

Attachment I:

Employee Transfer Plan and Implementing MOU Sideletter

52
73

Employee Transfer Plan

It has been the intent of the City and the District to formally combine their two fire departments into a single agency that will permit more reliable economies of scale and more cost-effective management of the staff and operations. To reach this objective the City and the District have worked to align their employee agreements so that employees of each agency are essentially compensated the same and operate under nearly identical personnel rules. With the completion of that alignment, the City and District are now petitioning LAFCO to approve the annexation of the City territory into the District and the District will then formally hire the fire department employees who are now on the City payroll.

Upon leaving City employment the employees will carry over to the District, and not lose, their accumulated and unused vacation and sick leave. The City would compensate the District for their unused vacation and a portion of their unused sick leave, because the District will be assuming the obligation to compensate the employee for this unused time when the employees leave their employment with the District at some future time. This is not a new cost for the City, since City would have this obligation if the employees remained as City employees. The funds are currently reserved by the City for this purpose. The actual amount will be calculated upon annexation, but current the value is \$144,993 for accumulated vacation and \$112,614 for accumulated sick leave.

The City, in its current agreement with employees, has provided medical benefits after retirement. Since six of the employees are close to retirement and have earned the benefit with the City and will not have sufficient time as District employees to earn this benefit again as District employees, it is most cost effective for the City to retain the responsibility to pay for the retiree medical costs of these six employees after they retire. The City currently has this obligation and this would not be a new added cost to the City.

For the remaining employees who would have sufficient work time with the District to earn the post retirement medical benefit under District rules, the City would pay for the "unfunded liability" of these nine employees that represents only the years they have worked for the City. Based on an audit finding, the City can pay off this obligation to the District at \$58,000 per year for 30 years. Again this is a cost obligation the City already has and does not represent a new added expense to the City.

The terms and conditions of the employment of the City of Sausalito Fire Department personnel by the District are the subject of agreements between the City, the District and the employees. A copy of the text of the Agreement between the District and the Firefighters IAFF Local 1775 is included below. A copy of the "Agreement Regarding Financial and Personnel Conditions of Annexation" between the City and the District is included as Attachment II to the Plan for Service.

Agreement for Transfer of City of Sausalito Fire department Employees to Employment with the Southern Marin Fire Protection District

The following agreements are made between the Southern Marin Fire Protection District (District) and the Southern Marin Professional Firefighters, IAFF Local 1775 (Union).

This agreement shall serve as a side letter to the existing Memorandum of Understanding between the Union and the District and shall serve as an statement of agreements to facilitate the transfer of employees of the City of Sausalito (City) Fire Department to employment with the District.

These agreements shall occur only if the geographic area of the City is annexed into the boundaries of the District through a LAFCO annexation process. Should the annexation of the geographic areas of the City not occur, this agreement shall be null and void.

1.0 Termination and Rehire

All current City employees, with the exception of any employee who is either on 4850 H&L, Long Term Disability or unresolved medical leave, understand that their employment with the City shall be terminated at the point that the District assumes fire protection responsibilities for the City area. All employees, with the exception of those stated above shall become District employees at the exact time their employment with the City is terminated.

2.0 Memorandum of Understanding (MOU)

At the point at which members become employees of the District, they will be covered under the MOU between District and the Union and no longer be covered by the MOU between the City and the Union. The Union acknowledges that there are differences in the MOU between the Union and the City and the MOU between Union and the District

3.0 Seniority and Hire Date

For the purposes of seniority and years of service for vacation accrual, medical benefits and employee recognition, the District's Seniority and Hire Date policy will be used. For the purpose of hire date as it relates to qualifying for "grand-fathered" benefits, the actual date of employment with the District will be used.

4.0 Retirement

New employees will become members of the Marin County Employee Retirement Association (MCERA). Employees may elect to apply for reciprocity between MCERA and CalPERS or file for retirement from CalPERS.

5.0 Vacation

- 5.1 Vacation accrual for each employee shall be calculated based upon the hire date identified in the Districts "Seniority/Date of Hire" Policy.
- 5.2 Employees transferring from the CITY shall have the option of requesting that vacation time accrued with the CITY be transferred directly to the DISTRICT, or requesting a cash payout from the CITY.

6.0 Sick Leave

- 6.1 Unused Sick Leave hours accrued by each employee during employment with the City of Sausalito shall be transferred to the District.

7.0 Post-Retirement Medical Coverage

- 7.1 The District shall provide service credit towards "employee only" medical coverage at normal service connected retirement as follows:

If an employee has achieved a minimum of 10 years employment with the Southern Marin Fire Protection District, (for the purposes of this section includes service time with the Alto - Richardson Bay Fire Protection

District/ Tamalpais Fire Protection District), the District shall provide 5% of the cost of Kaiser "employee only per years served up to a total of 100% of the cost for Kaiser High Single member (Kaiser "S" Plan)

Service credit shall include any combination of service time of having been hired as the result of 1.) The Agreement between the City of Sausalito and Southern Marin Fire Protection District effective on or about April 25, 2006, or 2.) the Annexation of the City of Sausalito into the Southern Marin Fire Protection District. As an example, if an employee retires with 10 years of service with the District and 10 years of service with the City of Sausalito and was hired as a result of one of the defined mergers, the employee would have 20 years of service credit and would therefore receive 100% of the Kaiser "S" Plan cost.

The following parties have hereby executed this agreement on _____ by

Southern Marin Professional Firefighters Southern Marin Fire Protection District

Local 1775 IAFF
