



OFFICE OF THE CITY CONTROLLER

CHRIS HOLLINS, CITY CONTROLLER

Memorandum

To: Houston City Council

From: Chris Hollins, City Controller

Cc: Hon. John Whitmire, Mayor
Chris Newport, Mayor's Office
Arturo Michel, Legal Department
Melissa Dubowski, Finance Department
Will Jones, Controller's Office
Vernon Lewis, Controller's Office
John Seydler, Controller's Office

Date: June 17, 2024

Subject: Approval of agenda items relating to the backpay settlement and collective bargaining agreement with Houston Professional Fire Fighters Association, IAFF Local 341

Members of City Council,

Following a comprehensive review and evaluation of the responses to each question my office posed to the Mayor and his team regarding the proposed firefighter settlement and collective bargaining agreement, my office has approved the relevant items for your consideration on the Council Agenda.

The Controller's authority related to the proposed agreements and related items

Article II, Section 19a of the City Charter¹ requires certification of the proposed collective bargaining agreement by the City Controller. The Charter states that "no contract...involving the expenditure of money in excess of the limitation amount...shall be entered into...unless the controller first certify to the council, that the money required for such contract...is in the treasury..." There is no doubt whatsoever that the proposed collective bargaining agreement is a contract involving the expenditure of money far in excess of the \$50,000 limitation amount.

In correspondence with my office, the City Attorney cited *Taxpayers Association of Harris County v. City of Houston*, 129 Tex. 627 (1937) for his assertion that "Texas Supreme Court precedent establishes that the Controller is not required to certify the Collective Bargaining Agreement."

The City Attorney is mistaken. The cited case is not applicable to the current matter on either the facts or the law. It involved ordinances enacted by the voters through a referendum, which set a minimum wage for city officers and employees. The court ruled that Section 19a of the Charter

¹ Sec. 19a. - Certificate of controller prerequisite to ordinance, etc., appropriating money.

No contract, agreement or other obligation involving the expenditure of money in excess of the limitation amount determined as provided in this paragraph, below, **shall be ordered, authorized, entered into, or executed by any officer of the city** unless same be, by authority of ordinance, resolution or motion, **nor shall any ordinance, for the appropriation of money, or any ordinance, resolution or motion for the making of any contract, agreement or other obligation requiring the expenditure of money, be passed by the council unless the controller first certify to the council**, that the money required for such contract, agreement, obligation or expenditure is in the treasury, and not appropriated for any other purpose, or that the funds will be received into the treasury and be available before the maturity of said obligation, and that the said funds anticipated have not been already appropriated for any other purpose, which certificate shall be filed and immediately recorded.

“has no remote reference to ordinances such as these, which merely express public policy of the City by stipulating minimum salaries and wages for City officers and employees.”

The proposed agreement I am certifying is not an expression of mere public policy. Rather, it is a legally binding contract calling for the expenditure of specific sums of money at specific times. Therefore, Controller’s certification is required by Article II, Section 19a of the City Charter.

As to the authorization of the refunding bonds, it was improper for the Mayor to put the authorization before City Council last week without approval from the City Controller, as this action violated the City of Houston, Texas Financial Policies. For reference, these policies may be found in the recently approved Fiscal Year 2025 Operating Budget, beginning on page I-35.

Paragraph 10 of Section J (Debt Management Policies), states: “All City financings must be approved by the Finance Working Group and must first be analyzed for long-term affordability and compliance with the City’s financial policies and other legal or administrative requirements.”

The Finance Working Group is “[c]omposed of the Mayor and the Controller” and may also “include[] the designee of such office holder who may only be a City employee accountable to the designating office holder.” Neither I nor my designee approved this financing before it was placed on the Council Agenda.

Because the Mayor moved forward with a City Council vote to authorize the refunding bonds in violation of the City’s Financial Policies, it put the authorization in question. For obvious reasons, any uncertainty about proper authorization should be put to rest before issuing the debt.

My recommendation is to, before moving forward with the bonds, post an item on the Council Agenda *with both the Mayor’s and Controller’s approval* for another vote to properly authorize the issuance of the bonds.

The Controller’s Office’s guiding principles related to the proposed agreements

Despite the abrupt release of the final language of the proposed agreements and the Mayor’s initial opposition to answering necessary questions, it remained my duty as the City’s taxpayer watchdog to ensure a high standard of transparency and accountability. To that end, I posed specific questions to clarify critical details of the proposed agreements for your understanding and for that of concerned Houstonians. For your convenience, I have compiled the written responses in an attached document.

Some responses were provided verbally within the confines of a confidential briefing. I urged the Mayor’s team to offer the same briefing opportunity to each of you. They stated that it has been afforded to you.

It is worth reiterating that neither I nor my office has ever taken a public stance for or against the proposed backpay settlement or the proposed collective bargaining agreement – that is your job as duly elected Council Members. Just as my insistence on completing due diligence should not have been interpreted as opposition to the deal, my certification today should not be interpreted as a vote of confidence. My position was, and remains:

- A. **Transparency is paramount** when it comes to decisions of this magnitude;
- B. To attract and retain talent, **Houston firefighter pay should be competitive** with that of other Texas fire departments; and
- C. As with all decisions that have a significant price tag attached to them, **the Mayor and Council must be clear about how the City will pay for it**, both with themselves and with Houstonians.

As you know, by no fault of the firefighters, **it remains unclear how the City will pay for this proposed deal** (in addition to police raises and other budget increases of significance). The near-record fund balance on hand will only get us through the coming fiscal year. After spending down roughly \$200 million of the total fund balance in Fiscal Year 2025, the City will no longer have it as an option going forward. **It is vital for adequate revenue sources to be identified in coming months to keep the City financially afloat without sacrificing the quality of City service delivery or Houstonians' quality of life.**

Notes on the proposed agreements

Among other terms that were amended or clarified, I noted that based on my office's diligence, a term that would have eliminated random drug testing for firefighters was removed from the proposed collective bargaining agreement. The number of you who were concerned by that term can now take relief in its removal, along with the millions of Houstonians who rely on first responders to be sober and clear-minded as they perform their lifesaving duties daily.

We have provided a few annotations in the attached document. One of them merits additional emphasis here. **There is a concerning lack of clarity around the specific conditions that would trigger the pay escalators for Fiscal Years 2026-29 in the proposed collective bargaining agreement. If the escalators are triggered, the financial value of this agreement will increase by roughly \$120 million (\$30,000 per active firefighter) compared to if they are not triggered. Given the magnitude of this financial value to both the City and to hardworking firefighters, failure to define the specific triggering conditions is fiscally irresponsible. Future disagreements about whether or not the escalators have been triggered could lead to additional legal disputes and diminished morale within the fire department. These disagreements can be entirely avoided if the triggering conditions are precisely defined (e.g., the exact dollar amounts of additional revenue realized with support from firefighters), as was the case in a similar triggering condition in the previous collective bargaining agreement.**

Thank you each for your commitment to the City of Houston and to proper stewardship of the investment that taxpayers make in our City.

Yours in service,

A handwritten signature in blue ink, appearing to read 'CH', with a large, sweeping flourish underneath.

Chris Hollins
City Controller
City of Houston, Texas

Enclosures

**QUESTIONS REGARDING THE PROPOSED BACKPAY SETTLEMENT WITH
HOUSTON PROFESSIONAL FIRE FIGHTERS ASSOCIATION, IAFF LOCAL 341**

1) Please confirm that the total cost of the settlement is \$656,500,000.00:

a. \$650,000,000.00 for “overtime”

Response: Correct

b. \$633,239,582.79 directly to individual firefighters –

Response: Correct

c. \$16,760,417.21 to the Medical Trust –

Response: Correct

d. \$6,500,000.00 for legal fees

Response: Correct

2) Please confirm that the source of funds for the \$650,000,000.00 amount is a refunding bond to be issued by the City in coming weeks/months.

a. What is the estimated cost of issuance of the refunding bond?

Response: Approximately \$5M

b. Is the estimated cost of issuance of the refunding bond included in the FY2025 budget? If so, where?

Response: As is standard practice out of the Controller's Office on a bond transaction, cost of issuance will be funded out of bond proceeds.

3) What is the source of funds for the \$6,500,000.00 amount?

a. Is this amount accounted for in the FY2024 budget or in the FY2025 proposed budget? If so, where?

Response: Yes, in the Property and Casualty Fund (Fund 1004).

4) Please confirm the number of individual firefighters that will receive compensation under this proposed settlement.

a. How many were employed/eligible for all seven (7) years of the dispute between the Firefighters and the City (FY2018-24)?

b. For those who were not employed/eligible for all seven (7) years of the dispute, what is the average number of years for which they were employed/eligible?

Response: The finalized list will be made available by HPFFA whenever the negotiated settlement is approved by City Council

5) Will payments to individual firefighters required by the proposed settlement agreement be issued through ACH or check?

Response: The current expectation is that all employees, current and former, will receive paper checks due to the run date being off cycle from the customary payroll cycle.

a. Is the corresponding ledger accessible at this time? If so, can it be shared with the City Controller's Office?

Response: The role of the Controller's Office in the check disbursement process will be to act as a check and balance to the ARA Payroll Services activity of cutting checks. Prior to delivery of the checks to the firefighters, the checks will be sent to Payroll Operations in the Controller's Office.

5) (follow-up) The process described appears to be non-standard. Should the City follow the standard process for printing and verifying "off cycle" checks?

Response: The process will be the typical off-cycle check process, which will be coordinated between ARA Payroll Division and the Controller's Office. All detailed activity will be addressed between those two teams.

6) We understand that this proposed settlement was reached through a compromise—that the Firefighters believed they were entitled to a higher amount, and that the City believed they were entitled to a lower amount. The Firefighters have laid out the value that they believe they were entitled to at the outset of negotiations (\$1.2 billion) and provided the rationale for that amount. What value did the City believe Firefighters were entitled to at the outset of negotiations, and what is the rationale?

(follow-up) The mayor, for the first time, referred to a \$400 million figure today during the City Council meeting. Is that figure accurate? What is the rationale? As a reminder, the Firefighters have already been clear about their target figure (above) and rationale, and the mayor has echoed that figure and rationale in his written response to these questions. Given that obvious reality, there is clearly no basis on which to claim a violation of confidentiality rules for the City to share its target figure and rationale.

(Continued on next page)

Response: Answered in confidential briefing.

Annotation: While it remains the position of the Controller's Office that the City's opening position and rationale should not be confidential, we thank the Mayor's team for providing an answer in its briefing and encourage them to share the same with members of City Council.

7) Aside from agreeing to compensation in the amounts described above in #1, what concessions did the City grant to the Firefighters in this agreement? For the purposes of answering this question and those immediately below, a concession is defined as a term in the proposed agreement sought by one party to the agreement, which the other party either granted or denied.

Answered in confidential briefing.

8) Aside from higher compensation, did the City deny any concessions that the Firefighters sought in this agreement? If so, what were they?

Answered in confidential briefing.

9) Aside from agreeing to compensation in the amounts described above in #1, what concessions did the Firefighters grant to the City in this agreement?

Answered in confidential briefing.

10) Aside from lower compensation, did the Firefighters deny any concessions that the City sought in this agreement? If so, what were they?

Answered in confidential briefing.

11) Aside from increased pay associated with the proposed collective bargaining agreement, have any conditions been put in place to ensure that a "mass exodus" does not take place among individual firefighters?

Response: The payments to be made under the judgment are not pensionable, as they constitute overtime, and therefore will not incentivize the active firefighters to retire sooner than they had planned. On the contrary, the increase to pensionable pays in the coming years should incentivize active firefighters to stay on to increase their highest 78 pay periods for pension purposes. Additionally, there should be an increase in morale based on the mere fact that the department will be operating under a contract with predictable pay increases for the first time in almost a decade.

Worth noting is that any payments required by a judgment issued after a trial or other court-ordered mediation process, which are the most likely alternatives to the negotiated proposed settlement, the City would likely provide zero mitigating measures.

Annotation: Based on the above response, the Controller's Office believes that the direct answer to the question is "no."

**QUESTIONS REGARDING THE PROPOSED
COLLECTIVE BARGAINING AGREEMENT WITH
HOUSTON PROFESSIONAL FIRE FIGHTERS ASSOCIATION, IAFF LOCAL 341**

- 1) **P. 5 – Please confirm that, if approved, this agreement will remain in effect until replaced by a successor agreement (Article 1, Section 5).**
- a. **If the above is confirmed, is this a term that is used in other City labor agreements (i.e., Police, HOPE)?**
 - b. **Was this term included in the previous collective bargaining agreement with Firefighters?**
 - c. **Is this a term that is used in firefighter labor agreements with other major cities in Texas (i.e., Austin, Dallas, Fort Worth, San Antonio)?**

Response: The language is self-explanatory, and such “evergreen” provisions are customary to agreements between the City and its labor partners. The previous CBA with HPPFA, IAFF Local 341 included a limited evergreen clause. Contracts with HOPE and HPOU include a similar provision. The Administration is not specifically aware if such provisions exist in the other cities cited.

- 1) **(follow-up) Please share the language of “evergreen provisions” in the most recent CBAs with HPPFA, HOPE, and HPOU.**

Response:

- HPPFA (Article 2) This Agreement shall remain in full force and effect until June 30, 2014, and shall continue in effect from year to year until replaced by a successor agreement or until terminated by mutual agreement. In no event shall this Agreement continue in effect after December 31, 2016.
- HOPE (Article 20): The Agreement shall remain in full force and effect through June 30, 2024, unless otherwise provided in Article 20. If the parties have not entered into negotiation or have not come to an agreement on a successor agreement by the expiration of this Agreement, either party shall provide notice to the other, with at least ninety (90) days' notice, the desire to cancel or amend the Agreement. If neither party cancels the Agreement before the expiration date, it shall continue on a month-to-month basis until June 30, 2025.
- HPOU (Article 3): The Agreement shall remain in full force and effect until the close of business June 30, 2025...If no new agreement by June 30, 2025, and this Agreement is continuing on a month-to-month basis, a 2% cost of living increase to base pay will become effective on the first full pay period after July 1, 2025.

Annotation: The Controller’s Office does not view the language in previous labor contracts (above) as “evergreen.” They are either month-to-month, with opt-outs by either side, or have a clear endpoint at which they are no longer in effect.

- 2) P. 14 – Please confirm that, if approved, this agreement would alter the makeup of the City’s Civil Service Commission.**
- a. Please confirm that the Civil Service Commission is currently made up of three (3) members who are appointed by the Mayor and approved by City Council.**
 - b. Please confirm that the Civil Service Commission is established in the City Charter to make important decisions regarding the employment of police, firefighters, and other City employees.**
 - c. Please confirm that, if approved, this agreement would require that the Firefighters select an equal number of commissioners to the Civil Service Commissioners as the City.**

Response: The proposed CBA will incorporate greater labor representation for HOPE, HPOU, and HPFFA on the Civil Service Commission. This will be accomplished by permitting our labor partners to agree on appointment of three primary or alternate members, such that the City and labor partners may have equal number (primary and alternates) of representatives on the Civil Service Commission. The Presidents of HOPE, HPOU, and HPFFA have coordinated and are aligned on this approach. The proposed CBA with HPFFA also requires that a quorum of the Civil Service Commission unanimously agree on proposed demotions or terminations brought before it.

- 2) (follow-up) Your response indicates a revamped Civil Service Commission that includes representation from HOPE, HPOU, and HPFFA. I cannot find any such language in or outside of the proposed agreement. Can you point me to it directly?**

Response: Qualifications of persons appointed the Commission will still be controlled by 143.006 of the Tex. Loc/ Gov’t Code. Which mirrors Sec. 1, Art. Va of the Charter. Previous response: The proposed CBA will incorporate greater labor representation for HOPE, HPOU, and HPFFA on the Civil Service Commission. This will be accomplished by permitting our labor partners to agree on appointment of primary or alternate members, such that the City and labor partners may have equal number (primary and alternates) of representatives on the Civil Service Commission. The Presidents of HOPE, HPOU, and HPFFA have coordinated and are aligned on this approach. The proposed CBA with HPFFA also requires that a quorum of the Civil Service Commission

unanimously agree on proposed demotions or terminations brought before it.

- 3) Please confirm that, if approved, this agreement would give the Firefighters a veto over all termination and demotion decisions regarding individual firefighters that come before the Civil Service Commission (Article 6).**
- a) If the above is confirmed, is this a term that is used in other City labor agreements (i.e., Police, HOPE)?**
 - b) If the above is confirmed, is this a term that is used in firefighter labor agreements with other major cities in Texas (i.e., Austin, Dallas, Fort Worth, San Antonio)?**
 - c) If any termination and demotion decisions regarding individual firefighters do not come before the Civil Service Commission, please describe them.**

Response: Firefighters have the ability under Chapter 143 of the Tex. Loc. Gov't Code to appeal their terminations and demotions to an independent hearing examiner (e.g., arbitrator).

Annotation: The answer to this question remains somewhat unclear, as there is no written policy governing the “new” Civil Service Commission

- 4) P. 22 – As it relates to promotions, Article 7, Section 6 states that “current practice tie breaking rules shall continue in force.” Please describe the current practice tie breaking rules.**

Response: Tie breaking rules start based on seniority and then move into which questions on the test were answered correctly.

- 5) Please confirm that the rights ascribed to the President in Article 10, Section 1(c) are redundant with the rights ascribed to the President and selected Director in Article 10, Section 1(d)(1).**

Response (Set 2): there is mild redundancy within the sections but does not impact the intent

- 6) P. 42 – Article 10, Section 5 states that the City will contribute two (2) hours per member to the Association Business Leave Pool during the first pay period in January of each calendar year with one exception. Please describe the exception.**
- a) Did the previous collective bargaining agreement require the City to contribute two (2) hours per member to the Association Business Leave Pool each calendar year? If not, what did it require in this regard?**

Response: Like the HPOU contract, the firefighter contract allows 2 hours of donated leave to the Association Business Leave (ABL) bank. Under the prior 2011-2014 CBA, it was one hour.

- 7) PP. 43 and 49 – Articles 11 and 13 contain indemnity clauses that appear to be substantially different from one another. Is that difference intentional (aside from the fact that they pertain to two separate articles)? Should they be substantially identical?**

Response: The goal is to ensure that the City is indemnified against any claims for ABL and payroll deductions, which both clauses satisfy. The Legal Department is satisfied with the construction.

- 8) P. 45 – If an individual firefighter substitutes for a firefighter of a lower-paid rank on a particular shift, is the firefighter paid at the lower or higher pay rate for that shift?**

Response: No member will be paid a pay rate lower than the rate established for their rank and years of service. Substitutions are regulated by the State of Texas.

- 9) P. 45 – Article 11 allows individual firefighters the choice to exchange shifts with one another. What measures exist to ensure that firefighters are not endangered by working multiple 24-hour shifts consecutively?**

Response: The current staffing guidelines for HFD are explicit regarding substitutions. Members must request and be granted permission for substitution. Members are not allowed to substitute for another member if the substitution will subject them to working more than the consecutive hours allowed by the guideline.

- 10) P. 47 – Article 12, Section 2 refers to a Joint Labor Committee. What is the Joint Labor Committee and how are its members selected?**
- a. Who currently sits on the Committee?**
 - b. How do the duties of the Joint Labor Committee differ from, overlap with, or conflict with those of the Civil Service Commission?**

Response: The 2011-2014 CBA did not have a Joint Labor Management Committee (“JLMC”). The JLMC and the Civil Service Commission (CSC) do not overlap. The JLMC makes recommendations to the Fire Chief on certain operational matters while the CSC hears matters related to discipline, fitness for duty, medical separations etc.

11) PP. 50-51 – At various steps in the proposed contract grievance procedure, notifications are provided to the Fire Chief. Can the same notifications be provided to the City Controller and members of City Council?

Response: No. Only the parties to the CBA receive notice as it relates to contract grievances.

12) Article 16, Section 2 refers to an Exhibit. Please provide the Exhibit.

Response: The requested exhibit relates to protocols of Special Operations Training with no fiscal impact. Provided below.

13) P. 62 – Article 17, Section 2 describes base salary increases for Fiscal Years 2025-2029. The increase for FY2025 is 10%. At one point this year, an option was considered to increase base salary for newly-hired firefighters by more than 10% to attract additional firefighters to Houston, which would be offset by increasing base salary for more senior positions by less than 10%. Is this option still being pursued, or are base pay increases set to increase 10% for all positions?

Response: The 10% increase will be implemented across the board. There are no further negotiations on this matter.

14) P. 62 – Base salary increases for Fiscal Years 2026-2029 are subject to “escalators,” which are contingent on joint efforts by the City and the Firefighters to seek and ensure additional new revenues to the City for public safety. Please confirm that the City and the Firefighters HAVE NOT agreed to specific conditions that would trigger the escalators (triggering conditions).

- a. **If the City and the Firefighters HAVE agreed to specific triggering conditions, please describe them.**
- b. **If the City and the Firefighters HAVE NOT agreed to specific triggering conditions, the City Controller’s Office strongly urges the City and the Firefighters to reach an agreement on the triggering conditions as part of this collective bargaining agreement. If the escalators are triggered, the financial value of this agreement will increase by an amount in excess of \$100 million compared to if they are not triggered. Given the magnitude of this financial value to both the City and to hardworking firefighters, it is fiscally irresponsible to not define the specific triggering conditions. Further, future disagreement about whether the escalators have been triggered based on a lack of clearly defined and agreed-upon triggering conditions could lead to additional costly legal disputes.**
- c. **For clarity’s sake, included here is an example of a specific triggering**

condition included in Article 21, Section 3 of the 2011 collective bargaining agreement between the City and Firefighters: “The Association may reopen on wages for the third year if the projected revenues set forth in the official budget adopted by the City Council exceed by 2% or more the agreed combined property tax and sales tax target amount of \$1,508,889,000.”

Response: The specific condition that the City and Firefighters have agreed upon is that the escalator is contingent on joint efforts by the City and Firefighters for new public safety revenues. For example, revenues from a proposed solid waste fee will not trigger the escalator. Additionally, the revenues received must equate to the amount needed to meet the incremental cost of the items within the CBA. Further clarification around these conditions will be determined through the joint efforts of the City and Firefighters.

14) (follow-up) Your response indicates the existence of an agreement between the City and the Firefighters around the specific triggering conditions for pay raise escalators in Fiscal Years 2026-29. Please share this agreement and/or the language that is included in this agreement. Please also consider amending the proposed collective bargaining agreement (as was done with the drug-testing provision) to include the relevant language.

Response: See Attachment 1: MOU Dated June 11, 2024

Annotation: Based on the language included in the MOU, it is the position of the Controller’s Office that the triggering conditions are still unclear. The Controller’s Office strongly urges the City and the Firefighters to precisely define the triggering conditions in order to avoid future conflict and uncertainty.

15) PP. 66-67 – Article 17, Section 15 provides college tuition reimbursement to individual firefighters. Please confirm that firefighters have not previously received college tuition reimbursement.

- a) As a condition of accepting tuition reimbursement for successful completion of coursework, a firefighter must remain employed with the City for a minimum of three (3) years upon completion of the degree program. Please confirm that the three-year requirement DOES NOT apply to firefighters who have already begun a degree program as of the effective date of this agreement.**
- b) If confirmed, what is the rationale for not requiring firefighters who are currently enrolled in degree programs to remain employed with the City as a condition of accepting tuition reimbursement?**

Response: Confirmed. The City has never offered college tuition reimbursement to firefighters previously. Any cost associated with the tuition reimbursement program is subject to the \$10M agreed upon cap on special pay and sufficient funding for the \$10M cap has been included in the proposed FY2025 budget.

16) PP. 71 and 91 – Article 17, Section 19(g) states that overtime on a recognized City holiday will be paid at “twice a member’s rate for all those held over, day of call-in, or prescheduled overtime.” Article 22, Section 5 states that “[f]irefighters who are not regularly scheduled to work but are prescheduled for overtime, called in or held over on a City approved holiday, shall receive time and one half for each hour of work performed on the holiday...” Are these clauses in conflict with one another?

Response: In all previous versions of Firefighter CBAs, there is a distinction between premium holidays and regular holidays.

16) (follow-up) Your response refers to a distinction between premium holidays and regular holidays, which I understand. My question did not include any language about premium holidays. Please re-read the clauses I referred to in my questions and provide an additional answer.

Response: Firefighters who are regularly scheduled to work on a non-premium city holiday will receive straight time hourly pay and firefighters called in, prescheduled or held over on overtime will receive time and one half pay. Firefighters who are regularly scheduled to work on a premium city holiday will receive time and one half pay and firefighters called in, prescheduled or held over on overtime will receive double time pay. This practice is consistent with holiday compensation as found in the 2011 collective bargaining agreement.

17) P. 73 – Please confirm that if an individual firefighter declines the opportunity to work overtime, the firefighter will receive a 24-hour credit to the firefighter’s overtime bank balance “the same as if he/she worked the overtime assignment.”

a. If confirmed, what is the rationale?

Response (Set 1): This is incorrect.

17) (follow-up) If my understanding that – if an individual firefighter declines the opportunity to work overtime, the firefighter will receive a 24-hour credit to the firefighter’s overtime bank balance the same as if he/she worked the overtime assignment – is incorrect, please describe what is intended by the below language in Article 17, Section 19(m): “Any decline

will result in a twenty-four (24) hours credit to the members' overtime bank balance the same as if he/she worked the overtime assignment.”

Response: This is related the future overtime eligibility, not compensation. The Department utilizes overtime eligibility lists to ensure that everyone receives an opportunity to work overtime. A firefighter who has 48 hours of overtime in their bank is lower on the eligibility list than a firefighter who has 24 hours. The firefighter who has 24 hours in their bank will be offered an overtime assignment before the firefighter who has 48 hours. If the firefighter who has 24 hours of overtime is called to come in and declines the overtime, 24 hours are added to their "bank", and they drop lower down on the eligibility list.

18) P. 76 – How do the “phase down” provisions of this proposed agreement differ from those in previous collective bargaining agreement?

a. What types of leave are eligible to be banked for this program? Has that changed from the previous collective bargaining agreement?

Response: The City and IAFF Local 341 have not had an active collective bargaining agreement since 2017. The intent of the Phase Down provision remains the same as under the previous collective bargaining agreement; an opportunity and a means for the city to effectively manage the liability associated with a firefighter's earned and unpaid benefit time. Please note that during the time a firefighter is participating in Phase Down, the firefighter shall not accrue leave.

19) P. 90 – Article 22, Section 4 allows for “holiday buy back” and states that the City will determine the total payment amount for holiday buy back. Is there an amount allocated in the proposed FY2025 City Budget for holiday buy back? If so, what is the amount?

- a. Is there a plan/process by which the amount will be selected each year?**
- b. Who will decide the amount?**
- c. When each year will the amount be decided?**

Response: The amount allocated for “holiday buy back” in any given year of the contract will be subject to budget availability as determined by the Administration.

20) P. 100 – Article 24, Section 5(b) defines a positive alcohol test as “one where the blood alcohol concentration is 0.04 percent or greater.” Please provide the rationale for why a blood alcohol concentration of 0.01-0.03 would not be defined as a positive alcohol test.

Response (Set 1): Under federal law and the City's Executive Order 1-12, a blood alcohol level of 0.04% or higher is considered a violation.

a. Is this a term that is used in other City labor agreements related to public safety (i.e., Police)?

Response: Yes.

- b. Was this term included in the previous collective bargaining agreement with Firefighters?**

Response: Yes.

- c. Is this a term that is used in firefighter labor agreements with other major cities in Texas (i.e., Austin, Dallas, Fort Worth, San Antonio)?**

Response: The Administration is not specifically aware of how other jurisdictions have implemented measures to comply with Federal law.

- 20) (follow-up) You indicated that the City's labor agreement with police allows for a blood alcohol concentration of 0.01-0.03 to not be defined as a positive alcohol test. I have verified that the HPOU contract has no such term and that police officers' blood alcohol concentration has to be at 0.00 at all times while on duty per City ordinance. Please share language from the City's labor agreement with police that supports your assertion.**

Response: There is no language in the HPOU contract. The Houston Code of Ordinances speaks to the authority of peace officer while under the influence of alcohol. Sec. 34-4 of the Houston Code of Ordinances provides that "no peace officer employed by the city shall be entitled to exercise any authority of his or her office while under the influence of alcohol at any time during which the officer is not engaged in the performance of his or her assigned work duties." The ordinance does not set a specific threshold. Sec. 8.16 of Executive Order 1-12, which applies to all City employees, including HPD Officers, states that "a result less than 0.04 grams/210 liters of alcohol concentration is a considered a negative test."

- 21) P. 101 - Article 24, Section 5(d) states that "[t]he Department will not engage in random drug testing..." Please provide the rationale for why firefighters should not be subject to random drug testing.**

- a. Is this a term that is used in other City labor agreements related to public safety (i.e., Police)?**
- b. Was this term included in the previous collective bargaining agreement with Firefighters?**
- c. Is this a term that is used in firefighter labor agreements with other major cities in Texas (i.e., Austin, Dallas, Fort Worth, San Antonio)?**

Response: This has been clarified and random drug testing is still present for firefighters. Article 24, Section 5(d) has been deleted in its entirety in the executed Interim Amendment No. 1 dated 6/11/24.

- 21) (follow-up) It is encouraging to know that random drug testing has been re-added to the proposed agreement based on our inquiry. Please**

share the amended proposed agreement dated 6/11/24 that you referred to in your response.

Response: Complete via email June 13, 2024.

- 22) P. 102 – Did the previous collective bargaining agreement require the City to contribute \$50 per member to the HPFFA Medical Trust each month? If not, what did it require in this regard?**
- a. Will all individual firefighters count toward the City’s requirement? If not, how will the City’s requirement be calculated?**
 - b. What is estimated cost for FY2025?**
 - c. Is there an adequate amount included in the proposed FY2025 City Budget to cover this estimated cost?**

Response: The previous contribution was lower but was set by the 2011 Collective Bargaining Agreement which is the last time an agreement was negotiated. Costs for the Medical Trust will be incurred for enrolled members only. This cost is included in the \$10M agreed upon cap on special pay and sufficient funding for the \$10M cap has been included in the proposed FY2025 budget.

- 23) P. 103 – Article 25 refers to Joint Labor Management Committees. Are there multiple committees, or one?**
- d. Are the Joint Labor Management Committees the same as or different from the Joint Labor Committee referred to on p. 47?**
 - e. If different, how do the duties of the Joint Labor Management Committees differ from, overlap with, or conflict with those of the Joint Labor Committee?**

Response: There are multiple committees. For example, there is a rules and regulations committee, health and safety committee, apparatus committee, and many more.

- 24) What special pays are included in this proposed agreement that were not included in the previous collective bargaining agreement with Firefighters? For the purposes of answering this question and those immediately below, special pays are all opportunities for individual firefighters to receive compensation—including overtime and holiday provisions—aside from base salary.**

Response: The special pays that are new are the education pays, tuition reimbursement, and the proposed assignment pays for specialty areas of the department.

25) What special pays are included in this proposed agreement that were included in the previous collective bargaining agreement with Firefighters, but increase in pay rate under this proposed agreement?

Response: The special pays included in both agreements are the proposed medical trust contribution, assignment pay for training officers, assignment pay for EMS personnel, assignment pay for special operations personnel and training level pays.

26) What special pays are included in this proposed agreement that are unchanged from the previous collective bargaining agreement?

Response: Paramedic Officer pay is unchanged from the previous agreement.

27) The Mayor's team previously stated that the proposed agreement would cap special pays at \$10 million annually. Are special pays capped at \$10 million annually?

- f. If not, are they capped at all? At what value? If they are capped, please provide the language/agreement that ensures the cap.**
- g. What does the Mayor's team currently estimate special pays to be for FY2025? Is that amount included in the proposed FY2025 City Budget?**
- h. Does the Mayor's team believe special pays will increase in the proposed contract years after FY2025?**

Response: The cap on the aggregate incremental financial impact of Special and Incentive Pays per year is capped at \$10 Million per Fiscal Year, exclusive of FICA and pension contributions. The controls arounds this amount will be through the City's budgetary management practices. The \$10M cap for proposed special pays is included in the Proposed FY2025 Budget. No, the cap on special pays will not increase in years after FY2025.

28) In previous labor agreements, the Fire Department Personnel Ordinance pay schedule was included in the agreement approved by Council. This document (Exhibit A in previous agreements) details the pay increases for each fiscal year across all pay grades and steps. However, this document was not included in this proposed agreement. Please provide this document.

Response: The pay schedule is under development and will be included as a clarification attachment to the CBA. The pay schedule will be reflective of across-the-board increases.

29) The proposed FY2025 City Budget includes \$45 million for firefighter overtime although (a) firefighter overtime in FY2024 is estimated at \$66 million and (b) the 10% pay raise in this proposed agreement could substantially increase overtime costs. What measures does this proposed agreement implement to effectively manage overtime costs?

Response: Overtime costs will be managed through the City's budgetary management practices. Additionally, overtime costs will be managed through HFD's staffing guidelines.

Annotation: Based on the above response, the Controller's Office believes that the direct answer to the question is "none."

30) Aside from agreeing to increased compensation and additional/increased special pays, what concessions did the City grant to the Firefighters in this agreement? For the purposes of answering this question and those immediately below, a concession is defined as a term in the proposed agreement sought by one party to the agreement, which the other party either granted or denied.

Answered in confidential briefing.

31) Aside from higher compensation and special pay rates, did the City deny any concessions that the Firefighters sought in this agreement? If so, what were they?

Answered in confidential briefing.

32) Aside from agreeing to compensation and special pay rates, what concessions did the Firefighters grant to the City in this agreement?

Answered in confidential briefing.

33) Aside from lower compensation and special pay rates, did the Firefighters deny any concessions that the City sought in this agreement? If so, what were they?

Answered in confidential briefing.