

## Redding council reaches deals with unions

By Sean Longoria

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The Redding City Council approved a pair of deals Tuesday with local firefighter and electric worker unions.

Council members unanimously approved concessions from the Redding Professional Firefighters Local 1934 that are estimated to save \$2.5 million over six years.

The council thanked the firefighters, recognizing the union didn't have to make any offer as the contract would have stayed in effect until 2014.

"You didn't have to come forward," Mayor Missy McArthur said. "I appreciate it very much."

Under the deal, less generous retiree health insurance as spelled out in voter-approved Measure B also will knock an estimated \$350,000 off the city's unfunded \$121 million liability for those benefits.

Firefighters will begin paying a portion of their pensions next year under the deal, ultimately taking a 9 percent pay cut by 2013. They would no longer be able to count the employee portion of their pensions as salary for retirement purposes.

And firefighters will forgo raises through 2014, when the city's economy is expected to remain weak. Planned 3 percent raises in 2015 and 2016 and step increases up to 5 percent in 2017 eventually would more than make up for the money sacrificed to the pension payment for most firefighters.

New firefighters will be offered a 3 percent at 55 pension plan, rather than the current 3 percent at 50. Retirees would base their pensions on the highest three years of their salary instead of the current one year.

Members of the public expressed concern the pension plan wouldn't be sustainable in the long term.

"Can we actually afford this on an ongoing, sustaining basis?" said Greg Mann, who recommended moving to a 2 percent plan.

Council member Patrick Jones agreed with public concerns over retirement benefits, but ultimately supported the concessions.

"Clearly, there's some short-term substantial savings that will help the city," Jones said.

The 63-member union offered to begin contributing an additional 3 percent, for a total of 13 percent, toward health insurance premiums.

Firefighters also proposed a two-tier health plan, in which union members would pay about \$100 per month more out of pocket for their current benefits or accept less coverage in the future at today's costs.

Savings from the concessions could allow the city to reopen Fire Station 2 at Placer Street and Buenaventura Boulevard by 2013. Opening the station is a priority for the council and city staff.

"This will allow us to open Station 2 sooner," City Manager Kurt Starman said.

The union has also proposed Redding begin an apprenticeship program with Shasta College designed to boost crews. The contract also includes a rescue systems team for earthquakes and other emergencies.

The council voted 4-1, with Jones dissenting, to approve a three-year contract with the International Brotherhood of Electric Workers Local 1245-Electric, granting the city's front-line utility workers annual raises in exchange for pension contributions and less generous retiree health insurance coverage.

IBEW-Electric members will pay the full employee share of their pensions by fall 2012, effectively taking a 7 percent pay cut under the contract. Raises of 6 percent each year over the next two years along with a 3 percent raise in the contract's third year will more than offset that loss for more than two-thirds of IBEW-Electric members. All will get at least 1 percent raises each year and 3 percent the third year.

Council member Dick Dickerson supported the agreement, citing the gap in pay between Redding Electric Utility workers and their counterparts in other organizations.

"I'm convinced the majority of people who turn on their lights every day, and the lights are on, support their linemen and will not have significant concerns with them getting compensated fairly," Dickerson said.

The city also needed to consider employee retention and the reliability of the energy utility, Council member Rick Bosetti said.

"We now have a retention problem and a recruiting problem. How are we going to maintain that 99 percent uptime if we lose more linemen?" Bosetti said.

Jones said he voted against the agreement because he didn't like the fact that the raises would effectively fund the employees' increased retirement contributions.

"I don't think that's what the voters intended," he said, referring to Measure A.

The raises will boost labor costs an estimated \$340,000 over the contract's three-year term, a council report said.

City administrators hope stingier retirement benefits for new hires would save the city far more money over the long run and knock down its unfunded liability for those programs.

New Redding Electric Utility hires will get a 2 percent at 60 pension formula based on the highest three years of salary rather than the current one year. The city will also cut out supplemental pensions for new hires and start a two-tier health insurance plan.

The council conceptually approved the deals in closed session Sept. 6. Jones voted against the IBEW-Electric deal, objecting to the raises.



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