

**SPECIAL CITY COUNCIL MEETING  
CORONADO CITY HALL COUNCIL CHAMBER  
1825 STRAND WAY  
CORONADO, CALIFORNIA  
THURSDAY, AUGUST 31, 2006, 3:00 P.M.**

The Special City Council Meeting was called to order at 3:00 p.m.

**1. ROLL CALL:**

**Present:** Councilmembers Downey, Monroe, Tanaka, and Tierney and  
Mayor Smisek

**Absent:** None

**Also Present:** City Manager Mark Ochendusko  
City Attorney Morgan Foley  
City Clerk Linda Hascup

**2. ORAL COMMUNICATIONS:**

Mayor Smisek explained the rules for oral communications for a Special Meeting of the City Council.

No members of the public wished to speak.

Councilmember Downey explained that she would have to leave at 5:00 p.m.

**3. CITY COUNCIL BUSINESS:**

**3a. Resolution of Impasse Between City and the Coronado Police Officer's Association (CPOA) Regarding Compensation and Benefits Pursuant to City of Coronado Employer-Employee Relations Resolution.** City Manager Mark Ochendusko provided introductory remarks and outlined the procedures for the hearing. He explained that the special meeting is being held to conduct an impasse resolution hearing for all three bargaining groups, the Coronado Police Officers' Association (CPOA), the Coronado Firefighters' Association (CFA) and AFSCME Local 127 representing the City's golf and municipal services employees. The hearing is the result of undergoing the meet and confers process for the purposes of reaching employment contracts for the current fiscal year or longer if a multi-year agreement is reached with all the groups. Despite the best efforts of all the groups in the collective bargaining process,

which in most cases began in the March/April time frame, no agreement was reached with any of the three groups. The City went through an impasse process after no agreement was reached, which according to the City's employer/employee resolution is a meeting with Mr. Ochendusko, as the City Manager, and the Employee Relations Officer, to see if there is a way to break the impasse. Unfortunately, that process was also unsuccessful. The City's impasse resolution procedures provide the opportunity to hold mediation with each of the three groups. In all three instances it was agreed between management and the employee bargaining groups that they did not feel mediation would be successful. Therefore, that opportunity was not exercised with any of the three, and as per the City employee relations resolution, they are here today before the City Council for an impasse hearing with the three groups.

Mr. Ochendusko went on to describe the process for the hearing. He explained that the City Council has three options. One option is to accept the last, best, and final offer of management. The second alternative is to accept the last, best, and final offer of the employee bargaining unit. Finally, the third option is to take no action. There is not an option for the City Council to make a decision in between those options.

Bradley Fields, lead negotiator for the CPOA, made a presentation regarding the negotiations with the CPOA. He said they were here as the last step in the impasse procedure with the hope that a one-year contract can be forged. They are hoping that, if the City Council does not see fit to impose their last, best, and final offer that the City Council will provide a way for the groups to move together and, in fact, forge a deal. This is for a one year contract, not a three year contract, because, in looking at the final offers between the two parties and specifically at the City's last, best, and final, that offer was much closer to their bottom line for a one-year contract than the three year offers of both parties. They focused their efforts throughout the impasse procedure on trying to forge a one-year deal. The parties final offers are not all that far apart. There were differences in salary, in retroactivity, and on a minor issue dealing with alternative work schedules which they were told informally was not a barrier to reaching an agreement. Retroactivity was not brought up at the table. It was not discussed with the Manager in the impasse meeting, but frankly they hope that making the employees whole for the period of time that they have not had a raise would not be a barrier or an impediment to reaching an agreement. Really just the issue of salary is a barrier. There are two components of salary, at least as it pertains to the last, best, and final offers of both parties. One is the across the board cost of living adjustment (COLA) and the other is a special adjustment for police officers and sergeants. Dealing first with the COLA, the City's last offer was 3.25% and their last offer was 3.5%. The difference is only 0.25%. Informally, they had indicated that they were willing to try to bridge that gap. The way they were willing to do that was that the City's final proposal had a senior officer position for 5% salary that they were willing to take off and convert to an across the board raise for all the employees in the group. They were told by the City that the City valued that 5% for a certain number of officers as an across the board 0.25% and that was the difference between the parties. There really is not a significant difference there. The real difference is with respect to the special adjustment. That is for police officers and sergeants. The City's position was that it was willing to offer a special adjustment of 1.5% to officers and 1% to sergeants and that is because everyone acknowledges that City was below market. They were asking for 2.5% and 2% and the City said no. So, they, in a pragmatic way, tried to come up with a way of bridging the gap. They took the City's numbers, the 1.5% and 1%, and moved them from July '06 to January '07 and doubled them. That would mean that the City would not expend any

more money than it was already proposing in its last, best, and final offer. The offer is just packaged differently. The reason they want it that way is because of the problems they have in maintaining competitiveness in this marketplace. There is a crisis in law enforcement right now. It may or may not apply to other City employees, but there is a crisis in law enforcement. At or below the median, certainly below the median, there will be increased problems (Coronado is last in the County or next to last in the County) in recruiting and retaining good employees. They are trying to bridge the gap. He pointed out that the City's summary indicates that there was some survey data collected in April 2006 that indicated the salaries for employees represented by the CPOA ranged from 1.75% above the median to 3.68% below the median. The City may think that the special adjustment will get those employees at or above the median. That isn't true because that data was collected in April 2006. Virtually everyone they are comparing themselves to in the County got a raise in July. Many of those associations will get an additional raise in January 2007. The only way to remain competitive is to bump things out to January which will get those employees closer to the median.

Mr. Fields said he thinks it is important to emphasize that, right now, Coronado is at or near the bottom of the County in compensation and base pay and other kinds of compensation as well. This will continue to create problems for the Police Department and for their ability to recruit and retain good employees. That is the goal of compensation of public employees – to bring good people in the door and then reward them enough to keep those good employees. The City is failing to recruit good people, good police employees, and that is going to jeopardize public safety in the City. Four of the last seven police recruits that the City has hired have not made it through training. That means that there is a great deal of difficulty in recruiting good people because they can't even make it through training, but it also wastes a good deal of City money. If the City brings in a recruit and they don't make it through training with all the time and expense of putting them through training, that wastes thousands of dollars for the City that could be better used in other ways, including compensating the good employees the City has now. He applauds the fact that the City exercised a good deal of restraint and that it has the reserves and the budgetary situation that exists. It is certainly the envy of others in the County. But what does that mean if public safety is in jeopardy? What does it mean to sit on the City's money and to let that money accumulate if it isn't being used to ensure the safety of those who live and work in the City of Coronado? It means nothing. Without public safety the City doesn't have anything. In the immediate future what the City is doing will continue to jeopardize public safety. They ask that the City find a way to bridge the gap between the differences.

Leslie Suelter, Director of Administrative Services and lead negotiator for the City, provided some remarks that apply to all three agenda items. She explained that she was assisted in the negotiations with other members from other departments, other department management members and members from the Human Resources staff. In the case of this bargaining group, the POA, they were also assisted by Rick Villanos from the firm of Liebert, Cassidy and Whitmore. In general, the mood at all of the bargaining tables was positive. There were cordial discussions. There was good dialogue. There was a lot of positive interaction. There was a lot of problem solving and talking about issues, not just economic issues, but issues in terms of operations, etc. She found it to be very positive and helpful. She also shared how the bargaining group approached negotiations with all of the bargaining groups. With each group staff articulated three primary goals that are outlined in the staff report. They approached them with an eye toward remaining competitive in the labor market; they were concerned with consistency

with the other bargaining groups, not necessarily equality but a use of the same approach with all of the bargaining. Staff was also very optimistic and hopeful that there would be multiple year agreements reached. She regrets that was not accomplished, but that was certainly the goal.

With regard to the POA, Ms. Suelter focused on two key areas. One is what are the similarities and differences with regard to the proposals and the other is how Coronado is remaining competitive in the market. Negotiations with POA began in mid April and continued through June. There were a number of meetings with discussions on a number of topics. A three year deal was explored, but in the end a one year deal was focused on. The difference in the two proposals is about 1.25% total. The City's economic proposal, as Mr. Fields indicated, consists of a 3.25% general salary increase and it also includes market adjustments of 1.5 and 1% for police officer and police sergeant respectively. It also calls for the creation of a senior officer position/assignment which would combine existing duties into one assignment and that would receive a 5% specialty pay on top of base pay. Staff felt, and she thinks that the POA agreed, that this would bring some operations efficiencies and there was a lot of good discussion around that. On the side of the POA, their economic proposal is for a 3.5% general salary increase and market adjustments of 2.5 and 2% for police officer and sergeant. The two sides have the same proposal for the senior officer and the same proposal for health benefits. The only difference is in salary. She believes that the City's proposal on the table does keep the City in a competitive position relative to law enforcement in other agencies. The City did look at salary data in the spring and did identify that, at that time, these classifications were between 1.75% above and 3.7% below the median and that is within the midpoint of about 9 agencies that have law enforcement. As of today that salary data has changed. It is her estimation that this bargaining group will remain right around median with the pay increases the City has offered for the sworn and non-sworn. She also doesn't agree with Mr. Fields that the City is not able to draw good candidates or that the City is somehow not competitive with other agencies. She thinks that is an anecdotal statement. In looking at what the City has done in the last several years and the City has had candidates who have not made it through probation, but other agencies are experiencing the same kind of thing. That is not a unique situation for Coronado. Chula Vista lost over 60% of their new employees within probation during the same period of time. She doesn't think Coronado is different than other agencies. She agrees that this is a difficult job and these employees work hard and not everyone makes it through that difficult, challenging probationary period. She doesn't think the City of Coronado is unique to other agencies on that point. Overall, she thinks this is a good proposal. A 4.75% pay increase for the police officers and 4.25% for the sergeants, together with the general increase of the non-sworn of 3.25% is a good benefit and, together with the health benefits the City is providing, she thinks this is a competitive proposal. She urged the City Council to select this as the proposal to impose.

Mayor Smisek offered the City Council the opportunity to ask questions of either of the two presenters. No one had any questions at that time.

Ray Michaels, 1121 Star Park Circle, commented that he wanted the best for his family when he came to Coronado. He doesn't want the median.

City Council deliberations ensued.

Mayor Smisek complimented both bargaining sides. The presentation for the CPOA today was thoughtful and appropriate. He responded to the public comment by saying that he believes that Coronado does have the best police force in the County. He understands how these negotiations work. He doesn't want anyone to feel that, because of discussions over 1% or 2% that the City is demeaning the quality of the people who work for the City.

Councilmember Downey said that she is the union's best friend. She works for the Teamsters. She loves the way this country negotiates labor contracts, however, she also wants the system to work. The City is going to have to make a decision, one way or the other, that wasn't decided by negotiations and she is sorry about that. However the City Council votes today she will ask that, after the election, the two sides start and come back to work on the next year's contract. Hopefully that would keep things from coming to an impasse again. She applauds all the effort put forth this year, and if there were more time, that may have happened. She doesn't want to vote on this. She wants it to be negotiated between both sides so that everyone can walk away thinking they did the best they could. The next deal could be a three year deal that everyone is happy with.

Councilmember Monroe commented that this is not the first time the City has heard these issues. He spoke about having the "best possible" but is more interested in the most reliable. He discussed the terminology of "median". He wants to see this at competitive and within the range of the median. He is looking at the total package, not just salary. It is salary, training provided, health benefits, working conditions, rules and child care. His criteria are that the total package must be fair, sustainable over time and representative of the expertise required and the job requirements. In his opinion, the City's offer meets those criteria.

**MSUC (Monroe/Tanaka) moved that the City Council adopt A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CORONADO IMPLEMENTING THE CITY'S LAST, BEST, AND FINAL OFFER TO THE CORONADO POLICE OFFICERS' ASSOCIATION DATED JUNE 21, 2006. The Resolution was read by Title, the reading in its entirety unanimously waived and adopted by Council as RESOLUTION NO. 8169.**

Councilmember Downey said she would vote to approve this but she wanted to clarify that she only has three options. She is not going to leave it at nothing because then there is no raise and she doesn't want that. She can't select the POA's last, best, and final offer because when negotiations begin in November she would have said that Ms. Suelter has no authority. It is not that she doesn't think that what they put on the table was a fair offer, but this is a system that has to work this way. It is a matter of making the system work.

**AYES: Downey, Monroe, Tanaka, Tierney and Smisek**  
**NAYS: None**  
**ABSENT: None**

**3b. Resolution of Impasse Between City and the Coronado Firefighters' Association (CFA) Regarding Compensation and Benefits Pursuant to City of Coronado Employer-Employee Relations Resolution.** Leslie Suelter gave the City bargaining position.

She addressed the differences between the City and the Firefighter Association's final bargaining proposals. She sees these as primarily differences in the cost run salary. She also addressed why this proposal that the City has on the table maintains the competitiveness that is needed in the market. City staff met with CFA several times from March through July. There were a number of different issues addressed. They were good discussions. The initial idea was to come up with a three year deal but very early on it became clear that focusing on a one year deal was going to be more productive. Discussions were primarily about salary. The City proposal includes a 3.5% general salary increase which is consistent with how the City has approached bargaining with other groups. In addition to that the City included a 1.5% market adjustment for all classifications. The total compensation for salary for this group is 5%. Although the CFA did not offer a one-year final proposal, they actually proposed a two year contract; the amounts in the first year are the same for salary. The amounts for salary are the same as is the structure for those increases. The difference is around special pays that the CFA has been seeking. They have proposed an additional 2% special pay for doing certain duties related to training. This would affect five people. In addition, they have also asked for special pays to reflect the level of their education. Specifically, they have asked for a 1% special pay if the person has Fire Officer Certificate, a 1% special pay for Chief Officer Certificate, a 3% special pay for an AA degree and a 5% special pay for a Bachelor's degree. Her understanding, in looking at the membership, is that these special pays would affect roughly half of the members. The special pay, as is proposed, would be cumulative. In other words, if the individual has all of those items they would get all of the special pays, or a 10% special pay. This would replace the City's existing program which is an educational incentive program that has been offered for several years. It provides tuition reimbursement for employees who are seeking advancement and additional training. That training allows them to be more marketable for advancement primarily. The difference in the packages is about 2.5% when those two additional special pays are included in terms of cost to the City. The total package is about a 50% difference.

Ms. Suelter returned to the idea of the package keeping Coronado competitive. She believes that Coronado is competitive in the market today and that this proposal will maintain competitiveness in the market. Staff started looking at salaries for this group in the spring. They say that these classifications ranged from 2.3% and 6.4% below the midpoint of the other 17 cities in the County, but generally around the middle. As of today, salary data has changed. Many agencies have already implemented pay increases as of July 1<sup>st</sup>. Competitiveness can be measured by looking at pay data but it is also helpful to look at employee retention and recruitment. It has been suggested that the City is losing people at an alarming rate due to its compensation and benefits package. She does not believe that this is supportable. The City has an attrition rate, but that rate is not inconsistent with that which other agencies experience in terms of turn over. People leave for many reasons. It has also been suggested that Coronado is not able to attract candidates. She does not agree with that statement either. For the last two recruitments the City has held, one last year and one the year before, there were 40 applicants and over 100 applicants. That shows that the City is able to draw candidates. Some of the information she has seen suggests that there were only 10 candidates. There was a recruitment several years ago where there were only a few candidates who applied. It was at the tail end of when many of the agencies had converted to a firefighter/paramedic program and when those conversions occurred, many agencies in the County were all competing for trying to get medics on board. Coronado, along with many agencies, found it hard to fill paramedic positions. That is not the case any longer and she does not believe that is the case for Coronado.

Ms. Suelter summarized that the City's proposal is competitive. She hopes that the City can come back again, with this bargaining group, next year and continue to talk. She knows they have a lot of interests besides salary and the City is perfectly interested in talking with them about those. She mentioned that this group also receives the 8% increase in health benefits that the other groups receive. This proposal strikes a balance and it is consistent with the goals the City espoused at the beginning of the negotiations, with the exception of the multi year. She recommended that the City Council select this proposal.

Mark Price, Coronado Firefighter, provided remarks for the Firefighters' bargaining unit. He summarized the negotiation process. They first contacted the City in January in an attempt to meet and start this process. They were told to wait until March when the numbers would come in. They waited until March. They then met with the negotiation team and were presented with some numbers. They followed up with some additional numbers and proposals. They forecasted the pay raises for '06/'07 and built a chart that reflected those raises. That chart showed that one of the ranks was as far below median as 10%. Another was as far below median as 7.5%. Meetings continued. The CFA was very creative and looked at one, two and three year packages. They looked at benefits that would solve problems to include the educational incentives. It is their understanding that a 1% salary increase for the entire fire department for one year represents \$27,300. The City's offers still fell short of where they wanted to go. Some groups are above the median. Continuing to offer pay increases that will only widen the gap is not going to be effective. In 1989 the firefighters were at the top third of the salary charts. Also in 1989 the City chose to do a Class and Compensation Study. This is a professional business that advises cities on what they need to do to attract and retain and recruit employees. In this document it was recommended that the City keep their employees at or above the median. The firefighters have dropped from that. As far as benefits go, he has been told that the CFA has a good benefit package. He differs from that. A snapshot of some of the benefits he receives under his retirement benefit package supports his case. If he was to die on duty, his spouse would receive \$500 from the City. Some other agencies in the County have benefits in the \$5,000 to \$10,000 range. That is an example of how the benefit package is not strong enough. As far as recruitment and retention go, he differs with the numbers Ms. Suelter gave. Paramedics were started in 2001. The City currently holds 12 paramedic positions. In the last five years he has lost 6 paramedics. He has had an additional two who have not passed probation. The last few recruitment processes show that while 40 people may have applied, once the certificates and qualifications are evaluated there are only 10 qualified applicants. Once those 10 were run through the testing process only a few passed that test. He sees that the City is not following the advice that was paid for by the City. Coronado needs to step up the pay and offer better benefits. He does not feel this is a union issue. He believes that he represents 27 hard working, passionate members who want to make a difference. Some of that involves the risk of life, limb and health. He has worked with four individuals who have moved on to other departments in the County. One is a chief in Chula Vista, one is a deputy chief in Chula Vista, one is a chief in Solana Beach and the fourth is a chief in Imperial Beach who moved on to be City Manager in Solana Beach. That is the type of leadership Coronado is letting slip through its fingers. He would like to see Coronado build leaders within the organization and keep them.

Mark Powell, Labor Relations Consultant for CFA, has represented the CFA since 1982 and he was shocked to find out the state of affairs in the City of Coronado. He hadn't had to come

across the bridge for a long time to be engaged in a labor dispute. Other cities in the region have done and adopted a compensation philosophy similar to what Coronado has done. What has happened to them? They have had to do off the schedule raises. They haven't been able to field a team of paramedics to respond. They have had to borrow employees from other agencies. They have had to beg, borrow and steal to keep their equipment on the street. This is where the City of Coronado is today with the CFA. The CFA is sadly disappointed with what has happened in this fine city. Coronado is not the place it was three years ago, five years ago. The City of Coronado has always been a very special place to work, but now employees are leaving to work in other agencies. These are good employees, hard working employees, dedicated to providing the community absolutely the best in service. With respect to recruitment, Coronado becomes a bottom feeder. It hires the cast offs. Firefighter/paramedics are the most mobile group of employees in the public safety sector today, with the exception of a police officer. Coronado will not be able to field a team. The paramedics will move somewhere else. They will find opportunities to serve as chief officers in other organizations and agencies. This City Council and its compensation philosophy will be what allowed this to occur. They respectfully asked the City Council to reject the City's last proposal and act on theirs. They think it is a fair proposal. It doesn't solve all the problems, but it gives a chance to work on some of the things that need to be achieved. Coronado doesn't want to be at the bottom of the heap and it is rapidly heading there as a result of a Council philosophy, not the good work of Ms. Suelter or the team.

Councilmember Tierney asked about the \$500 death benefit referred to. This is the first he has heard of it and wasn't aware that it was on the bargaining table. Mr. Price explained that it was just an example he used. He thinks that is part of the problem and that they need to educate the City Council as to what their benefits package consists of. Mr. Tierney thinks that maybe due diligence might improve their bargaining position if they come in early in future negotiations and bring these issues forward. The impression was given that the City Council had not taken an action on this or had failed to be fair and he doesn't want the public to think that is the case. He has not heard this in negotiations. Mr. Price respects his point but he invited any City Council member to come to the Fire Department and ask how they can help him do his job better. Mr. Price hasn't seen any Council member there.

Councilmember Downey would like to know, if the City Council implements the City's last, best, and final offer for one year, where they are in terms of the median. Mr. Price explained that, due to the other increases in the County, the ranks would be at or near median but as the top half of the pack moves away and Coronado doesn't catch up, it falls behind. Ms. Suelter agreed that it is different for different positions and not all agencies have a medic program. Firefighter/paramedics, with a 5% pay increase, would be about 2% away from the exact median.

Councilmember Monroe thought it was relevant to add that the City does provide \$1000 per year for college tuition and books, etc. This goes back to his previous comment about the whole package together. Mr. Powell provided a chart that shows what the other agencies in the County provide for education.

Councilmember Tanaka asked if the educational incentive is an effective program. Mr. Powell thinks that those who want to better themselves are using the program. Mr. Tanaka continued on this line by asking if, in the future, if that was an area of negotiation, would there be interest in

raising that particular program. Does he see the CFA bringing the death benefit to the table in the next round of negotiations? Mr. Price thinks they are issues of interest.

Mr. Monroe wondered about the four people who were mentioned as having left for promotions elsewhere. He does not think that is unusual because those promotions are not always available within Coronado. Mr. Price agrees, but he wants to retain those employees that Coronado trained with Coronado specific training. He added that in the 22 years he has been with the City, Coronado has never provided its own Fire Chief.

Mayor Smisek again complimented both negotiating teams. He feels that the one year deal has both sides at just about equal. That dispels the idea that the City only hires bottom feeders into the Fire Department. He doesn't believe that. In this case, the CFA has taken some action with the public. He wanted to mention a few things that were not completely accurate. The first is that he wants everyone to understand that the fire truck driving around town is not a Coronado truck and the people manning it were off duty. No City rules were violated. It was a proper thing to do. He also addressed the literature that went out. A tentative agreement is one where both sides have a certain amount of authority and they agree on that authority and they go to a membership for a vote or to the City Council for approval. That never occurred in this case and yet the literature states that there was a tentative agreement. There was, during the impasse hearing, a change in a position made by the firefighters to present to the City Council, but it was not an agreed upon position by the negotiating team from the City. There really was not a tentative agreement as has been published. For homeowners, insurance rates have been rated at ISO 4 for the last 20 years. It hasn't changed because of deterioration of equipment or anything like that.

Ledyard Hakes, 321 Pomona Avenue and candidate for Coronado City Council, is saddened to have to come before the City Council to add his concerns on this. It saddens him that the City has an inferior pay structure where in 1999 the City was above the curve and now Coronado is below the curve. It saddens him to know that the Coronado firefighters are not being taken care of. It saddens him to have such a high turnover of personnel because ultimately each and every Coronado resident is put in jeopardy because of it. It saddens him that there is only one ambulance in town. When that one ambulance leaves town to take patients across town the City is in jeopardy once again. It saddens him to live in a City with an abundance of income and a reserve that other cities are envious of and to have the City treat its fellow employees this way. He feels the City has done a disservice to these fine people.

Ray Michaels, 1121 Star Park Circle, asked what the dollar amount of the 2% difference is. He gave testimony regarding a water main break near his house and how well his family was treated by the Fire Department. He agrees that negotiations should begin earlier. He feels the issue of no ladder truck should be addressed.

Dave Oroszco, 19 Bahama Bend, told the story of his 10-day old son who turned blue and was saved by the Fire Department. He wants the best for Coronado. Coronado always does things the right way for the right reason.

Susan Heavilin, 1144 Isabella Avenue, said that she usually speaks about buildings. Coronado is under-building its people and its human resources. These people are the heroes of Coronado.

The City puts so much money into its buildings, but it needs to put its money into its people. The City will lose these people if they aren't paid properly.

Steve Mullin, 427 A Avenue, spoke about firefighter qualifications and their roles in the City. He believes that the three things the City has to look at for staffing are talent, training and character. That is what the City should pay for. That costs money. He doesn't see saving 2% as worthwhile. He also mentioned the special pay issues on the table right now.

Bonnie Marie Kinosian, 1000 8<sup>th</sup> Street, told a story about a firefighter pumping a tire on one of the trucks by hand. Coronado is a city that has everything. She thinks the City could find a way to meet on this. She will look for a bargain in the supermarket, but not when paying firefighters. Experience matters. Coronado has intelligent, hard working, caring people in the Police Department and Fire Department. She asked the City Council to value what it has.

Dottie McSwain, 707 Orange Avenue, thinks that there should be a way to pay these people. They are only asking for a few dollars. There isn't even an ambulance down at the Cays. The City really needs that ladder. She asked the City Council to think about what these people go through for the safety of the people in Coronado. They need to be given the very best possible.

Mayor Smisek explained that the City's best, last, and final offer is a one year offer with a 5% salary increase. The CFA has a two year on the table also with a 5% salary increase in the first year.

Councilmember Tanaka thinks that Ms. Downey's comments from the CPOA situation apply here. He is very unhappy with the way the negotiations have gone. It is very obvious to the City Council that this is the worst possible time to negotiate. The City Council doesn't have any flexibility now. The City Council can only chose the City offer, the counter offer or nothing. He is certainly not going to chose nothing. The CFA offer doesn't make sense. The way the City pays people is by certain classifications of what they do. The idea of putting in a 5% raise if they have a Bachelor's Degree or a 3% based on an AA degree hasn't been done before. His goal would be to apply as much of a raise the City can afford to everyone. He is not going to be satisfied with the raise that applies to some people and not to everyone. He is extremely happy with the job the firefighters do. He has seen it firsthand on two different occasions. His concern is how to compensate the premium employees the City has fairly for the services provided but also for the bottom line that the five City Council members have been sworn to protect. It is a difficult balance. He is unhappy with where the firefighters are compared to the median. It would certainly be his hope and expectation that the City could, in the following years, make more progress toward the median. If nothing else, the bargaining situation has failed. He thinks that the CFA's last, best, and final offer isn't a best offer. He wishes there had been more time so that the raises weren't hooked around which degrees people hold. He values all of the firefighters, regardless of their degrees. The benefits the firefighters mentioned are negotiable items. He urged them to negotiate the death benefit item. As far as the education issue, he was glad to hear that the City has a tuition reimbursement program and that is something he would like to see strengthened. That is a negotiable item. This is the worst time to come up with a decision about what to give. He thinks the City's offer makes more sense. He heard a comment about how the City has one ambulance in the City. He thinks people should take note that if the Coronado ambulance is away, another ambulance comes in and sweeps it up. He also pointed

out that the trucks go first to the scene to stabilize people. The City benefits from mutual aid. The whole County relies on mutual aid. Someone mentioned the Hotel Del and the City's inability to reach that. If the Hotel Del mentions anything about a fire there are about 25 fire engines that will respond along with a boat that pumps tremendous amounts of water. Those relationships are already built and in place. He is sorry that it has come to this. He wishes the room wasn't filled with people who are unhappy. He only hopes that the negotiations go better in the future.

**MSUC (Tanaka/Downey) moved that the City Council adopt A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CORONADO IMPLEMENTING THE CITY'S LAST, BEST, AND FINAL OFFER TO THE CORONADO FIREFIGHTERS' ASSOCIATION DATED JUNE 22, 2006. The Resolution was read by Title, the reading in its entirety unanimously waived and adopted by Council as RESOLUTION NO. 8170.**

Councilmember Tierney mentioned that there is a misconception about redevelopment agency funds. They are not and cannot be used legally for revenues to augment salaries, etc. They can only be used for redevelopment purposes. He wants the public to understand that. Pay salary increases come out mostly from general revenue funds.

Councilmember Downey agrees 100% that the City has a nice, healthy reserve. She also believes that the City desperately needs a ladder truck. However, this discussion is not about ladder trucks and ambulances. She agrees with Mr. Tanaka that she is happy that the City's last, best, and final offer of 5% matches the CFA's for the first year. She is very unhappy with what the City pays its Fire Department staff and she would have loved to give more. She is impressed with how close the sides were getting towards the end. This goes back to the earlier point of starting the negotiations earlier because the support is there.

**AYES: Downey, Monroe, Tanaka, Tierney and Smisek**  
**NAYS: None**  
**ABSENT: None**

**3c. Resolution of Impasse Between City and the American Federation of State, County and Municipal Employees (AFSCME) Local 127 Regarding Compensation and Benefits Pursuant to City of Coronado Employer-Employee Relations Resolution.**

Damian Tryon, AFSCME Local 127 Representative, explained who it is AFSCME represents. Their bargaining team began in May. He explained who was on the team for AFSCME. Progress was made. Ms. Suelter is very straightforward and is very creative when she is allowed to be. However, the two sides were unable to reach agreement on all matters. He verified that the three page document he sent last week was received and digested by the City Council. He thinks that it contains quite a bit of information that he hopes is part of the City Council's consideration in this process. Mayor Smisek confirmed that it was received. Mr. Tryon went on to explain that his team could not, in good faith, accept what would ultimately result in a cut in pay as proposed by the City's package. The City proposed a 3.5% raise, but through all the

details he explained in the letter he sent, that, for many of AFSCME's members, will represent a significant loss in pay. Many of them will never see that 3.5%. AFSCME has never seen eye to eye with the City on the concept of a median. The City's investment in infrastructure and facilities is no where near the median. AFSCME forwarded the City's budget to their international research experts. Those experts have never seen a budget where a city's unallocated reserves was 100% of its general fund expenditures. That is nearing a for-profit corporation and that is not the business of the City of Coronado. AFSCME, in good faith, could not accept that the City was stuck on a median policy. The City Council sets the policy. The City Council has the power and ability to change that perspective and make adjustments. With that in mind there was no way AFSCME could accept a package from the City in which the economic standing of its members suffered and back slid due to inflation and the rising health care premiums their members are facing. Their members want to know why the City would take this position. He has no answer for them. There is a disparate policy on the investment that Coronado puts into its infrastructure and its buildings whereas its people are treated as just middle of the road. That is not acceptable to their members. They see inflation going above the 3.5%. All indicators seem to be pointing to that. 3.5% then, if inflation does outpace the 3.5% proposal, would amount to an economic back slide for their members. The City placed an 8% increase in health premiums on the table. AFSCME has the actual figures and so does the City's negotiating team as well as the City Council. The actual increase in health premiums, the lowest increase is 12.5%. So, the City has missed the mark by 4.5% at a minimum. At the very end of their proposals, AFSCME did bring down their proposal to match the minimum health plan, the cheapest health plan. They have a firm policy in position that their members should not take a cut in pay to provide health care to their families. His members' families suffer the most as a result of how the City is now delivering health care. It doesn't seem like this is a new problem or one that was brought on this year. But it is certainly exacerbated by the outpacing of health care premiums above what the City is willing to put on the table. AFSCME believes that the City's approach is now fundamentally wrong. The City approves a reserve. AFSCME's members do not, as a whole, use up all of their health benefit dollars. Every year the City has approved a reserve of health care fund dollars and as they were told at the bargaining table, the City thinks those are its funds to do with as it sees fit. AFSCME begs to differ. If the money was budgeted for a certain purpose it should be used for that purpose. It should be used, especially, to offset members who have to pay out of pocket and have to essentially take a cut in pay to provide health care for their families. AFSCME proposed taking the 8% and putting it into the members' pockets rather than into the Health Care fund. For most of their members it would hardly offset the cost or they won't even see it. There was a \$39,000 surplus last year. AFSCME wants that money used and doesn't want it kept as a slush fund. The City doesn't need it. Mr. Tryon pointed out that the City of Coronado has three unions at impasse here because the policy positions that the City Council sets for negotiations are at odds with its economic standing. They are also at odds with the City's designation as a blighted community. This contradiction just cannot continue year after year without the labor discourse happening at the table entering into the public discourse. That is why there are signs out front. He urged the City Council to consider that and think about it. AFSCME is at its third year of impasse. They don't see that continuing further on without, at some point, having to come to grips with a very significant change in policy. He wants the City Council to consider that. These are beautiful facilities that the City invested in. The City Council now needs to make a shift and look at investing in its people and move away from the median policy and consider what it does take to bring in the best. That is what the community expects. He has never heard a member of the

community express that they expect the City Council to pay the median. It is unfortunate that agreement cannot be reached. The City Council has the power to set policy that honors the work of these employees. It is not within Ms. Suelter's power to provide what they need for themselves and their families. This is where the decision is made. Very early on Ms. Suelter made it clear that she exhausted her ability to negotiate. It wouldn't have mattered if they had started two months earlier or not. This is a fundamental policy change that either they will go back to bottom line negotiations next year and have the same result as here, or the City Council will have to reconsider its stance. AFSCME can't reconsider its stance. He urged the City Council to honor its hard working employees by implementing AFSCME's proposal.

Leslie Suelter, City's negotiator, complimented Mr. Tryon and his team for their hard work and creative efforts. They have worked very hard. Salary was one thing. There were a number of other items as well. The two sides are still far apart in their proposals. The City's one year proposal is for a 3.5% general salary increase. Their proposal includes several non economic items for which many, many hours were spent developing. Even though there is not an agreement with this bargaining group, the items the City included in its last, best, and final offer are items that there were tentative agreement on with this group. There has been progress. There have been some interesting and different things that have been done related to work clothing, the maintenance worker training program and some other minor things. The City has also committed to continue working with this group regardless of how this process ends up to continue working on a policy that the City is required to have in place which has to do with a drug program the Federal Department of Transportation requires of all agencies. A lot of time was spent discussing cafeteria benefits. The two sides are in a different place. The City, as proposed, will offer a benefit that would be \$8,500 per year per employee. The City has increased health benefits dramatically over the last couple of years in response to the double digit cost growth that has occurred in the health benefit area. That is something the City has no control of nor does the membership of this group or any other group. Every agency, every city, every municipality is struggling with this issue. The City is committed to continue working on it and looking at it. The City felt that the 8% was a significant increase. The team was disappointed in how high these increases came in and is committed to continue working and talking into the future. She does not think that the issue of health benefits is an issue that is going away. There will continue to be opportunity to work with all of the bargaining groups on how medical benefits are provided in the future.

Ms. Suelter went on to point out that the differences in the proposals are not just around salary and health benefits. There are significant other items that are quite different. The total packages differ by 100%. The City negotiating team looked at the competitiveness of this group as it did with all of the groups. This group is well positioned in the market and the classifications that these employees are in are paid well compared to other agencies. Most of these positions are at or above the middle of the market. This proposed pay increase will keep them at that level. Ms. Suelter believes that this proposal continues to keep a competitive proposal. There are issues that are of concern to this group. She does look forward to continuing to work with this group. There were very positive discussions at the table. She recommended that the City Council impose the last, best, and final offer of the City.

Councilmember Tanaka clarified that Mr. Tryon's position is that the increase in benefit costs to AFSCME's workers is offsetting the percentage raise that is being offered. He asked how many

workers AFSCME represents and for any ball park figures about how many of them have dependents. Mr. Tryon explained that the employee + 1 coverage are for 6 employees. Those who have employee + 2 are 12 employees. There are approximately 30 who do not take this coverage or have only coverage for themselves. Mr. Tanaka asked how often Mr. Tryon meets with the workers and what ways he meets with them. Mr. Tryon responded that there is a monthly membership meeting and he attends that meeting. As necessary there will be supplementary meetings to provide the members with updates.

No members of the public wished to speak.

Mayor Smisek again complimented both negotiating teams. He hopes that the tone of these negotiations will continue in the future. The City does value the job that they do. The City feels it has put forth a fair package in all respects to all of the negotiating teams during this process. He hopes mutual agreement will be reached in the future.

**MSUC (Downey/Tanaka) moved that the City Council adopt A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CORONADO IMPLEMENTING THE CITY'S LAST, BEST, AND FINAL OFFER TO THE AMERICAN FEDERATION OF STATE, COUNTY, AND MUNICIPAL EMPLOYEES DATED JUNE 11, 2006. The Resolution was read by Title, the reading in its entirety unanimously waived and adopted by Council as RESOLUTION NO. 8171.**

**AYES: Downey, Monroe, Tanaka, Tierney and Smisek  
NAYS: None  
ABSENT: None**

**MSUC (Downey/Monroe) moved that the City Council implement the changes to compensation benefits effective for the pay period ending September 1, 2006 and directed staff to reflect the aforementioned changes in the amended Compensation Plan for 2006-07.**

Councilmember Downey thanked AFSCME for their efforts. She knows that the groups came much closer than they have in the past and she looks forward to getting a resolved, negotiated solution with AFSCME in the future.

**AYES: Downey, Monroe, Tanaka, Tierney and Smisek  
NAYS: None  
ABSENT: None**

Councilmember Monroe thanked the City's team. He commented that Mr. Tryon had said several times that it is within the City Council's power. Mr. Monroe pointed out that it is also within AFSCME's power. He is very proud of Coronado's General Fund reserve. The City has worked very hard to attain that. It is a good thing for Coronado.

4. **ADJOURNMENT.** The meeting adjourned at 5:01 p.m.

Approved: \_\_\_\_\_  
Casey Tanaka, Mayor Pro-tem

**Attest:**

\_\_\_\_\_  
Linda K. Hascup, City Clerk