





# **VPOA Bankruptcy Concessions**

# VPOA Bankruptcy Concessions

Council Communication

From Joseph Tanner, Sandy Salerno, and Craig Whittom

January 27, 2009

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.



# **2013 VPOA MOU Negotiations**

# **Bargaining Team Members**

Mat Mustard

Michael Nichelini

Steve Gordon

Kevin Hamrick

Scott Yates

Peppino Messina

# Bargaining History

The City of Vallejo and the VPOA met 11 times over the course of seven months:

January 7, 2013

January 23, 2013

February 1, 2013

February 19, 2013

March 4, 2013

March 8, 2013

April 16, 2013

May 5, 2013

June 13, 2013

July 1, 2018

July 18, 2013

# A Premature Declaration of Impasse



**IEDA**

2200 Powell Street, Suite 1000, Emeryville, California 94608

September 19, 2013

Rockne A. Lucia, Jr.  
Rains, Lucia & Stern  
2300 Contra Costa Blvd., Suite 230  
Pleasant Hill, CA 94523

Re: City of Vallejo and the Vallejo Police Officers Association

Dear Mr. Lucia:

I am enclosing the City's last best and final offer for settlement in the above negotiations. As you will see, the enclosed offer presents a number of changes from the City's April 16, 2013 proposal (our last "on the record" proposal). Of particular note, the City has dropped its proposal to reduce the number of holidays and the number of holiday hours for POA members, as well as its proposal to eliminate Education Incentive for current members and enhanced its proposal regarding the employer contribution to active employees' health and welfare payments.

The improvements in the City's proposal reflect the discussions of the parties over the past year, as well as improvements in the City's financial condition during that period. This proposal achieves less in savings during FY 2013-14 from current VPOA bargaining unit members than previous proposals, but maintains similar reductions to those agreed to by other bargaining units over the past few years.

Despite the substantial movement in the City's LBFO, we have no illusions that this proposal will result in an agreement. The VPOA made it clear in its last offer on July 18, 2013 that it believes "The VPOA specifically notes that each member hired prior to the effective date of an agreement, including retired

**Union Exhibit 5**

# The VPOA's Assertion of Rights

RLS RAINS LUCIA STERN, PC

Rockne A. Lucia, Jr.  
Attorney at Law  
Rlucia@RLSlawyers.com

October 1, 2013

VIA EMAIL [RUNGISAUSTRIS@AOL.COM] AND FIRST CLASS MAIL

Austris Rungis  
IEDA  
2200 Powell Street, Suite 1000  
Emeryville, CA 94608

**Re: City of Vallejo and the Vallejo Police Officers Association**

Dear Austris:

On behalf of the Vallejo Police Officers Association ("VPOA" or "Association"), please accept this correspondence in response to your letter dated September 19, 2013, wherein the City of Vallejo ("City") prematurely declared impasse in negotiations with the VPOA, and submitted its most recent proposal, which the City has reprehensibly characterized as its "last best and final offer." Given the bargaining history between the parties, the City's premature declaration of impasse constitutes nothing more than a continuation of the questionable tactics, strategies and draconian positions employed by the City throughout these negotiations.

As you are aware, the duty to bargain does not come to a sudden conclusion based upon the declaration of impasse by either party. Further, "[a]n impasse does not constitute a license to avoid the statutory obligation to bargain collectively where the circumstances which led to the impasse no longer remain in status quo." (*Kit Manufacturing Co., Inc.* (1962) 138 NLRB 1290, 1294.) Accordingly, it is well-established that anything that creates a new possibility of fruitful



# The VPOA's Assertion of Rights

1	Rockne A. Lucia, Jr., SBN 109349	
2	Timothy K. Talbot, SBN 173456	
3	Peter A. Hoffmann, SBN 252354	
4	<b>RAINS LUCIA STERN, PC</b>	
5	2300 Contra Costa Boulevard, Suite 500	
6	Pleasant Hill, CA 94523	
7	Telephone: 925.609.1699	
8	Facsimile: 925.609.1690	
9	Email: rlucia@rlslawyers.com	
10	Attorneys for Petitioner	
11	<b>VALLEJO POLICE OFFICERS ASSOCIATION</b>	
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		

1 Rookne A. Lucia, Jr., SBN 109349  
2 Timothy K. Talbot, SBN 173456  
3 Peter A. Hoffmann, SBN 252354  
4 **RAINS LUCIA STERN, PC**  
5 2300 Contra Costa Boulevard, Suite 500  
6 Pleasant Hill, CA 94523  
7 Telephone: 925.609.1699  
8 Facsimile: 925.609.1690  
9 Email: rlucia@rlslawyers.com  
10 Attorneys for Petitioner  
11 **VALLEJO POLICE OFFICERS ASSOCIATION**

12 VALLEJO POLICE OFFICERS ASSOCIATION, Case # **FCS042492**  
13 Petitioner, VERIFIED PETITIONER FOR WRIT OF  
14 v. MANDATE, DECLARATORY RELIEF, AND  
15 CITY OF VALLEJO AND DOES I THROUGH INJUNCTIVE RELIEF  
16 X, INCLUSIVE, [Code Civ. Proc. § 1286.2]  
17 Respondents. ASSIGNED TO  
18 JUDGE **MICHAEL MATTICE**  
19 FOR ALL PURPOSES

20 Petitioner Vallejo Police Officers Association alleges as follows:  
21 **INTRODUCTION**  
22 1. Petitioner Vallejo Police Officers' Association ("VPOA" or "Association") seeks a writ  
23 of mandate and injunctive relief directed to Respondent City of Vallejo ("City") commanding the City  
24 to comply with the duty to bargain in good faith mandated by the Meyers-Millias-Brown Act  
25 ("MMBA"), Government Code section 3500 *et seq.* Petitioner also seeks a declaration from the Court  
26 that the City may not impair vested and constitutionally protected employee benefits or otherwise

FAXED

ENDORSED FILED  
Clerk of the Superior Court

OCT 15 2013

By J. Abueg  
DEPUTY CLERK

# The VPOA's Assertion of Rights

**RLS** RAINS LUCIA STERN, PC

Rockne A. Lucia, Jr.  
Attorney at Law  
RLucia@RLSlawyers.com

October 18, 2013

VIA FACSIMILE [510.658.2609], ELECTRONIC MAIL [RUNGISAUSTRIS@AOL.COM] AND U.S. MAIL

Austris Rungis  
IEDA  
2200 Powell Street, Suite 1000  
Emeryville, CA 94608

**Re: City of Vallejo and Vallejo Police Officers' Association Negotiations**

Dear Austris:

As you know, the Vallejo Police Officers' Association ("VPOA" or "Association") has vigorously refuted the City's declaration of impasse in MOU negotiations between the parties. In response to the declaration of impasse, the VPOA filed a Petition for Writ of Mandate in Superior Court this past Tuesday, seeking to compel the City to rescind its premature declaration as well as its September 20, 2013 proposal.

The City's regressive offer of September 20, 2013 includes proposed terms that, if implemented, would result in devastating economic concessions far greater than what the City has offered in the "off the record" meetings discussed in the City's October 7, 2013 correspondence. The Association continues to maintain that the City's proposal cannot rationally be described as its "last, best and final offer". Indeed, for some officers, the

# Mandatory Criteria for the Panel

## Government Code § 3505.4

**In arriving at their findings and recommendations, the factfinders shall consider, weigh, and be guided by all the following criteria:**

- (1) State and federal laws that are applicable to the employer.
- (2) Local rules, regulations, or ordinances.
- (3) Stipulations of the parties.
- (4) The interests and welfare of the public and the financial ability of the public agency.
- (5) Comparison of the wages, hours, and conditions of employment of the employees involved in the factfinding proceeding with the wages, hours, and conditions of employment of other employees performing similar services in comparable public agencies.
- (6) The consumer price index for goods and services, commonly known as the cost of living.
- (7) The overall compensation presently received by the employees, including direct wage compensation, vacations, holidays, and other excused time, insurance and pensions, medical and hospitalization benefits, the continuity and stability of employment, and all other benefits received.
- (8) Any other facts, not confined to those specified in paragraphs (1) to (7), inclusive, which are normally or traditionally taken into consideration in making the findings and recommendations.



# **A Current Snapshot of Vallejo**



**Bachecki, Crom & Co., LLP**  
***Timothy Reilly, CPA***

# *Financial Analysis of the City of Vallejo*

Bachecki, Crom & Co., LLP

Background and Due Diligence

pp. 1-22

# *Financial Analysis of the City of Vallejo*

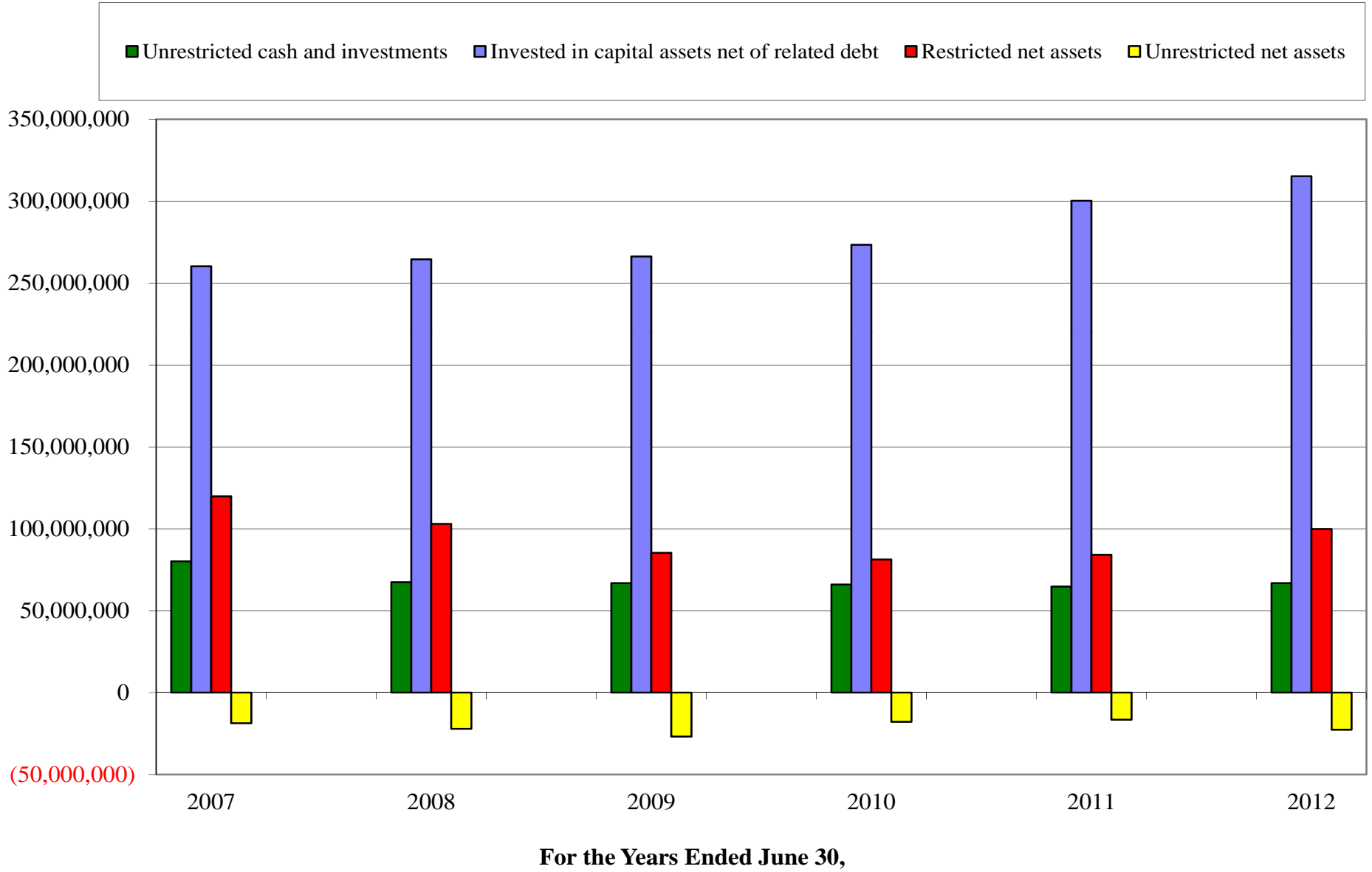
Bachecki, Crom & Co., LLP

Exhibit I:

Analysis of Government-Wide  
Financial Statements

pp. 23-36

**EXHIBIT I-D  
CITY OF VALLEJO  
ANALYSIS OF NET ASETS**





# *Financial Analysis of the City of Vallejo*

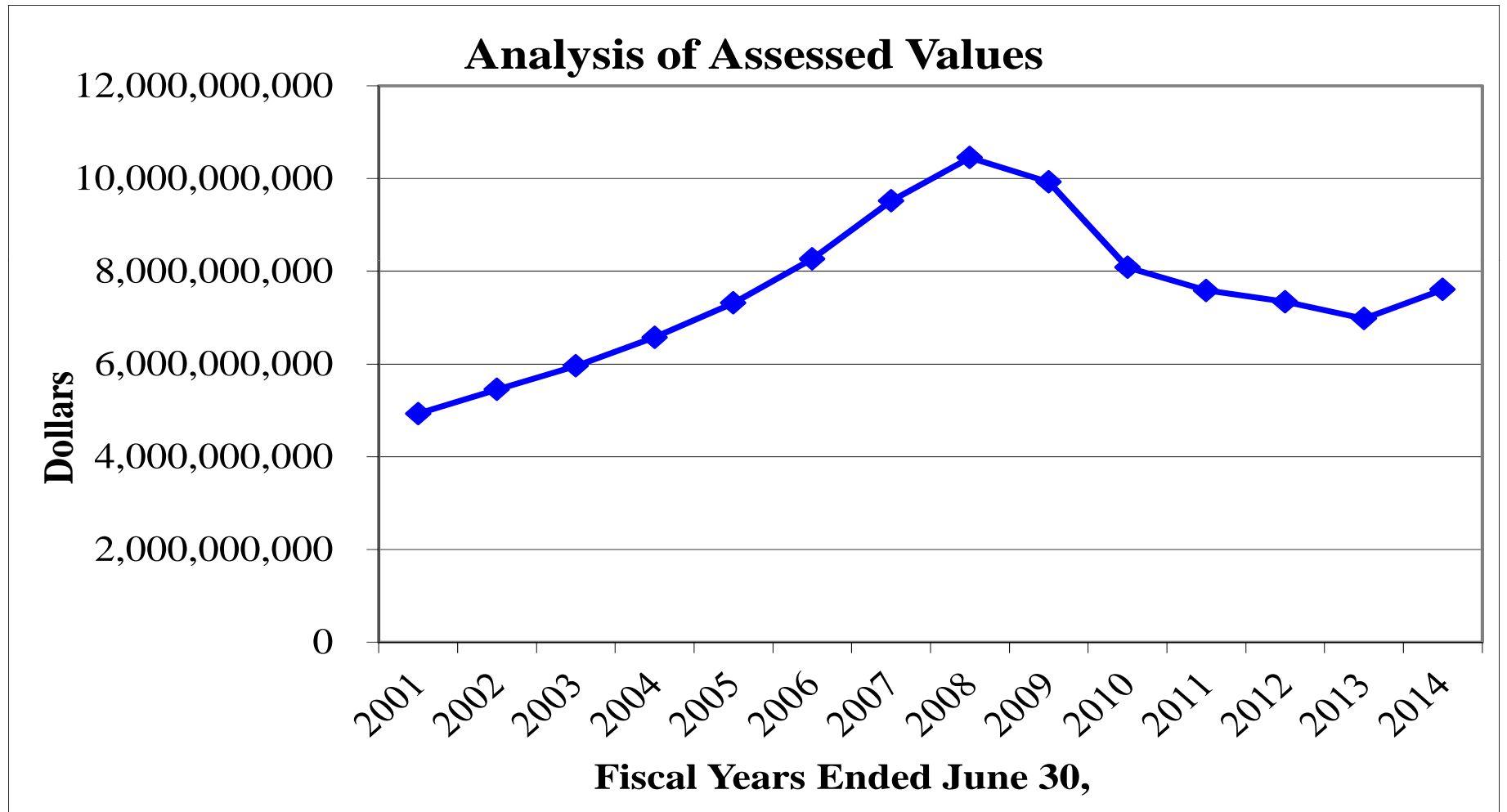
Bachecki, Crom & Co., LLP

Exhibit II:

Analysis of City Revenues Since 2003

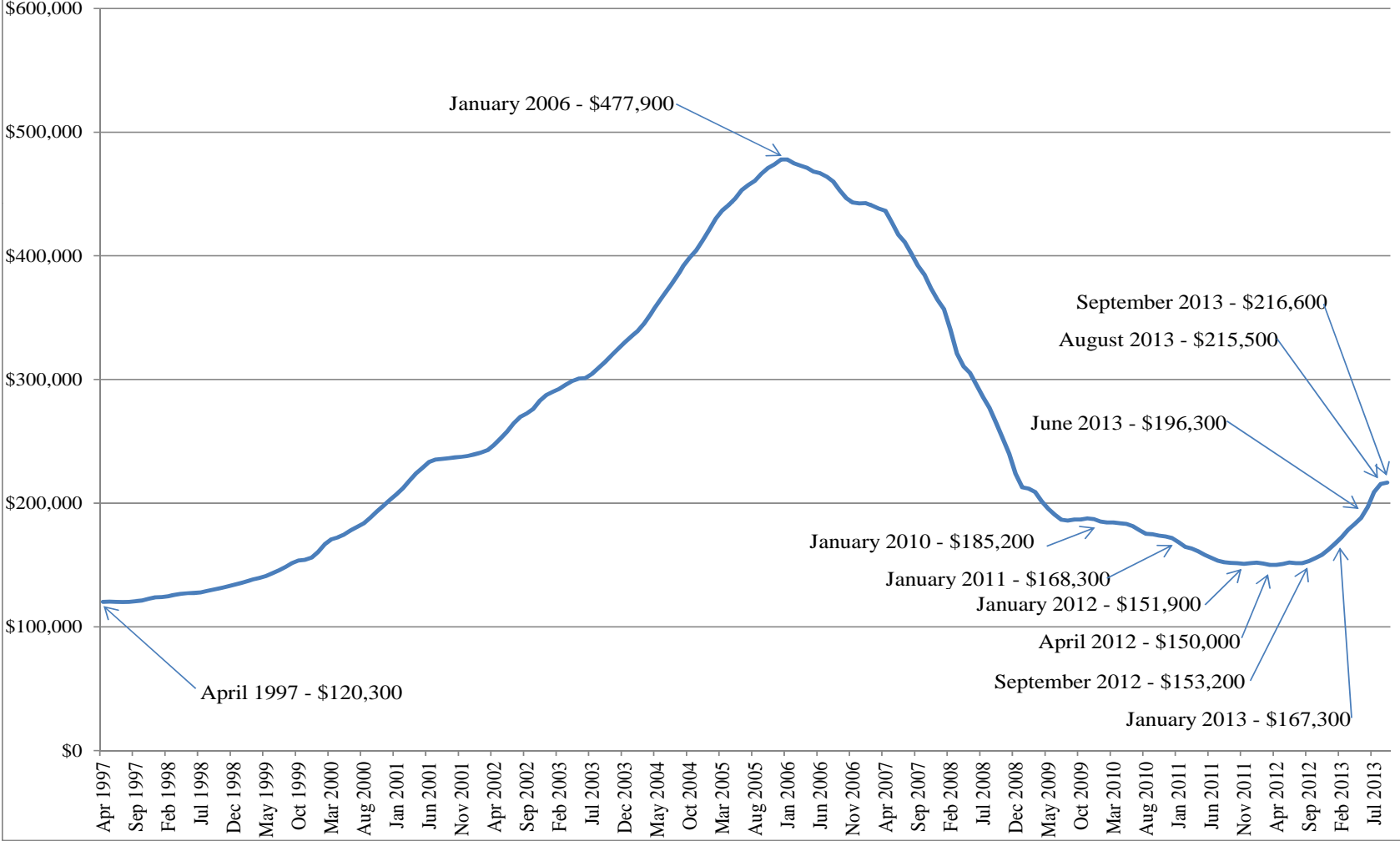
pp. 36-51

# Property Taxes / Assessed Values



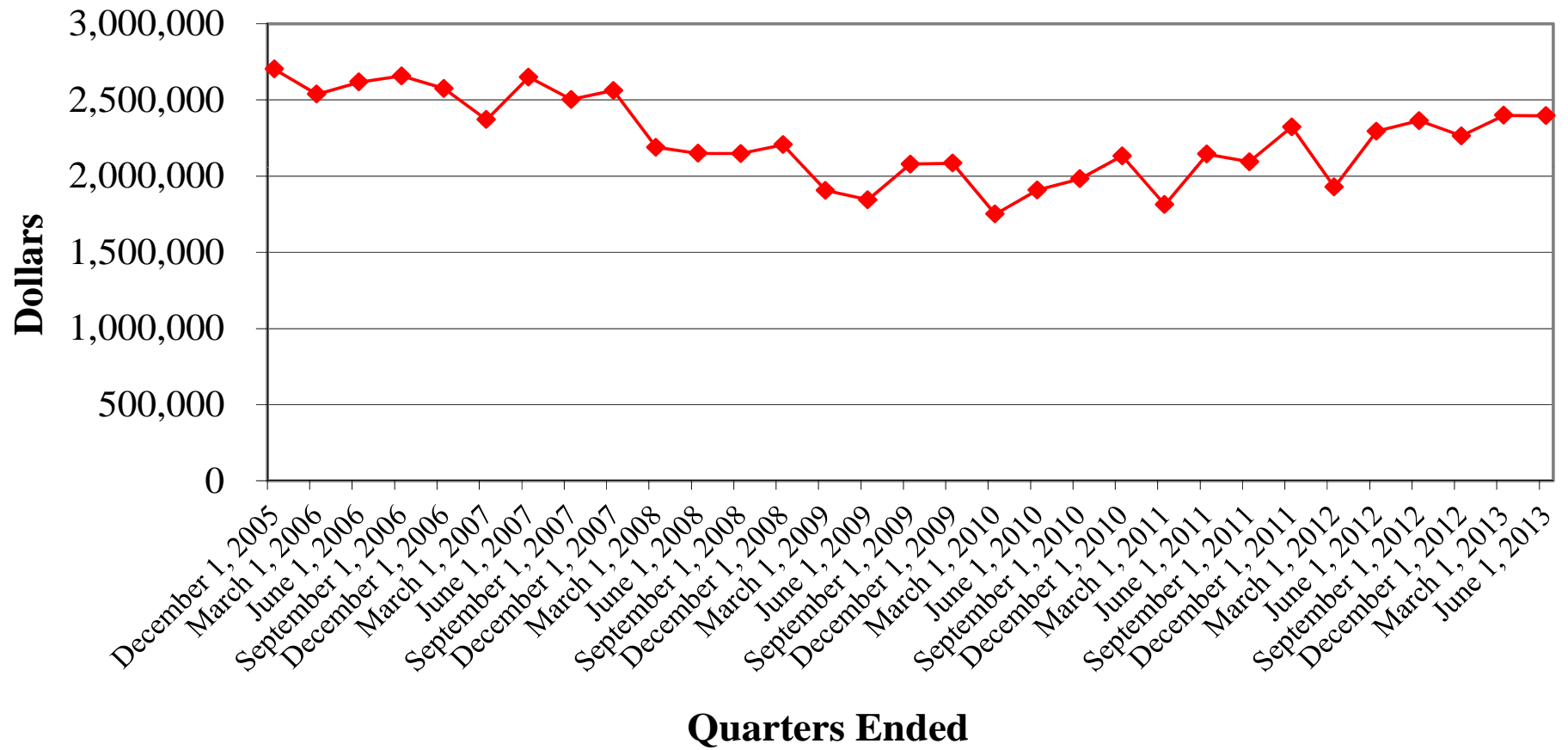
# Property Taxes / Median Home Value

**EXHIBIT II-D  
CITY OF VALLEJO  
MEDIAN VALUE OF RESIDENTIAL PROPERTY PER ZILLOW.COM**

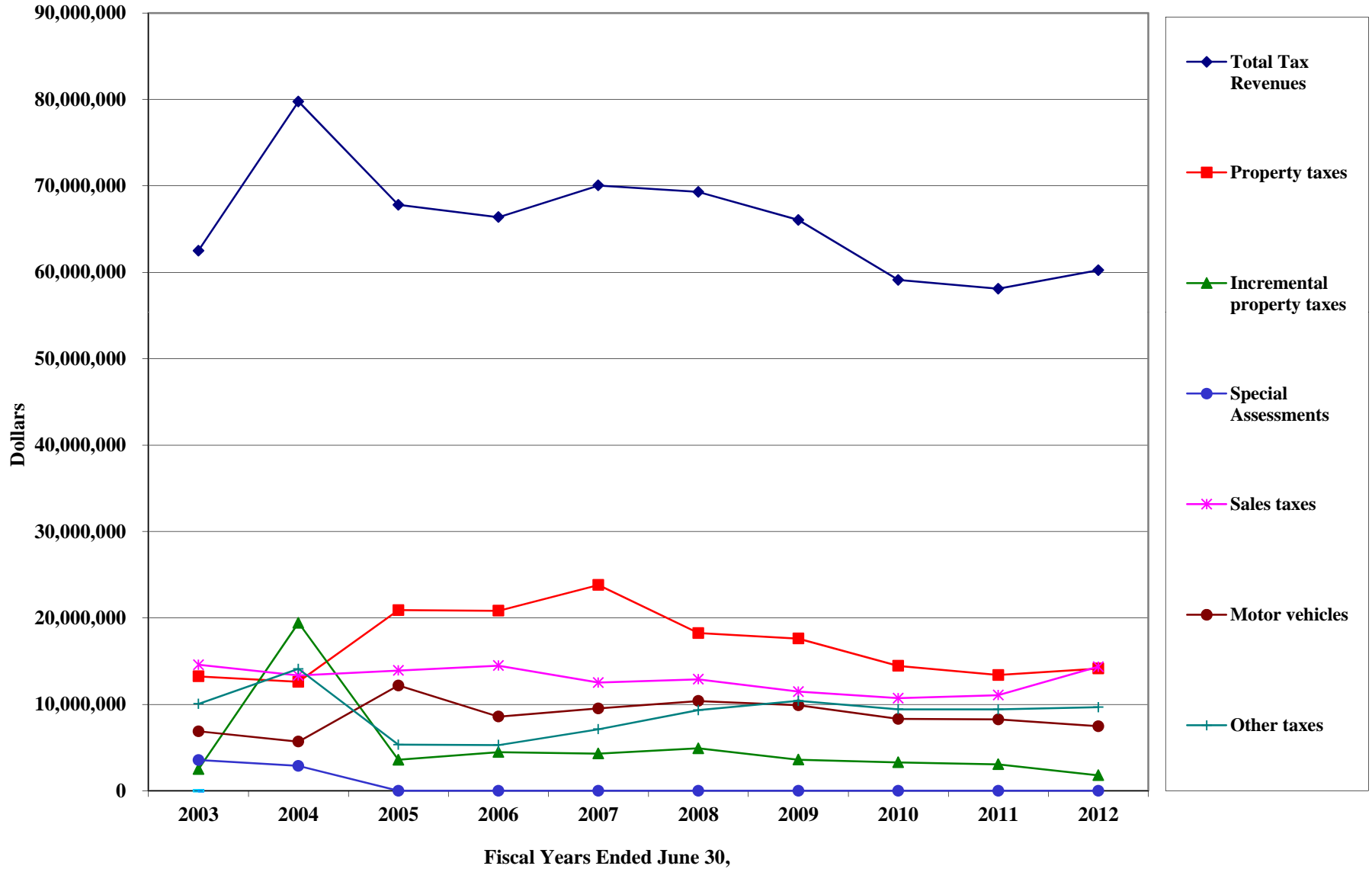


# Sales Taxes

## Analysis of Bradley Burns Quarterly Sales Tax Receipts



**EXHIBIT II-E  
CITY OF VALLEJO  
GOVERNMENTAL TAX REVENUE ANALYSIS**



# Summary of Exhibit II Findings

## Findings:

- The City's revenues, especially sales tax revenues and property tax revenues are showing signs of a strong comeback.
- Beginning in September, 2012 residential values shot up sharply.
  - This portends strong growth in assessed values for the 2014-2015 fiscal year.
- Sales tax revenues are also showing healthy growth.
  - Sales should to grow at rates similar to the past two year, 7.04% in 2012 and 8.94% in 2013.
  - Since all sales taxes are based on sales, other sales tax revenues should increase at the rate sales increase.
- Other revenues are also showing improvement.

# *Financial Analysis of the City of Vallejo*

Bachecki, Crom & Co., LLP

Exhibit III:

Analysis of City's General Fund Budget Process

pp. 52-57

# *Financial Analysis of the City of Vallejo*

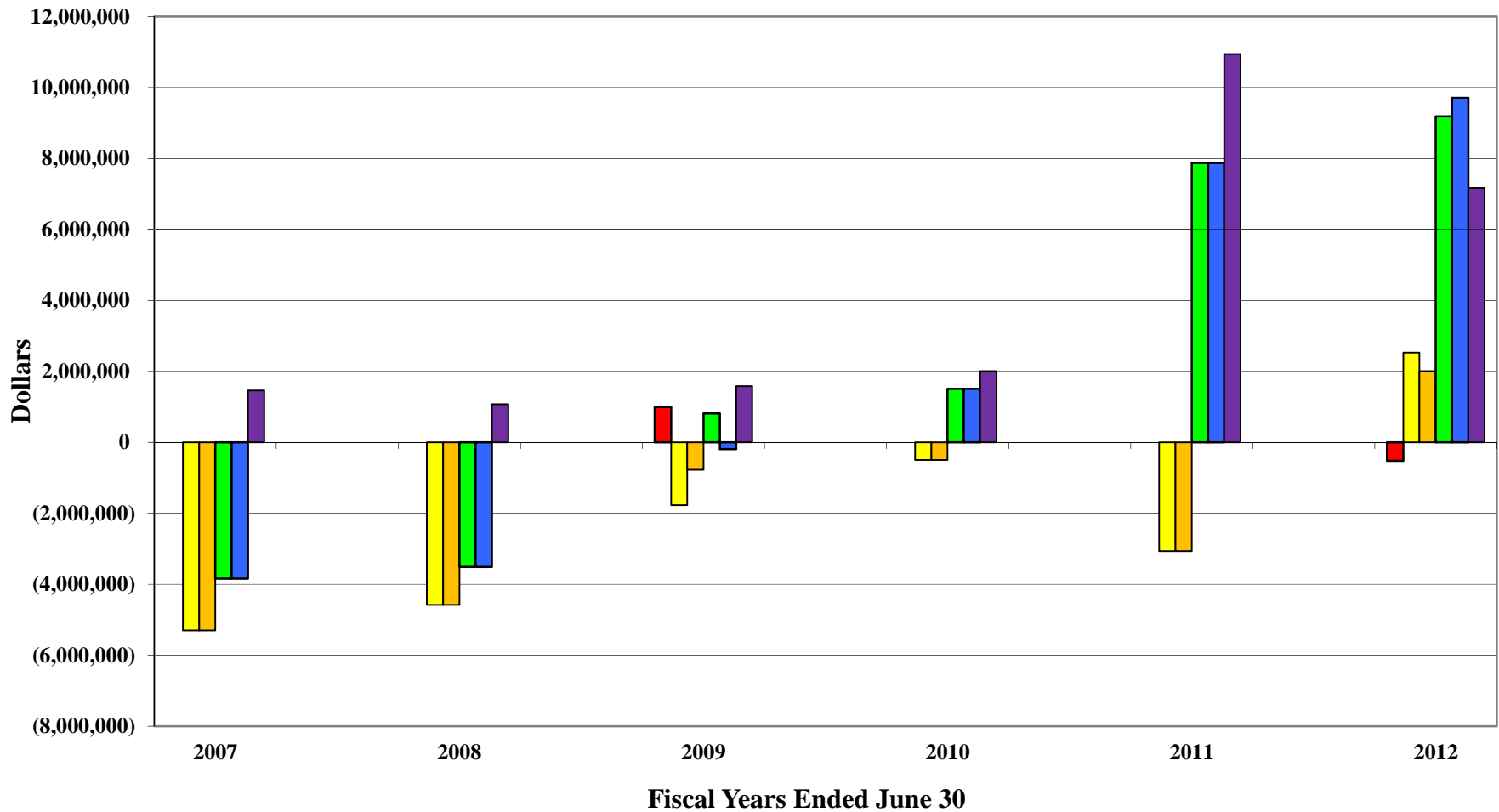
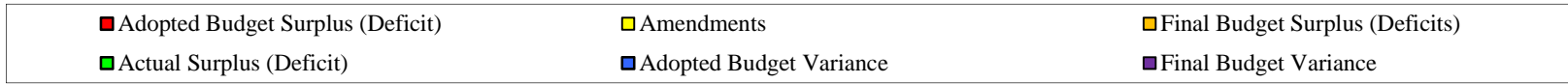
Bachecki, Crom & Co., LLP

## **Exhibit III**

- The City has over estimated its adopted budget expenditures in four of the six years presented, resulting in favorable adopted budget variances of \$3.2 million in 2009, \$351,242 in 2010, \$4.7 million in 2011 and \$2.8 million in 2012.
- The General Fund experienced large total favorable adopted budget variances in the last three of the six years presented.
- The total final budget experienced total favorable variances all six years, since the final budget projected huge deficits in five of the six years presented.



**EXHIBIT III-B  
CITY OF VALLEJO  
ANALYSIS OF GENRAL FUND BUDGET VARIANCES AND SURPLUSES**



# *Financial Analysis of the City of Vallejo*

Bachecki, Crom & Co., LLP

## **Exhibit III**

- In a presentation dated February 26, 2013, page 14, in the section labeled “Final Report on the FY 2011-12 City Budget”, it appears that the City attempted to obfuscate the actual 2012 results.

# *Financial Analysis of the City of Vallejo*

Bachecki, Crom & Co., LLP

Exhibit IV:

Analysis of Transfers to the General Fund

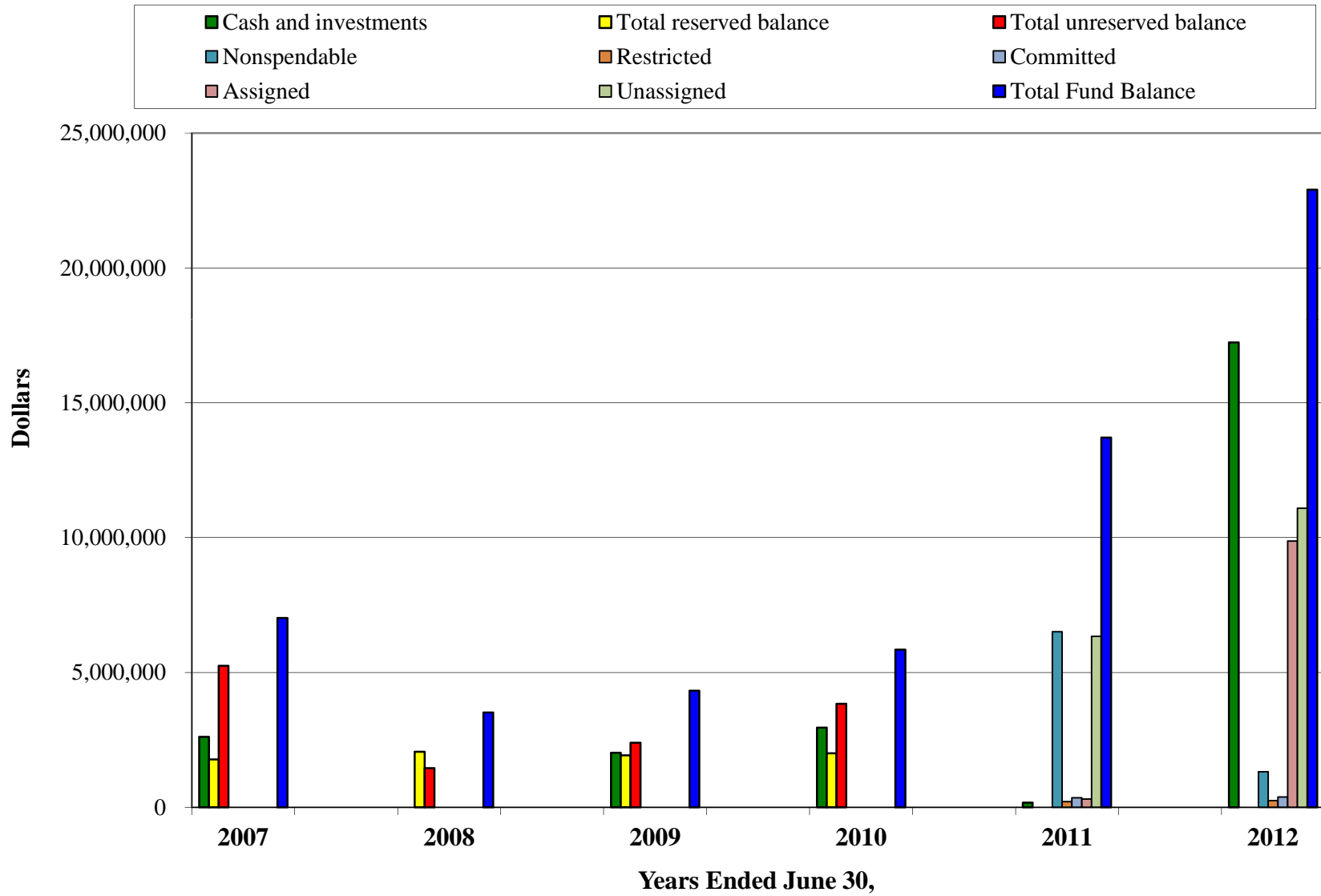
pp. 58-59

# *Financial Analysis of the City of Vallejo*

Bachecki, Crom & Co., LLP

Exhibit V:  
General Fund's Cash and  
Investments and Fund Balance  
pp. 60-63

**EXHIBIT V-B  
CITY OF VALLEJO  
ANALYSIS OF THE GENERAL FUND'S FUND BALANCE**



# *Financial Analysis of the City of Vallejo*

Bachecki, Crom & Co., LLP

## **Exhibit V**

### **Findings:**

- The General Fund's cash and investments and the fund balance have improved dramatically the past two years.

# *Financial Analysis of the City of Vallejo*

Bachecki, Crom & Co., LLP

## Exhibit VI:

Unrestricted Fund Balance to Revenue Ratio

Unrestricted Fund Balance to Expenditures Ratio

pp. 64-68

**EXHIBIT VI-B  
CITY OF VALLEJO  
UNRESERVED FUND BALANCE AS A % OF TOTAL REVENUES**





# *Financial Analysis of the City of Vallejo*

## Bachecki, Crom & Co., LLP

### Exhibit VI

#### Findings:

- The unrestricted fund balance to revenues and the unrestricted fund balance to expenditures ratios are the highest they have been in years.
- Both are close to six times the minimum 5% benchmark.
- The growth in these ratios indicates a vast improvement in the City's health.
- Both the unrestricted fund balance to revenues and the unrestricted fund balance to expenditures ratios have significantly improved.
- Both ratio are very healthy.

# *Financial Analysis of the City of Vallejo*

Bachecki, Crom & Co., LLP

Conclusions

pp. 69-70

# *Financial Analysis of the City of Vallejo*

Bachecki, Crom & Co., LLP

## **Conclusions**

Our overall conclusion from analyzing the City's Comprehensive Annual Financial Reports and other data is that the City of Vallejo financial position has improved tremendously. Revenues experienced strong growth in 2012 due to improved property tax and sales tax revenues resulting in a surplus exceeding \$9 million. Even more important are the revenue indicators for the year ended June 30, 2013, the current fiscal year ended June 30, 2014, and in the fiscal year ended June 30, 2015. All indicate that revenues will experience strong growth the next few years.



# **Crime & Staffing in Vallejo**

## **Vallejo Population, 2012 Estimate**

**117,796**

**US Census Bureau**

<http://quickfacts.census.gov/qfd/states/06/0681666.html>

## **Current Vallejo Police Department Sworn Staffing**

**80**

145 as of 2007 (Union Exhibit 9)

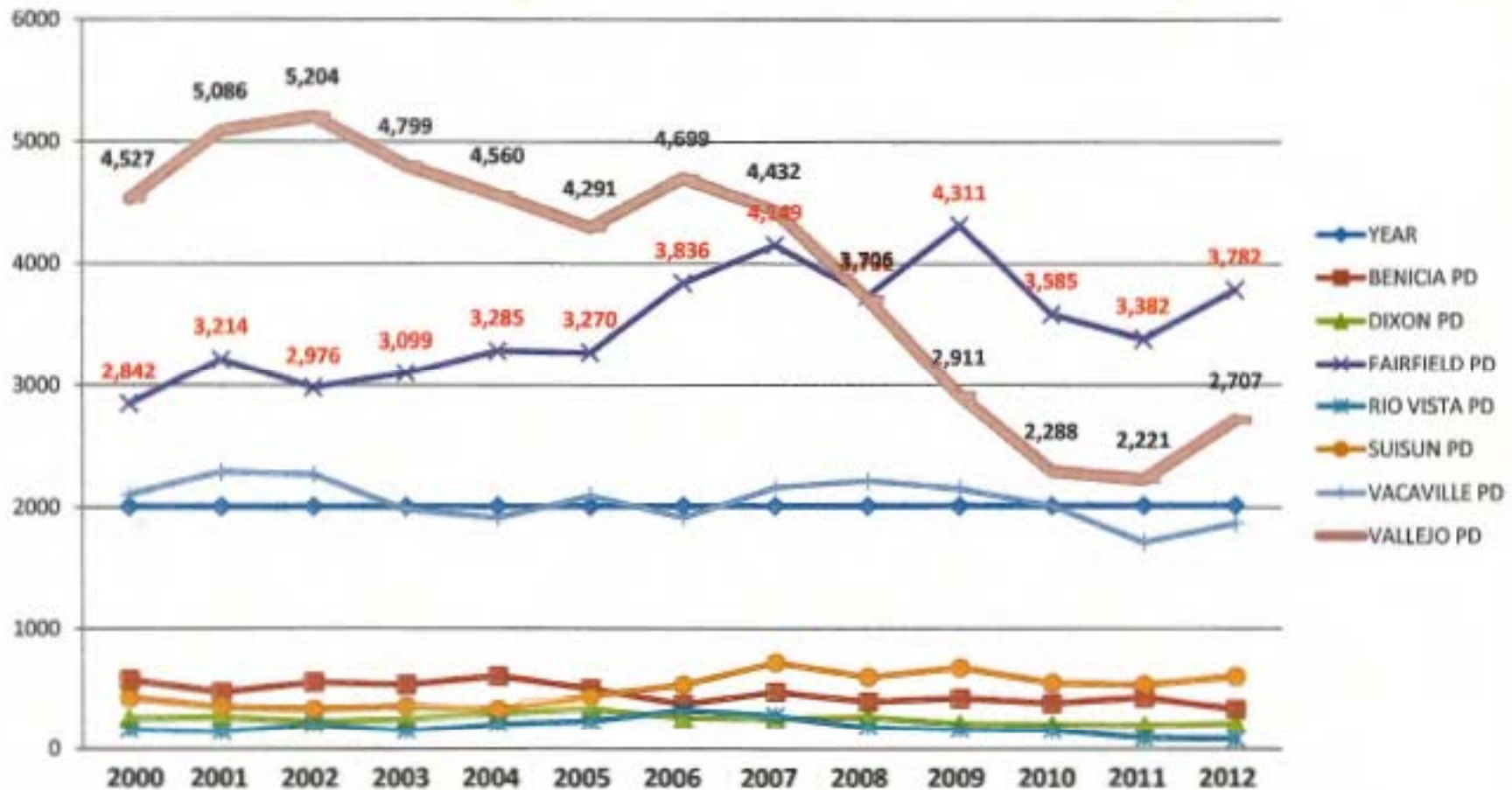
## **Officers per Capita**

**0.68**

1.24 as of 2007 (Union Exhibit 9)



# Local Agency Bookings 2000 - 2012



## **VALLEJO POLICE DEPARTMENT**

### **Sworn Staffing Levels Semi-Annual Totals**

2005:	Jan – 140 July – 139
2006:	Jan – 147 July – 152
2007:	Jan – 148 July – 146
2008:	Jan – 145 July – 125
2009:	Jan – 114 July – 115
2010:	Jan – 110 July – 95
2011:	Jan – 90 July – 90
2012:	Jan – 92 July – 92
2013:	Jan – 88

# **VALLEJO POLICE DEPARTMENT**

## **SWORN STAFFING BY FISCAL YEAR**

**FY/ 09-10 18506.75 hours**

**108 officers @ 171 hrs. annually**

**FY/ 10-11 22974.73 hours\***

**96.25 officers @ 239 hrs. annually**

**FY/ 11-12 23970.00 hours\*\***

**91 officers @ 263 hrs. annually**



City	Population	Violent Crimes	Property Crimes	Total Part I Crimes	Sworn Officers	Workload Per Officer	Officers Per 1,000 Populaiton	Per Capita Spending For Police
Richmond	103,442	1,176	4,623	5,799	188	30.8	1.82	\$702
Berkeley	102,700	533	5,943	6,476	171	37.9	1.67	\$573
San Francisco	818,594	5,741	32,365	38,106	2,250	16.9	2.75	\$562
Oakland	409,723	6,267	17,325	23,592	674	35.0	1.65	\$456
Hayward	144,509	652	3,753	4,405	199	22.1	1.38	\$404
Inglewood	112,100	843	2,672	3,515	188	18.7	1.68	\$386
Alameda	71,016	173	1,964	2,137	85	25.1	1.20	\$354
Concord	122,119	551	3,799	4,350	147	29.6	1.20	\$344
Stockton	292,047	4,033	16,177	20,210	342	59.1	1.17	\$318
Vacaville	92,177	272	1,866	2,138	101	21.2	1.10	\$286
Fairfield	104,202	502	3,395	3,897	114	34.2	1.09	\$285
Fremont	205,477	488	4,414	4,902	178	27.5	0.87	\$280
Vallejo	114,258	822	5,101	5,923	93	63.7	0.81	<b>\$265</b>
Daly City	101,939	250	1,804	2,054	108	19.0	1.06	\$256
Salinas	144,242	1,162	4,648	5,810	157	37.0	1.09	\$254
Sacramento	472,469	4,112	20,200	24,312	696	34.9	1.47	\$247
Antioch	102,125	864	3,069	3,933	104	37.8	1.02	\$237

City	Population	Violent Crimes	Property Crimes	Total Part I Crimes	Sworn Officers	Workload Per Officer	Officers Per 1,000 Populaiton	Per Capita Spending For Police
Vallejo	114,258	822	5,101	5,923	93	<b>63.7</b>	0.81	\$265
Stockton	292,047	4,033	16,177	20,210	342	59.1	1.17	\$318
Berkeley	102,700	533	5,943	6,476	171	37.9	1.67	\$573
Antioch	102,125	864	3,069	3,933	104	37.8	1.02	\$237
Salinas	144,242	1,162	4,648	5,810	157	37.0	1.09	\$254
Oakland	409,723	6,267	17,325	23,592	674	35.0	1.65	\$456
Sacramento	472,469	4,112	20,200	24,312	696	34.9	1.47	\$247
Fairfield	104,202	502	3,395	3,897	114	34.2	1.09	\$285
Richmond	103,442	1,176	4,623	5,799	188	30.8	1.82	\$702
Concord	122,119	551	3,799	4,350	147	29.6	1.20	\$344
Fremont	205,477	488	4,414	4,902	178	27.5	0.87	\$280
Alameda	71,016	173	1,964	2,137	85	25.1	1.20	\$354
Hayward	144,509	652	3,753	4,405	199	22.1	1.38	\$404
Vacaville	92,177	272	1,866	2,138	101	21.2	1.10	\$286
Daly City	101,939	250	1,804	2,054	108	19.0	1.06	\$256
Inglewood	112,100	843	2,672	3,515	188	18.7	1.68	\$386
San Francisco	818,594	5,741	32,365	38,106	2,250	16.9	2.75	\$562

# Impacts of Staffing on Services

Delayed Response Times

Lack of Investigations

Traffic Division

# Recruitment and Retention

Broaden Recruitment Base

Hiring Laterals

Hiring Cadets

Hiring Academy Grads

# Hiring & Training Limitations

City Budget assumes 106/110 sworn personnel

Current Staffing = Approximately 80

26/30 Vacant Positions

Department Incapable of hiring/training

26/30 officers

[video]



# **Compensating Employees & Total Compensation**

**VALLEJO POLICE OFFICERS' ASSOCIATION  
TOTAL COMPENSATION SURVEY - MONTHLY  
TOP-STEP POLICE OFFICER  
STATUS QUO**

<i>Agency</i>	<i>Max Salary</i>	<i>Education Premiums</i>	<i>EE Payment of ER PERS</i>	<i>ER Payment of EE PERS</i>	<i>Uniform Allowance</i>	<i>Longevity</i>	<i>ER Healthcare Contributions</i>	<i>Total Comp</i>
ALAMEDA*	8,161	490	-245	0	125	1,017	2,177	11,725
BERKELEY	9,628	385	-289	0	117	481	1,625	11,947
DALY CITY	7,796	546	-288	0	75	100	1,445	9,674
HAYWARD*	8,774	658	-756	0	37	0	2,256	10,969
OAKLAND*	8,175	818	0	0	67	156	1,875	11,091
RICHMOND*	8,760	657	-88	0	67	788	1,878	12,062
SAN LEANDRO*	7,754	465	0	465	108	310	1,746	10,848
<b>AVERAGE</b>	8,435	574	-238	66	85	407	1,857	11,188
<b>VALLEJO*</b>	<b>8,505</b>	<b>425</b>	<b>0</b>	<b>0</b>	<b>95</b>	<b>851</b>	<b>1,947</b>	<b>11,823</b>
<b>% to reach average</b>	<b>-0.82%</b>							<b>-5.37%</b>

\* Agency is currently hiring.

**Union Exhibit 11**



**VALLEJO POLICE OFFICERS' ASSOCIATION  
TOTAL COMPENSATION SURVEY - MONTHLY  
TOP-STEP POLICE OFFICER  
STATUS QUO**

Agency	Salary	Rank
BERKELEY	\$9,628	1
HAYWARD	\$8,774	2
RICHMOND	\$8,760	3
<b>VALLEJO</b>	<b>\$8,505</b>	<b>4</b>
OAKLAND	\$8,175	5
ALAMEDA	\$8,161	6
DALY CITY	\$7,796	7
SAN LEANDRO	\$7,754	8
<b>AVERAGE</b>	<b>\$8,435</b>	

Agency	Total Comp	Rank
RICHMOND	\$12,062	1
BERKELEY	\$11,947	2
<b>VALLEJO</b>	<b>\$11,823</b>	<b>3</b>
ALAMEDA	\$11,725	4
OAKLAND	\$11,091	5
HAYWARD	\$10,969	6
SAN LEANDRO	\$10,848	7
DALY CITY	\$9,674	8
<b>AVERAGE</b>	<b>\$11,188</b>	



# Consumer Price Index

# Consumer Price Index

**Table A. San Francisco-Oakland-San Jose CPI-U bi-monthly and annual percent changes (not seasonally adjusted)**

Month	2008		2009		2010		2011		2012		2013	
	Bi-monthly	Annual	Bi-monthly	Annual	Bi-monthly	Annual	Bi-monthly	Annual	Bi-monthly	Annual	Bi-monthly	Annual
February	0.5	2.8	1.7	1.2	0.8	1.8	1.0	1.7	1.1	3.0	1.3	2.4
April	1.1	2.9	0.8	0.8	0.7	1.7	1.8	2.8	0.9	2.1	0.8	2.4
June	1.4	4.2	0.8	0.2	0.2	1.1	-0.2	2.4	0.3	2.6	0.5	2.6
August	0.1	4.2	0.0	0.2	-0.1	1.0	0.4	2.9	0.6	2.8	0.1	2.0
October	0.2	3.6	0.1	0.1	0.1	0.9	0.3	3.2	0.7	3.2		
December	-3.2	0.0	-0.8	2.6	-0.2	1.5	-0.4	2.9	-1.4	2.2		



**City of Vallejo  
Last Best Final Offer**



# **The Economic Effect of the City's "LBFO"**

Name	% Change	Annual Reduction in Take-Home Pay
Name redacted for privacy	15.23%	(\$12,984.33)
Name redacted for privacy	15.23%	(\$12,984.33)
Name redacted for privacy	15.23%	(\$12,984.33)
Name redacted for privacy	15.23%	(\$12,984.33)
Name redacted for privacy	15.23%	(\$12,984.33)
Name redacted for privacy	15.23%	(\$12,984.33)
Name redacted for privacy	15.23%	(\$12,984.33)
Name redacted for privacy	14.61%	(\$13,707.24)
Name redacted for privacy	14.61%	(\$13,707.24)
Name redacted for privacy	14.61%	(\$13,707.24)
Name redacted for privacy	14.31%	(\$14,095.99)
Name redacted for privacy	14.31%	(\$14,095.99)
Name redacted for privacy	14.31%	(\$14,095.99)
Name redacted for privacy	14.31%	(\$14,095.99)
Name redacted for privacy	14.31%	(\$14,095.99)
Name redacted for privacy	13.05%	(\$14,484.24)
Name redacted for privacy	13.05%	(\$14,484.24)
Name redacted for privacy	13.05%	(\$14,484.24)
Name redacted for privacy	14.04%	(\$14,504.22)
Name redacted for privacy	14.04%	(\$14,504.22)
Name redacted for privacy	14.04%	(\$14,504.22)
Name redacted for privacy	13.01%	(\$14,504.22)

Name	% Change	Annual Reduction in Take-Home Pay
Name redacted for privacy	14.01%	(\$14,624.78)
Name redacted for privacy	13.87%	(\$14,761.40)
Name redacted for privacy	13.87%	(\$14,761.40)
Name redacted for privacy	13.87%	(\$14,761.40)
Name redacted for privacy	12.89%	(\$14,761.40)
Name redacted for privacy	12.89%	(\$14,761.40)
Name redacted for privacy	13.80%	(\$14,821.96)
Name redacted for privacy	13.77%	(\$14,932.86)
Name redacted for privacy	13.77%	(\$14,932.86)
Name redacted for privacy	13.77%	(\$14,932.86)
Name redacted for privacy	12.81%	(\$14,932.86)
Name redacted for privacy	13.77%	(\$14,932.86)
Name redacted for privacy	13.77%	(\$14,932.86)
Name redacted for privacy	13.77%	(\$14,932.86)
Name redacted for privacy	13.77%	(\$14,932.86)
Name redacted for privacy	13.77%	(\$14,932.86)
Name redacted for privacy	13.77%	(\$14,932.86)
Name redacted for privacy	12.81%	(\$14,932.86)
Name redacted for privacy	13.78%	(\$14,942.51)
Name redacted for privacy	13.70%	(\$14,993.41)
Name redacted for privacy	13.70%	(\$14,993.41)
Name redacted for privacy	13.75%	(\$15,053.41)

Name	% Change	Annual Reduction in Take-Home Pay
Name redacted for privacy	12.74%	(\$15,113.97)
Name redacted for privacy	13.59%	(\$15,256.78)
Name redacted for privacy	13.42%	(\$15,562.97)
Name redacted for privacy	13.42%	(\$15,562.97)
Name redacted for privacy	13.42%	(\$15,562.97)
Name redacted for privacy	13.42%	(\$15,562.97)
Name redacted for privacy	13.41%	(\$15,694.97)
Name redacted for privacy	13.41%	(\$15,694.97)
Name redacted for privacy	13.34%	(\$15,723.04)
Name redacted for privacy	13.46%	(\$15,754.97)
Name redacted for privacy	12.73%	(\$15,783.54)
Name redacted for privacy	13.34%	(\$15,873.18)
Name redacted for privacy	13.11%	(\$16,212.55)
Name redacted for privacy	12.56%	(\$17,590.69)
Name redacted for privacy	12.70%	(\$17,952.59)
Name redacted for privacy	17.65%	(\$20,035.63)
Name redacted for privacy	17.65%	(\$20,035.63)
Name redacted for privacy	17.65%	(\$20,035.63)
Name redacted for privacy	17.59%	(\$20,156.18)
Name redacted for privacy	17.27%	(\$21,154.95)
Name redacted for privacy	17.27%	(\$21,154.95)
Name redacted for privacy	17.27%	(\$21,346.94)



Name	% Change	Annual Reduction in Take-Home Pay
Name redacted for privacy	16.81%	(\$22,846.26)
Name redacted for privacy	16.81%	(\$22,846.26)
Name redacted for privacy	16.48%	(\$22,906.08)
Name redacted for privacy	16.50%	(\$24,200.17)
Name redacted for privacy	21.19%	(\$25,138.40)
Name redacted for privacy	21.19%	(\$25,138.40)
Name redacted for privacy	21.19%	(\$25,138.40)
Name redacted for privacy	16.44%	(\$25,541.59)
Name redacted for privacy	20.88%	(\$26,482.93)
Name redacted for privacy	16.33%	(\$26,630.11)
Name redacted for privacy	16.49%	(\$28,597.97)
Name redacted for privacy	20.39%	(\$28,965.90)
Name redacted for privacy	20.10%	(\$30,809.66)
Name redacted for privacy	23.36%	(\$44,134.37)

**VALLEJO POLICE OFFICERS' ASSOCIATION  
TOTAL COMPENSATION SURVEY - MONTHLY  
TOP-STEP POLICE OFFICER  
CITY'S LAST BEST FINAL OFFER**

<i>Agency</i>	<i>Max Salary</i>	<i>Education Premiums</i>	<i>EE Payment of ER PERS</i>	<i>ER Payment of EE PERS</i>	<i>Uniform Allowance</i>	<i>Longevity</i>	<i>ER Healthcare Contributions</i>	<i>Total Comp</i>
ALAMEDA	8,161	490	-245	0	125	1,017	2,177	11,725
BERKELEY	9,628	385	-289	0	117	481	1,625	11,947
DALY CITY	7,796	546	-288	0	75	100	1,445	9,674
HAYWARD	8,774	658	-756	0	37	0	2,256	10,969
OAKLAND	8,175	818	0	0	67	156	1,875	11,091
RICHMOND	8,760	657	-88	0	67	788	1,878	12,062
SAN LEANDRO	7,754	465	0	465	108	310	1,746	10,848
<b>AVERAGE</b>	<b>8,435</b>	<b>574</b>	<b>-238</b>	<b>66</b>	<b>85</b>	<b>407</b>	<b>1,857</b>	<b>11,188</b>
<b>VALLEJO</b>	<b>7,791</b>	<b>425</b>	<b>0</b>	<b>0</b>	<b>95</b>	<b>0</b>	<b>1,513</b>	<b>9,824</b>
<b>% to reach average</b>	<b>8.28%</b>							<b>13.89%</b>

**VALLEJO POLICE OFFICERS' ASSOCIATION  
TOTAL COMPENSATION SURVEY - MONTHLY  
TOP-STEP POLICE OFFICER  
CITY'S LAST BEST FINAL OFFER**

Agency	Salary	Rank
BERKELEY	\$9,628	1
HAYWARD	\$8,774	2
RICHMOND	\$8,760	3
OAKLAND	\$8,175	4
ALAMEDA	\$8,161	5
DALY CITY	\$7,796	6
<b>VALLEJO</b>	<b>\$7,791</b>	<b>7</b>
SAN LEANDRO	\$7,754	8
<b>AVERAGE</b>	<b>\$8,435</b>	

Agency	Total Comp	Rank
RICHMOND	\$12,062	1
BERKELEY	\$11,947	2
ALAMEDA	\$11,725	3
OAKLAND	\$11,091	4
HAYWARD	\$10,969	5
SAN LEANDRO	\$10,848	6
<b>VALLEJO</b>	<b>\$9,824</b>	<b>7</b>
DALY CITY	\$9,674	8
<b>AVERAGE</b>	<b>\$11,188</b>	



***Is this how the City Values  
All Employees?***



***Is this how the City Values  
All Employees?***

***EXHIBIT***



# **VPOA Proposals**



# **The Economic Effect of the VPOA's Factfinding Proposal**

**VALLEJO POLICE OFFICERS ASSOCIATION  
TOTAL COMPENSATION SURVEY - MONTHLY  
TOP-STEP POLICE OFFICER  
VPOA FACTFINDING PROPOSAL**

<i>Agency</i>	<i>Max Salary</i>	<i>Education Premiums</i>	<i>EE Payment of ER PERS</i>	<i>ER Payment of EE PERS</i>	<i>Uniform Allowance</i>	<i>Longevity</i>	<i>ER Healthcare Contributions</i>	<i>Total Comp</i>
ALAMEDA	8,161	490	-245	0	125	1,017	2,177	11,725
BERKELEY	9,628	385	-289	0	117	481	1,625	11,947
DALY CITY	7,796	546	-288	0	75	100	1,445	9,674
HAYWARD	8,774	658	-756	0	37	0	2,256	10,969
OAKLAND	8,175	818	0	0	67	156	1,875	11,091
RICHMOND	8,760	657	-88	0	67	788	1,878	12,062
SAN LEANDRO	7,754	465	0	465	108	310	1,746	10,848
<b>AVERAGE</b>	<b>8,435</b>	<b>574</b>	<b>-238</b>	<b>66</b>	<b>85</b>	<b>407</b>	<b>1,857</b>	<b>11,188</b>
<b>VALLEJO</b>	<b>8,505</b>	<b>425</b>	<b>-553</b>	<b>0</b>	<b>95</b>	<b>851</b>	<b>1,513</b>	<b>10,836</b>
<b>% to reach average</b>	<b>-0.82%</b>							<b>3.25%</b>



**VALLEJO POLICE OFFICERS ASSOCIATION  
TOTAL COMPENSATION SURVEY - MONTHLY  
TOP-STEP POLICE OFFICER  
VPOA FACTFINDING PROPOSAL**

Agency	Salary	Rank
BERKELEY	\$9,628	1
HAYWARD	\$8,774	2
RICHMOND	\$8,760	3
<b>VALLEJO</b>	<b>\$8,505</b>	<b>4</b>
OAKLAND	\$8,175	5
ALAMEDA	\$8,161	6
DALY CITY	\$7,796	7
SAN LEANDRO	\$7,754	8
<b>AVERAGE</b>	<b>\$8,435</b>	

Agency	Total Compensation	Rank
RICHMOND	\$12,062	1
BERKELEY	\$11,947	2
ALAMEDA	\$11,725	3
OAKLAND	\$11,091	4
HAYWARD	\$10,969	5
SAN LEANDRO	\$10,848	6
<b>VALLEJO</b>	<b>\$10,836</b>	<b>7</b>
DALY CITY	\$9,674	8
<b>AVERAGE</b>	<b>\$11,188</b>	

**VALLEJO POLICE OFFICERS ASSOCIATION  
TOTAL COMPENSATION SURVEY - MONTHLY  
TOP-STEP POLICE OFFICER  
COMPARISON**

**City's Proposal**

Agency	Total Comp	Rank
RICHMOND	\$12,062	1
BERKELEY	\$11,947	2
ALAMEDA	\$11,725	3
OAKLAND	\$11,091	4
HAYWARD	\$10,969	5
SAN LEANDRO	\$10,848	6
<b>VALLEJO</b>	<b>\$9,824</b>	<b>7</b>
DALY CITY	\$9,674	8
<b>AVERAGE</b>	<b>\$11,188</b>	

**Status Quo**

Agency	Total Comp	Rank
RICHMOND	\$12,062	1
BERKELEY	\$11,947	2
<b>VALLEJO</b>	<b>\$11,823</b>	<b>3</b>
ALAMEDA	\$11,725	4
OAKLAND	\$11,091	5
HAYWARD	\$10,969	6
SAN LEANDRO	\$10,848	7
DALY CITY	\$9,674	8
<b>AVERAGE</b>	<b>\$11,188</b>	

**VPOA's Proposal**

Agency	Total Comp	Rank
RICHMOND	\$12,062	1
BERKELEY	\$11,947	2
ALAMEDA	\$11,725	3
OAKLAND	\$11,091	4
HAYWARD	\$10,969	5
SAN LEANDRO	\$10,848	6
<b>VALLEJO</b>	<b>\$10,836</b>	<b>7</b>
DALY CITY	\$9,674	8
<b>AVERAGE</b>	<b>\$11,188</b>	

**VALLEJO POLICE OFFICERS ASSOCIATION  
TOTAL COMPENSATION SURVEY - ANNUAL  
TOP-STEP POLICE OFFICER  
COMPARISON**

**City “LBFO”**

Estimated annual total compensation reduction for Vallejo POA members is \$23,820.

**VPOA Factfinding Proposal**

Estimated annual total compensation reduction for Vallejo POA members is \$11,844.



# Preserving Constitutional Rights

1 Rockne A. Lucia, Jr., SBN 109349  
2 Timothy K. Talbot, SBN 173456  
3 Peter A. Hoffmann, SBN 252354  
4 **RAINS LUCIA STERN, PC**  
5 2300 Contra Costa Boulevard, Suite 500  
6 Pleasant Hill, CA 94523  
7 Telephone: 925.609.1699  
8 Facsimile: 925.609.1690  
9 Email: rlucia@rlslawyers.com

7 Attorneys for Petitioner  
8 VALLEJO POLICE OFFICERS ASSOCIATION

**ENDORSED FILED**  
Clerk of the Superior Court

OCT 15 2013

By J. Abueg  
DEPUTY CLERK

AXED

9 SUPERIOR COURT OF THE STATE OF CALIFORNIA

10 COUNTY OF SOLANO

12 VALLEJO POLICE OFFICERS ASSOCIATION,

13 Petitioner,

14 v.

15 CITY OF VALLEJO AND DOES I THROUGH  
16 X, INCLUSIVE,

17 Respondents.

Case #

FCS042492

VERIFIED PETITIONER FOR WRIT OF  
MANDATE, DECLARATORY RELIEF, AND  
INJUNCTIVE RELIEF

[Code Civ. Proc. § 1286.2]

ASSIGNED TO  
JUDGE **MICHAEL MATTICE**  
FOR ALL PURPOSES

19 Petitioner Vallejo Police Officers Association alleges as follows:

20 INTRODUCTION

21 1. Petitioner Vallejo Police Officers' Association ("VPOA" or "Association") seeks a writ  
22 of mandate and injunctive relief directed to Respondent City of Vallejo ("City") commanding the City  
23 to comply with the duty to bargain in good faith mandated by the Meyers-Milias-Brown Act  
24 ("MMBA"), Government Code section 3500 *et seq.* Petitioner also seeks a declaration from the Court  
25 that the City may not impair vested and constitutionally protected employee benefits or otherwise  
26 impair certain contractual rights and obligations inuring to the benefit of VPOA members.

27 2. Respondent's premature declaration of impasse in contract negotiations with the VPOA  
28 and the City's presentation of a last, best and final offer on September 19, 2013 violated the duty to

Union Exhibit 14

# **Preserving Constitutional Rights**

## **Article I, Section 9 of the California**

“A bill of attainder, ex post facto law, or law impairing the obligation of contracts may not be passed.”



**City Proposal | Sick Leave  
Preserving Constitutional Rights**

## **City Proposal**

### **Section 20. ("Sick Leave, Sick Leave Buy Back, Maternity Leave, and Bereavement Leave ")**

~~C. Sick Leave Buy Back. After ten (10) or more years of continuous service, any employee who retires, resigns, dies or is laid off by City action, shall be paid for one-half (1/2) of any accumulated sick leave pay, at his/her regular straight time rate of pay, said payment to be made to the employee or his/her designated beneficiary. The ten (10) year minimum shall be waived in the event of a work-related disability retirement.~~





The City provided VPOA members with a vested contractual right to convert accrued sick leave benefits to cash.

# Summary of Facts from Petition for Writ of Mandate

## 1980-1982 MOU, Section 20.C: "Sick Leave Buy-Back."

After fifteen (15) or more years of continuous service, any employee who retires, resigns, dies or is laid off by City action, shall be paid for one-half of any accumulated sick leave pay, at his or her regular straight time rate of pay, subject to a maximum of **sixty (60) eight-hour days, or 480 hours**, said payment to be made to the employee or his/her designated beneficiary.

# Summary of Facts from Petition for Writ of Mandate

## 2009-2013 Supplemental Agreement

- 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.
- 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.
- b. 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.

## Example Values of Accrued Sick Leave Banks

Employee Name	Value of Sick Leave Buy-Back
Name redacted for privacy	\$59,783.26
Name redacted for privacy	\$57,005.05
Name redacted for privacy*	\$53,875.95
Name redacted for privacy	\$49,687.12
Name redacted for privacy	\$47,163.76
Name redacted for privacy	\$46,473.15
Name redacted for privacy	\$43,535.65
Name redacted for privacy	\$42,259.69
Name redacted for privacy*	\$41,988.10
Name redacted for privacy	\$39,679.99
Name redacted for privacy	\$36,850.84
Name redacted for privacy	\$36,189.14
Name redacted for privacy	\$35,399.17
Name redacted for privacy	\$35,109.16

\*Eligible to retire. Three additional retirement eligible employees maintain leave banks valued at \$46,662



# **VPOA Proposal | Sick Leave Preserving Constitutional Rights**

# VPOA Proposal

## Section 20. ("Sick Leave, Sick Leave Buy Back, Maternity Leave, and Bereavement Leave ")

The VPOA agrees to reduce the rate of sick leave accrual for all VPOA members hired on or after the date of ratification of this Agreement, to **120 hours per year (currently 180 hours)**. The VPOA further agrees to reduce the credited sick leave hours for such employees following six (6) months of full-time service to **60 hours (currently 90 hours)**.

**Accrued Sick Leave for New Hires not eligible for Sick Leave Buy Back**



# **City Proposal | Retirement Health Preserving Constitutional Rights**

# City Proposal

## Section 22. (“Health and Life Insurance”)

### RETIREE ANNUITANTS

4. ~~\_\_\_\_\_ For employees hired on or before February 1, 2009, t~~ 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 \$300 ~~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 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).~~





**The City has provided VPOA members with a vested right to retirement medical benefits.**

## Summary of Legal Precedent Establishing Vested Rights to Retirement Medical Benefits

In *Retired Employees Association of Orange County v. County of Orange*, 52 Cal.4th 1171 (2011), the California Supreme Court found that public employees held that under California law, a vested right to health benefits for retired county employees can be implied under certain circumstances from a county ordinance or resolution.

In *International Brotherhood of Electrical Workers v. City of Redding*, 210 Cal.App.4th 1114 (2012), reh'g denied (Nov. 30, 2012), review denied (Jan. 16, 2013), the Court of Appeal found that the MOUs between the parties could establish a vested right for active members to have the City contribute 50% of the cost of the employee's retirement medical premiums.

In *Requa v. Regents of the University of California*, 213 Cal.App.4th 213 (2012), the Court of Appeal held that, even absent an MOU, retirees adequately pleaded that the university formed implied contract to provide lifetime university medical benefits.

# Summary of Facts from Petition for Writ of Mandate

## *1988 Arbitration Before Bonnie Bogue*

The Association's rationale for its proposal is to avoid any discrimination between current and future retirees implied in the City's proposal (assuming that the City would elect not to provide current retirees the \$75 reimbursement it proposes for future retirees). It also argues for equality between retirees and current employees in that *both classes should receive a contribution [to] cover the actual cost of a basic health plan, rather than requiring retirees to pay the difference between \$75 and the cost of the PORAC plan.*

Since *the City is not seeking parity between units on its proposal*, the only argument in favor of its proposal is to minimize the cost of this new benefit. However, since the difference in cost between the two proposals is relatively minor (\$11 a month per retiree) *the Association's rationale to provide retirees, like employees, with enough contribution to provide a fully paid, basic plan is the more persuasive.*

# Summary of Facts from Petition for Writ of Mandate

## ***Vallejo City Council Resolution No. 88-486 N.C.***

BE IT FURTHER RESOLVED, *that the employer's contribution for each annuitant shall be the amount necessary to pay the cost of his/her enrollment, including the enrollment of his/her family members, in a health benefits plan up to a maximum of \$86.81 per month;*

**Union Exhibit 18**

## ***Vallejo City Council Resolution No. 96-438 N.C.***

BE IT RESOLVED, (a) That the employer's contribution for each annuitant shall be the amount necessary to pay the full cost of his/her enrollment, including the enrollment of his/her family members in a health benefits plan up to a maximum of (see attached calculation) per month;

**Union Exhibit 19**

# Summary of Facts from Petition for Writ of Mandate

## *2000-2005 MOU and Continuing to Bankruptcy*

The City's existing health program for retiree-annuitants shall continue through December 31, 1996. Effective January 1, 1997, City's contribution for eligible police retiree-annuitants shall be the same as the current City of Vallejo Fire retiree-annuitants. Also, effective January 1, 1997, police retiree-annuitant basic and supplemental contribution rates for subsequent years will be increased by 10% per year pursuant to the Government Code.

# Summary of Facts from Petition for Writ of Mandate

## *2009-2013 Supplemental Agreement*

2. Effective January 1, 2010 and thereafter, 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. . . .

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.

# VPOA Proposal

## Section 22. (“Health and Life Insurance“)

### RETIREE ANNUITANTS

	<u>Status Quo</u>	<u>2014</u> <i>Pre-Medicare</i>	<u>Proposed*</u>
Kaiser	\$742.72	Single	\$618.39 Blue Shield Net Value (Sac)
Kaiser	\$1,485.44	Two-Party	\$1,186.00 PORAC
Kaiser	\$1,931.07	Family	\$1,507.00 PORAC
<b><i>Medicare</i></b>			
Kaiser	\$294.97	Single	\$196.66 66.67% Kaiser
Kaiser	\$589.94	Two-Party	\$393.31 66.67% Kaiser
Kaiser	\$884.91	Family	\$589.97 66.67% Kaiser

\*City preserves contractual obligation to actives and retirees.

City of Vallejo  
Retiree Healthcare Plan  
Analysis of OPEB Expense for VPOA

Prepared by Ira Summer  
Public Pension Professionals, Inc.



# Basis for Calculations

- City of Vallejo Retiree Healthcare Plan  
June 30, 2012 GASB 45 Actuarial Valuation  
Prepared by Bartel Associates  
Published April 12, 2013
- City of Vallejo Retiree Healthcare Plan  
June 30, 2012 GASB 45 Actuarial Valuation  
POA Benefit Study Preliminary Results  
Prepared by Bartel Associates  
Published June 27, 2013

# Basis for Calculations

- 2013 premium levels
- Assumptions and methods as detailed in Bartel Associates report, except where we specify otherwise
- Results shown here are estimates extrapolated from the results of the reports listed on the previous page

# Current Program

- 100% Kaiser Bay Area premium for current and past VPOA members
- City contributing on a pay as you go basis
- No current employee contributions

# Proposed Program

- Greater of:
  - 66.67% Kaiser Bay Area premium
  - 100% of least expensive Sacramento area premium for current and past VPOA members at time of ratification
- Employees contribute 3.5% of pay into irrevocable trust
- City contributes remainder of ARC into irrevocable trust
- Irrevocable trust invested in CalPERS OPEB trust achieving return equivalent to pension fund (assumed to be approximately 7% per year over the long run)
- Future VPOA members hired after ratification placed into VEBA

# Fiscal Year 2013/14 ARC (in \$000's)

Current Program			\$4,750
	Reduction due to:		
	Benefit Change	950	
	Member Contributions	400	
	Discount Rate Change to 7%	1,000	
	Total Reduction	2,350	
Proposed Program			\$2,400

# Fiscal Year 2014/15 ARC (in \$000's)

Current Program			\$5,150
	Reduction due to:		
	Benefit Change	1,100	
	Member Contributions	400	
	Discount Rate Change to 7%	1,050	
	Total Reduction	2,550	
Proposed Program + VEBA			\$2,600

# Fiscal Year 2015/16 ARC (in \$000's)

Current Program			\$5,550
	Reduction due to:		
	Benefit Change	1,200	
	Member Contributions	400	
	Discount Rate Change to 7%	1,150	
	Total Reduction	2,750	
Proposed Program			\$2,800



# **Additional Legal Challenges**



# The City's Proposal Appears Discriminatory

- Elimination of Longevity Pay will disproportionately affect older employees.
- Elimination of Retirement Medical Benefits will disproportionately affect older employees.
- Elimination of Sick Leave Buy-Back will disproportionately affect older employees.
- Elimination of Management Incentive Pay will disproportionately affect older employees.

# The City's Proposal is Facially Regressive Bad Faith Bargaining

D. In addition to the full employee share, all bargaining unit employees shall also contribute an additional 3.4% towards their PERS retirement benefit. In the event the parties cannot agree to this additional contribution, all bargaining unit members will have their salaries reduced by 3.4%.

- Reduced Take-Home Pay for VPOA Members
  - Reduced Pension Benefits
  - Reduced Overtime Rate
- Reduced Value of Accrued Leave Banks
- Reduced Employer Pension Contributions
- Reduced Employer Workers' Compensation Rates
  - Reduced Employer Payroll Taxes.



**Conclusion**