

Impasse Hearing Presentation

Presented by Richard Rand
IUPA Local 6005



Current Articles at Impasse
September 17, 2013

OPEN ARTICLES

Article 21; Health Insurance
Article 22; Leave
Article 30; Retirement Benefits (Police officers)
Article 31; Retirement Benefits (Communications)
Article 36; Wage and Salary Provisions
Article 38; Term of Agreement

****Note****

Article 30; Retirement Benefits (Sworn) are separate from the contract. The City is moving to impose the pension into the contract. The City has already acknowledged that the two must remain separate (later slide number 39).

****Note****

Article 31; was added by the City and was never part of the Police contract. The retirement benefits for Police Communications falls under the AFCSME contract.

Impasse insight;

- Impasse was declared on February 6, 2013 by Mr. Bob Norton who represents the City. Since impasse, IUPA and the city have had 13 meetings to discuss options to resolve the issues. During these meetings, IUPA has offered additional savings in pension and contract reform. The Union and the city have not been able to reach an agreement.

The purpose of this hearing is to present facts in a public forum.



Message from Local 6005

- The Union has prepared this presentation in hopes that the community in which we serve will see the truth. We strive to keep our residents, business owners and visitors safe. We want to provide a community that people are proud to call home.
- We believe that we have proposed SUSTAINABLE benefits and pension reform that will move our city into the future.

Comparison;

We have looked at and completed a comprehensive study of 5 surrounding police agencies:

1. Sunny Isles Police Department
2. North Miami Police Department
3. Aventura Police Department
4. Miami-Dade Police Department
5. Hallandale Beach Police Department

In the next several slides we will compare the current benefits that the above agencies provide to their employees.

Health Insurance

SUNNY ISLES POLICE DEPARTMENT

- Single Officer Coverage gets a stipend of \$650.00/Month.
- Officer with family coverage gets a stipend of \$759.00/Month.

If the dollar amount of the coverage selected is less than the stipend, the Officer receives the difference in cash.

If the dollar amount of the coverage selected exceeds the stipend amount the employee pays the difference.

Neighborhood	HMO-SINGLE	HMO-DOUBLE	HMO-FAMILY
Emp weekly contribution	\$58.16	\$127.98	\$162.86

North Miami Police Department

NMPD Offers two Insurance Groups:

Neighborhood Health Care

Neighborhood	HMO-SINGLE	HMO-DOUBLE	HMO-FAMILY
Emp weekly contribution	\$10.83	\$101.94	\$152.35

United Health Care

United	HMO-SINGLE	HMO-DOUBLE	HMO-FAMILY
Emp weekly contribution	\$24.40	\$112.63	\$216.78

Aventura Police Department

Aventura has a two tier scale. The first scale is based on all employees hired prior to 2006. The second scale is for employees hired after 2006.

First Scale hired prior to Oct 2007

United Health	HMO-SINGLE	HMO-DOUBLE	HMO-FAMILY
Employee Contribution Weekly	\$0	\$37.19	\$67.37

Second scale hired after Oct 2007

	HMO-SINGLE	HMO-DOUBLE	HMO-FAMILY
Employee Contribution Weekly	\$0	\$74.77	\$135.45

Miami-Dade Police Department

AV-MED "LOW OPTION" PLAN employee must select a primary care PCP.
 Referrals from PCP are required to receive covered medical services.

AV-MED	HMO-SINGLE	HMO-DOUBLE	HMO-FAMILY
Emp weekly contribution	\$0	\$98.21	\$135.68

AV-MED "HIGH OPTION" PLAN does not require the selection of a PCP.

No PCP referrals are required to receive covered medical services.

AV-MED	HMO-SINGLE	HMO-DOUBLE	HMO-FAMILY
Emp weekly contribution	\$0	\$143.88	\$104.17

Hallandale Police Department

The difference between Option #1 and Option #2 is by taking Option #2, the member pays more for a lower co-pay and deductible.

Coventry - HMO-Opt.#1	HMO-Single	HMO-Double	HMO-Family
Emp weekly contribution	\$0	\$27.50	\$52.30

Coventry - HMO-Opt.#2	HMO-Single	HMO-Double	HMO-Family
Emp weekly contribution	\$0	\$45.16	\$73.00

North Miami Beach Police
The city offers Coventry Insurance.

	HMO-SINGLE	HMO-COUPLE	HMO-FAMILY
Emp weekly contribution	\$0	\$21.74	\$53.75

The City offers NO CHOICE to the employees.

How does NMB compare?

- After comparing the five agencies, we found that the City of North Miami Beach offers lower employee rates compared to surrounding agencies.
- Other agencies offer different levels of insurance plans that benefit the member by giving them a choice.
- Other agencies offer two different insurance companies, again giving the employee a choice.
- NMB only offers one plan and no other choices leaving employees no other options.

IUPA Offer:

- IUPA has identified the rising cost of Health Care and it's financial impact on the city. In an attempt to relieve the financial burden, the union has offered the City relief in this area.
- The members have agreed to double their premiums to alleviate this financial burden on the city.
- The city accepted the offer however, it is contingent on a "package deal" which includes major changes to our pension.

HMO Single/Family summary;

	SIBPD	NMPD	APD	MDPD	HPD	NMB	Current proposal
Emp weekly Cont.	\$0	\$10.83	\$0	\$0	\$0	\$0	\$10.00
HMO-F	\$0	\$152.35	\$67.37	\$135.68	\$52.30	\$53.75	\$95.00

This is a summary of my findings and a snap shot of how we compare to the other agencies.

Health Insurance:

- The initial 5% increase in members contributions that IUPA proposed, the City would have collected an additional:
\$66,863.02
- In the current proposal, the City would have collected approximately:
\$102,551.84

Salary Comparison



Salary Comparison (Officer)

	SIBPD	APD	NMBPD	MDPD	MCPD	HPD
Starting Pay Entry	\$47,290.13	\$51,984.87	\$46,576.82	\$50,490.70	\$46,072.00	\$51,272.00
Top-out Years	\$69,816.33 8 Years	\$79,493.51 10 Years	\$72,641.50 5 Years	\$85,775.30	\$68,473.00 8 Years	\$72,176.00 8 Years
Steps	8	10	5	Unknown	8	8

- ❖ Lowest Starting Pay – North Miami Police Department
- ❖ Highest Starting Pay – Aventura Police Department
- ❖ Lowest Top-Out Pay – North Miami Police Department
- ❖ Highest Top-Out Pay – Miami-Dade Police Department

NMBPD is ranked 2nd to last in the starting pay comparison
 NMBPD is ranked 3rd in the Top-out Salary

Snap Shot of Union proposals:

- Union members decided that they would agree to NO PAY raise for the next fiscal year.
- A “re-opener” In Year Two and year Three. A “re-opener” means that the City and union sit down and discuss the possibility of a pay raise.
- This would keep the city on a SUSTAINABLE track to remain competitive with the surrounding cities.

Article 36; Wage/Salary

City Proposal

- No pay raises
- Continues step freeze (3 additional years)
- No COLA increases

IUPA Proposal

- 0% increase (1st year)
- "RE-opener" (2&3 year)
- Un-freeze steps and bring all members current with step-plan.
- 11 members currently affected by frozen step-raises.

SNAP SHOT OF PAY

- The last time IUPA ratified a contract to include a pay increase was 2006.
- In 2010, members ratified a contract to "freeze" step raises in fear that the City would impose salary cuts and Layoffs.
- IUPA wants to stay competitive with surrounding law enforcement communities.
- IUPA wants to remain competitive in order to recruit the best qualified candidates.
- We currently have 6 officers and 4 Sergeants that have been frozen in pay since 2009.
- We have 2 newly promoted Sergeants who will not see a step increase.

Pension Reform

Article 30; Retirement Benefits

Our pension is not included in our contract. The City has stated in past negotiations that they would keep the two separate.

Discussion between City and IUPA

At the last hour, the City has added pension reform along with a proposal to change the ordinance which governs the pension.

Current IUPA Proposal:

Pension

Pension-Accept 2.25 percent multiplier for new members

Going forward –(upon ratification of the contract), current members will receive 2.5% multiplier, and the interest rate on the drop will fluctuate from 0-6% depending on what the plan earns. The maximum amount a member can earn in the drop will be 6% and the minimum will be 0%.

It was agreed upon during negotiations that the pension would be kept separate from the contract. Since this is a mandatory subject to bargain, we proposed the above pension reform.

Current IUPA proposal

The following changes were proposed to the City during negotiations:

Reducing the multiplier from 3% to 2.5%

Reducing the Drop program from 8 yrs to 5 yrs.

Offered a sliding scale 0-6% for rate of return.

Reducing the COLA from 2.5% to 2.0%

City Intentions:

The City is going to impose. The City is looking to take the Right to vote away from the members in the pension plan.

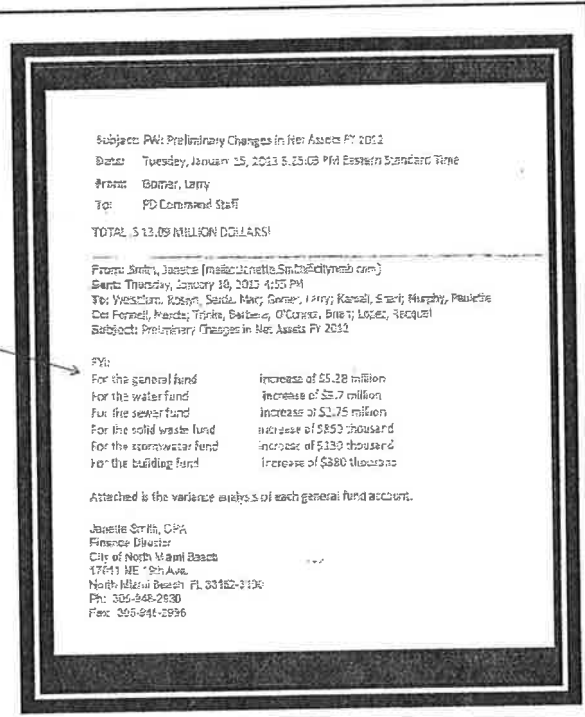
This move is Unconstitutional and will begin a law suit that will cost the pension plan a huge financial burden.

In the END, The City will be responsible for making the plan whole.

City's Financial Snap Shot:

E-mail from the City
Financial Officer dated
January 10, 2013

Positive:
General Fund
Increase of \$5.28
million!



Transparency in Negotiations

An inside look at what really
happens during negotiations
between IUPA and the City.

Clip from contract meeting between IUPA and City from
February 6, 2013:

- The dialog is between Mr. Richard Weiner who represents IUPA and Mr. Robert Norton who represents the City of North Miami Beach.

Contract.wav



Media Clips from the negotiation meeting between IUPA and
the City on February 6, 2013

All of those extreme
measures worked



It's important to see that we
are doing what we can do



Quotes from Mr. Norton;

- “I guess all of those extreme measures worked”
- “It is imminently clear that we are doing NOTHING BUT TAKING, I got no argument with you there”.

Financial Highlights;

The information below was provided in the most current
“Comprehensive Annual Financial Report”

Published April 16, 2013

The assets of the City of North Miami Beach exceeded its liabilities at the close of fiscal year 2012 by \$171.1 million (*net assets*). Of this amount, \$36.7 million (*unrestricted net assets*) may be used for expenditures arising from the ongoing operations of the City. Total net assets increased by \$16.3 million or 10.5% over the prior fiscal year. Unrestricted net assets increased by \$16.5 million or 81.7% as a result of strong operating incomes across all of the City's major funds. This is a direct impact of the City's cost cutting measures over the past year.

The information below was provided in the most current
"Comprehensive Annual Financial Report"

- *Total assets* increased by \$11.4 million or 3.9% in fiscal year 2012. *Capital assets* decreased by \$6.7 million and *Current assets – restricted* increased by \$0.6 million. *Current assets – unrestricted* increased by about \$17.5 million or 30.3% largely as a result of increases in pooled cash and investments and the net pension asset. This indicates that the City is collecting amounts due from customers, and appropriately funding its pensions.

"This indicates that the City is collecting amounts due from customers, and appropriately funding it's pensions"

City's Current Financial Status:

- "Overall, the City is in a **favorable** position of approximately \$13.6 million as compared to budget at March 31, 2013"
- City of North Miami Beach Quarterly Financial Analysis Second Quarter – FY 2013 Overview.
- "Overall, the City is in a favorable position of approximately \$21.0 million as compared to budget at June 30, 2013.
- City of North Miami Beach Quarterly Financial Analysis Third Quarter – FY 2013 Overview.

Financial Highlights

- *Total liabilities* decreased by about \$4.9 million, or 3.6%, during the current year. *Current liabilities* decreased by about \$1.2 million, because of the payment of amounts due to other governments by the business-type activities and lower accrued liabilities primarily related to benefits. *Noncurrent liabilities* decreased by about \$3.7 million due to debt payments. Decreasing liabilities, coupled with increasing assets indicates that the City is able to continue to meet its obligations and still build cash reserves.

“Decreasing liabilities, coupled with increasing assets indicates that the City is able to continue to meet its obligations and still build cash reserves”

The information below was provided in the most current “Comprehensive Annual Financial Report”

- The City’s enterprise funds reported combined unrestricted net assets of \$21.6 million, an increase of \$11.4 million over the previous fiscal year. The results of operations of the water and sewer funds provided the bulk of the increase.
- At the close of the current fiscal year, the City’s governmental funds reported combined ending fund balances of \$32.7 million, an increase of \$6.4 million over the prior fiscal year. Approximately 35% or \$11.4 million of this amount is available for spending at the City’s discretion (*unassigned fund balance*).

“Approximately 35% or \$11.4 MILLION of this amount is available for spending at the City’s discretion”

The information below was provided in the most current
"Comprehensive Annual Financial Report"

- Total revenues decreased by about \$4.7 million, or 4.6%, indicating the continued sluggishness of the overall economy. Total expenses decreased \$6.6 million, 7.5% as a result of cost cutting measures primarily in general governmental and public safety expenditures.

"Total expenses decreased \$6.6 million, 7.5% as a result of cost cutting measures primarily in general governmental and public safety expenditures"

Financial Statement by City Finance Director

This is audio
from the Council meeting
held on
April 16, 2013

Snap Shot of the CAFR report (Amended 9/30/2012)

Account	Description	FY12 9/30/12	AMENDED 9/30/12	\$ VAR
1700	MAINTENANCE AND REPAIRS	1,730,861	2,200,000	469,139
1701	EXPENSES OTHER THAN BUILDINGS	28,046,551	550,185,000	522,138,449
1702	EXPENSES OTHER THAN BUILDINGS	13,815,600	374,214,937	360,400,337
1703	EXPENSES OTHER THAN BUILDINGS	0.00	24,100,000	24,100,000
1704	EXPENSES OTHER THAN BUILDINGS	194,233.77	641,256.37	447,022.60
1705	Public Services			
1706	Total (M.O.F.) Capital Outlay	437,310.47	1,884,281.04	1,446,970.57
1707	Transfers Out			
1708	Transfers Out			
1709	Transfers Out	221.37	0.00	(221.37)
1710	Transfers Out	182,042.15	0.00	(182,042.15)
1711	Transfers Out	30,836.25	10,710.00	(20,126.25)
1712	Transfers Out	0.00	20,000.00	20,000.00
1713	Transfers Out	12,000.00	0.00	(12,000.00)
1714	Transfers Out	21,020.00	20,000.00	(1,020.00)
1715	Transfers Out	341,615.77	76,750.00	(264,865.77)
1716	Total M. Transfers Out	361,615.77	76,750.00	(284,865.77)
1717	State of Account Groups	1,291,111.11	11,217,314.29	9,926,203.18
1718	Net (Actual) Loss	7,247,217.21	11,811,314.29	4,564,097.08

AMENDED
9/30/2012

11,811,314.29

\$11.9 MILLION DOLLARS

City's financial standing



"The state as of September 30, 2012 yes you are in a very solid financial position".

Breakdown of concessions:

1. Compensation
2. Group Insurance
3. Leave
4. Wage and Salary

Concessions:

Union Proposed:

43 hour work week with a 3 hour minimum/mandatory OT schedule.

This would be a substantial savings to the City and would amount to hundreds of thousands of dollars per fiscal year, providing the city with the requested financial relief.

Concessions:

- 43 hour work week
- 3 hour min/man (callouts, court)
- Give up Birthday leave and (2) floating holidays
- Agreed to NO raises for the past 7 years
- Take home cars (Agreed to pay for fuel and wear/tear)
- Increase our contributions for health insurance
- Limit our caps on Leave
- Tuition Reimbursement
- Longevity pay
- Agreed to Freeze the Longevity leave

Summary;

- Morale in the PD is at an all time low.
- The City has lost good Officers to other departments such as Coral Gables PD, Sunny Isles PD, FDLE, Aventura PD, Miami-Dade School Board, Miami-Dade Police Department, Delray Beach PD, Miami-Dade State Attorney's Office.
- If the City continues to cut benefits, pay and pensions, the City will NO LONGER offer competitive benefits.
- The city will become a training ground for other agencies.

Recruitment since 2011:

- 72 applicants since January 2011
- 3 Officers were hired out of these applicants
- 4 qualified applicants withdrew from the process.

- Ask yourself: If the City cannot retain the current employees, how can we recruit and hire the next wave of excellent candidates?

- The City will be forced to hire mid to low range candidates.

- These will be the people patrolling YOUR streets.

NMB: Where we are now....

Crime is down, however, the nature of the crimes committed are more violent than ever before..

We have less COPS on patrol today.

The Police Department has been reduced to a "reactive" police department instead of a "proactive" police department.

NMBPD current staffing:

Since 2011, we have lost 16 officers.

Today, we lost another 3 officers.

Since 2011, we have hired 3 officers fresh out of the police academy.

We have had ZERO agency transfers from other agencies. Past history, we recruited experienced officers from other agencies.

Special Units Dissolved:

- No Traffic Unit (Motors)
- No Community Patrol Unit
- No Gang Unit
- No Marine Patrol
- No Bike patrol

Highlights;

- City has rejected ALL pension reform proposals.
- The City has misled IUPA with inaccurate figures.
- An independent auditor has declared the City as "Financially Sound". AS OF SEPTEMBER 30, 2012.
- The City has admitted that all they have done is take.
- The City has misled the union by agreeing to keep the contract and pension separate.

Is this what WE want for NMB?



This is NOT a recruitment sign, This is a sign of
DESPERATION!!!

