

August 30, 2021

L4742 Members,

The Union board presents to you a Tentative Agreement of a 3-year MOU contract from the Apple Valley Fire Board of Directors. This contract represents a 2, 2, 2 percent COLA increase with the menu items as presented. Items you will be voting for the next 3 years are listed below. As identified in the most recent General Membership meeting, there was conversation as to what a contract with only COLAs would look like. Therefore, in every budgeted item with negotiations there are what the Fire District calls "Roll Up Cost." This terminology relates to the loaded cost of an employee, which must consider the variable cost of that employee as they work more hours than budgeted as a financial liability. Unfortunately, the Fire District cannot definitively forecast for such variable cost, therefore a conservative approach will always be taken into account. In negotiations, a 2-year contract was presented from the Fire Board with a 3,3 percent COLA and no other menu items due to the "Roll Up Cost" associated with that option. The negotiations committee decided to present the 2,2,2 with the menu options because every member stands to gain more than the 2-year COLA only contract. In the spreadsheet attached you will find what the accumulative totals would look like to your personal benefit by going with a 2,2,2 contract with the menu options versus the 3/3 contract. Most likely, this next contract will take us into the next economic pullback meaning we will capitalize on 1 additional year of gains by way of incentives, benefits and stipends. It takes us 1 additional year to get to the full 6% but the menu options far outweigh the straight COLA contract as the schedule matures after the first year. Since the Fire District was not open to menu items on the 3,3 percent contract, no members will receive the additional Deferred Comp benefit which unfortunately leaves money on the table to our members.

Deferred Comp

We recognize that the topic of PEPRAs retirement benefits is probably the most debated in this contract. All members need to recognize that the Public Employees Pension Reform Act really divided the way organizations recognize this cost in budgeting. When CalPERS determines the cost of a retirement program, they account for all accumulative liabilities. This includes active members, transferred members, terminated members and members and beneficiaries receiving benefits to determine, in a complex equation, the "Normal Cost" of the respective program. Prior to 2013, Apple Valley Fire budgeted for the normal cost in the Safety category which was for 3% @ 55 members. Due to the nature of two systems (Classic and PEPRAs) the Fire District has two "normal cost" valuations that pertain to the Safety members. Logically, there are much less of those liabilities associated with the PEPRAs employees' normal cost because of the extenuating liabilities associated and time in effect with the PEPRAs program. Currently, the Fire District pays 23.62% for a classic member and 11.6% for a PEPRAs employee toward the normal cost. Classic members pay 9% and PEPRAs members pay 10.75% for the employee portion of the normal cost.

We deliver this information to help you make the best choice for your livelihood and working conditions. Many thanks to all the members of the negotiating committee for their time and hard work on this contract. Should you have any questions please contact any Union Board member or a member from the negotiating committee. Voting will begin on Monday August 30, 2021 and will be open for 1 week. Voting will close Monday September 6th, 2021 @ 1700 hrs. A majority of the total votes cast shall be required to ratify an MOU. Please vote Yes to ratify the proposed-on contract of 2,2,2 percent with menu options list or Vote No to decline.

In Unity,

Apple Valley Professional Firefighters Association - Board of Directors

AVPFA MOU 2021-2024 Proposal Summary

Economic Items:

- 3 Year Contract with 2%, 2% and 2% with menu choices
- PEPRA Members: Deferred Comp Matching Increase
 - \$600 increase for 2021/2022 (\$3,600)
 - \$1,200 for 2022/2023 (\$4,200)
 - \$1,800 for 2023/2024 (final total = \$4,800.00)
- Medical Premium: (for equivalency is determined on monthly contribution)
 - Employee Only – No increase
 - Employee Plus One - \$150.00
 - Employee Plus Family - \$250.00
- Wellness Stipend: (AVPFA Counter Proposal 3)
 - 2021/2022: All members shall receive \$17.50 per pay period for a wellness stipend.
 - 2022/2024: members who complete an annual medical/fitness exam, and submit documentation of such exam to the District, shall receive \$35.00 per pay period for a wellness stipend.
 - Annual exams will be conducted under the members insurance and in accordance with the IAFF/IAFC Wellness and Fitness Initiative. Members who fail to provide the District with documentation of the exam shall forfeit the wellness stipend until such documentation is submitted.

Non-Economic Items:

- Removal of Step A in Salary Scale
- Continued discussion with JLM on Merit Increase Policy Maximum of 3 Step
 - Will establish a very clearly defined criteria for merit increases
 - All salary increases above One Step require both Battalion Chief and Fire Chief Approval
- Shift Bidding
 - In accordance with current policy (seniority is protected)
 - Discussion with PFA alignment with leader's intent of the JLM group
 - No appeal or grievance applies
 - Truck 336 will require a formal truck academy either prior to, or within six months of assignment.
 - Member will be placed on 40-hour work week schedule while attending.

- Current recognized Truck Academies include: VVC, Rio Hondo, Ben Clark, and San Bernadino County Fire (option in future is for AVFPD to create our own)
- Tuition Reimbursement
 - No change to current
- Retiree Savings Plan vs. Sick Leave Payout

2%/2%/2% VS. 3%/3% Spreadsheet without Deferred Comp totals added

- Deferred Comp was not added due to all members not receiving the increase (PEPRA member).

Assumed \$90,00 Annually w/o Education and Medical				
	Year 1	Year 2	Year 3	accumulative totals
2,2,2 percent				
Pay with Cola accounted for	91,800	93,600	95,400	
Wellness added	455	910	910	
Education	0	0	0	
Medical	0	0	0	
	92,255	94,510	96,310	283,075
Assumed \$90,000 Annually with 60 units of college credits only				
	Year 1	Year 2	Year 3	
2,2,2 percent				
Pay with Cola accounted for	91,800	93,600	95,400	
Wellness added	455	910	910	
Education	600	600	600	
Medical	0	0	0	
	92,855	95,110	96,910	284,875
Assumed \$90,000 Annually with 120 units and spouse +1 medical				
	Year 1	Year 2	Year 3	
2,2,2 percent				
Pay with Cola accounted for	91,800	93,600	95,400	
Wellness added	455	910	910	
Education	1200	1200	1200	
Medical	3000	3000	3000	
	96,455	98,710	100,510	295,675
Assumed \$90,000 Annually				
	Year 1	Year 2	Year 3	accumulative totals
3,3 percent				
Pay with Cola accounted for	92,700	95,400	95,400	
Wellness added	0	0	0	
Education	0	0	0	
Medical	0	0	0	
	92,700	95,400	95,400	283,500