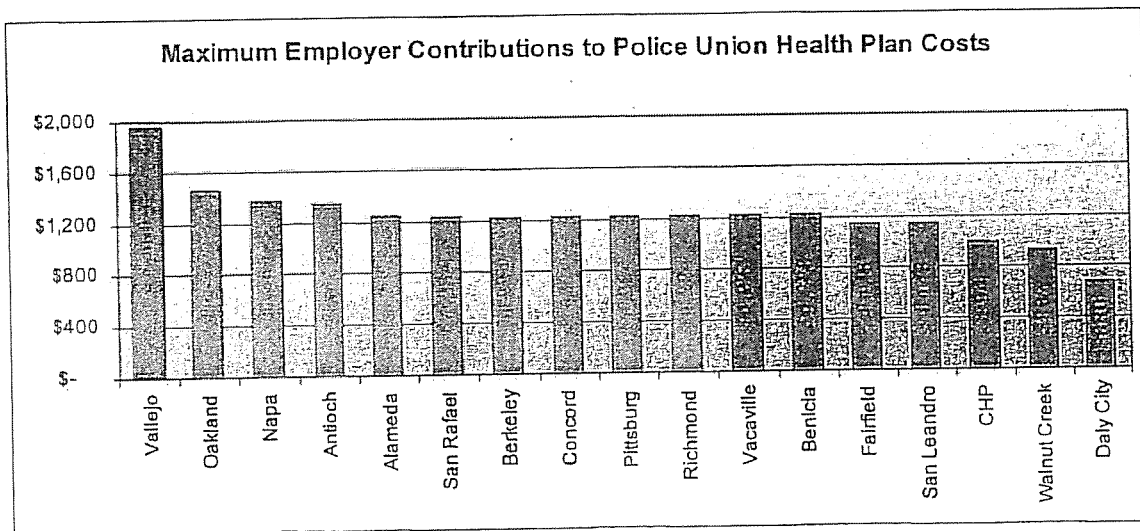


**TABLE 16: MAXIMUM MONTHLY EMPLOYER CONTRIBUTIONS TO POLICE UNION HEALTH PLAN COSTS**

Agency	Maximum
Alameda	\$1,248
Antioch	\$1,345
Benicia	\$1,224
Berkeley	\$1,224
CHP	\$994
Concord	\$1,224
Daly City	\$680
Fairfield	\$1,143
Napa	\$1,365
Oakland	\$1,457
Pittsburg	\$1,224
Richmond	\$1,224
San Leandro	\$1,143
San Rafael	\$1,234
Vacaville	\$1,224
Vallejo	\$1,950
Walnut Creek	\$937

Figure 9 below shows the above table data in chart form. Values are displayed in descending order.

**FIGURE 9: MAXIMUM MONTHLY EMPLOYER CONTRIBUTIONS TO POLICE UNION HEALTH PLAN COSTS**



**Police Post-Retirement Health Benefits**

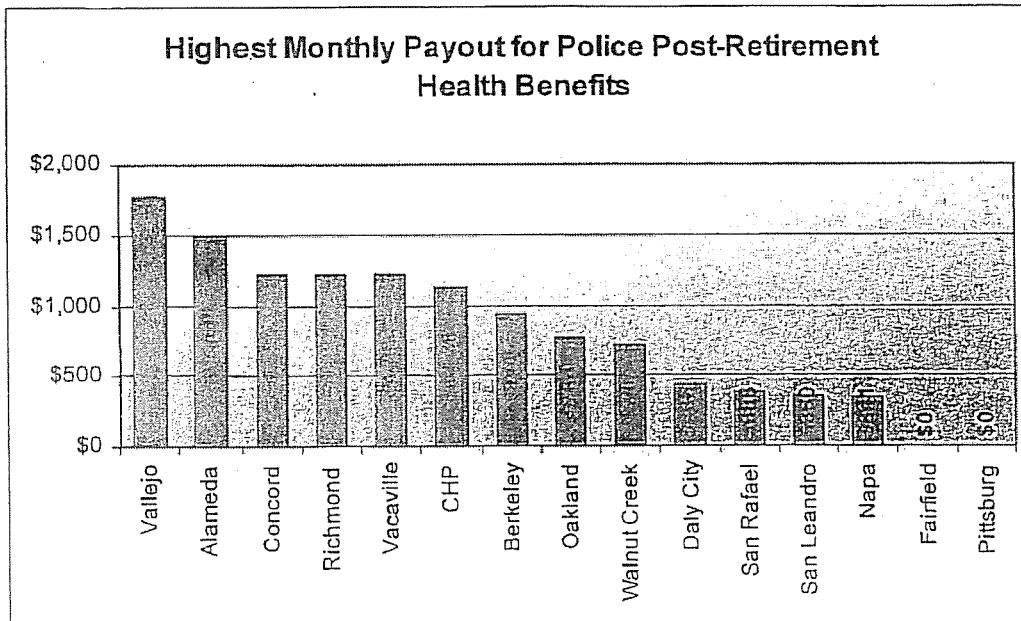
Table 17 shows the current maximum dollar amount paid out by those agencies that provide post-retirement health benefits.

TABLE 17: MAXIMUM AMOUNT PAID FOR POLICE POST-RETIREMENT HEALTH BENEFITS

Agency	Highest Monthly Payout
Alameda	\$1,500
Antioch	see note 13
Benicia	see note 14
Berkeley	\$941
CHP	\$1,129
Concord	\$1,224
Daly City	\$435
Fairfield	\$0
Napa	\$341
Oakland	\$761
Pittsburg	\$0
Richmond	\$1,224
San Leandro	\$360
San Rafael	\$386
Vacaville	\$1224
Vallejo	\$1,761
Walnut Creek	\$717

Figure 10 expresses the post-retirement health benefits in chart form in descending order.

FIGURE 10: HIGHEST MONTHLY PAYOUT FOR POLICE POST-RETIREMENT HEALTH BENEFITS



**Police Sick Leave Conversion**

An employer may allow unused sick time to be converted to cash, service time, funds for a health savings account, or a combination of these benefits. Conversion of unused sick leave can happen annually or upon retirement. Occasionally, agencies allow sick leave conversion upon separation as well. This survey looks at conversion on an annual or retirement basis only.

Table 18 below describes the approach that the labor market agencies use to convert sick leave for the Police Unions. Data points are shaded within the table as a visual aid in understanding the data. As expected, agencies have varying approaches that they have negotiated, resulting in an overall non-standardized approach.

**TABLE 18: POLICE UNION SICK LEAVE CONVERSION POLICIES**

Agency	Frequency		Maximum Benefit/Type			Accrual Limit
	Annual	At Retirement	Cash	Service Credit	Health Savings Account	
Alameda	n/a	n/a				n/a
Antioch <sup>20</sup>	x	x	40% (retirement) 33% (annually)			none
Benicia		x	25%	100%		22 days (cash only), no service credit limit
Berkeley <sup>21</sup>	x		33%			none
CHP <sup>22</sup>		x	not specified			not specified
Concord		x	25%	004 years service credit per 8 hours		none
Daly City			50%		up to 50%	100 days
Fairfield	x	x	25%			none
Napa <sup>10</sup>	x	x			1 day = 1 month's premium	180 days
Oakland <sup>23</sup>	n/a	n/a				60 days
Pittsburg <sup>24</sup>	x	x		100%		none
Richmond	x	x	60% (retirement) 25% (annually)	004 years service credit per 8 hours		none
San Leandro		x	see below	up to 1 year		none
San Rafael		x	50%			150 days
Vacaville	x	x	25% (retirement) 50% (annually)			none
Vallejo <sup>25</sup>		x	50%	100% (retirement)		none
Walnut Creek		x	50%	100%		none

<sup>20</sup> Sick leave can also be converted upon separation. Unused sick days can also be converted to vacation at 3:1 ratio, with max of 5 new vacation days/year.

<sup>21</sup> If employee is vested and has 15 years of service, s/he receives payment for 1/2 of unused sick days.

<sup>22</sup> Terms not specified in CHP MOU.

<sup>23</sup> Oakland is currently developing a "sick leave incentive program." No information is yet available.

<sup>24</sup> Employees who use no sick leave in a single quarter are rewarded with 4 hours toward vacation (2 days max per year).

<sup>25</sup> Max cash payout is determined by following formula:  
(Number of sick days) X (10%) X (years of service) X (hourly rate).

<sup>26</sup> Eligible after 10 years of service. Sick leave can also be converted upon separation.



Vallejo currently allows all accrued sick time to be used towards service credit. Three other agencies in this survey (Benicia, Pittsburg and Walnut Creek) also have no limit to the amount of service credit that a retiring employee may use.

### ***Conclusion***

The data indicates that the current salaries paid by the City of Vallejo to public safety workers under the Emergency Action Plan (Vallejo EAP), are roughly comparable to the median within the defined labor market area. If the City of Vallejo was compensating public safety employees based on the current contracts (Vallejo 08/09) the levels would generally be among the highest or the highest in the comparisons. Vallejo benefit levels are typically equivalent or better than those observed in the comparison jurisdictions.

While recruitment and retention issues are subject to many variables in addition to compensation levels, the data indicate that Vallejo should be able to remain competitive in retention and recruitment at the EAP compensation levels. However this competitive position will erode over time as other agencies have typically been increasing compensation levels on an annual basis. Competition for police officers is particularly keen within the State of California at the current time. Therefore, as the City of Vallejo's compensation levels become less competitive, the City can expect growing retention and recruitment issues with this classification in particular. This is a common problem for police agencies in the State, and employers are using a variety of techniques in addition to compensation in order to recruit and retain police officers.

