

THE CITY OF HOUSTON

Legal Department



**OVERVIEW OF PROPOSED SETTLEMENT AGREEMENT
AND FY25-29 CBA WITH HPFFA LOCAL 341**

April 2, 2024

Collective Bargaining

- Collective bargaining establishes a comprehensive scheme for the determination of wages, hours, and conditions of employment and preempts local and state laws.
- Houston Professional Fire Fighter's Union, Local 341 ("HPFFA"), Local 341, represents classified employees at the Houston Fire Department.
- In 2003, Houston voters mandated collective bargaining for HPFFA, Local 341 pursuant to the Firefighters and Police Employee Relations Act, Ch. 174 of Tex. Loc. Gov't Code.

Houston Fire Department

- Total number of fire stations – 94, plus 6 support facilities (shop, training facility etc.)
- Total number of fire fighters – 3,661 (as of 3/7/24)
- Daily minimum staffing – 849 personnel
- 24-hour shift – each firefighter works 8 or 9 shifts per month
- Average number of scheduled work hours per week – 46.7 hours (72-day work cycle).
- Total Number of daily advanced life safety units (ALS)– 46
- Total Number of daily basic life safety (BLS) units – 62 (57 are 24-hour units and 5 are 12-hour units)
- Total Number of paramedics – 428

Litigation Overview

- **6/28/17** - Union files suit against the City seeking judicial enforcement on terms and conditions of work after collective bargaining negotiations reached impasse for FY18. The City asserted that judicial enforcement of the terms and conditions were unconstitutional.
- **6/30/17**- 2011 Collective Bargaining Agreement (“CBA”), that was extended, expires.
- **11/6/18** – Union seeks pay parity with the police –voters approve ballot measure, Prop B.
- **11/30/18** – HPOU files suit challenging the constitutionality of Prop B. The City joins HPOU in the lawsuit.
- **3/31/23** - Texas Supreme Court rules Prop B unconstitutional but judicial enforcement of terms and conditions as constitutional and remands the case back to the trial court.
- **6/2/23** – Legislature amends Chapter 174 requiring mandatory arbitration after impasse or if the parties are unable to settle after the 61st day after council fails to approve a contract through collective bargaining.
- **7/11/23** - Union amends lawsuit and seeks collective bargaining for FY19-24.
- **12/11/23** –Court denies arbitration for FY18 and grants collective bargaining for FY19-23.

Settlement Agreement

Settlement for \$650,000,000 in Cause No. 2017-42885: *Houston Professional Fire Fighters' Association, Local 341 v. City of Houston*; In the 234th Judicial District of Harris County, TX:

- Resolves 7 years of pay owed to fire fighters (FY18-24) under very difficult to predict private sector standards.
- Settlement structure addresses a single component of the fire fighter's claims, overtime, which does not carry pension obligations by the City (27%) and by each fire fighter (11%).
- Funds Medical Trust Fund, currently in arrears.
- Settlement payable through refunding bonds.
- Attorney's fees of 6.5M for 8 years of litigation to be paid through this year and next year's Property and Casualty Fund.

Refunding Bonds

- Refunding bonds, authorized under Chapter 1207 of the Government Code, requires approval by the Texas Attorney General.
- Texas Attorney General has advised that issuance of refunding bonds to pay a judgment must be derived from a final unappealable judgment for a fixed amount towards the discharge of past costs.
- Council must approve settlement agreement, which includes CBA for FY25-29, before the Court enters Final Judgment.
- Court must enter Final Judgment.
- Council must approve ordinance authorizing refunding bonds.
- Texas Attorney General must approve refunding bonds to pay for Final Judgment.
- After the transaction closes, bond funds will be deposited with the City.
- Union will provide City with disbursement amount for each fire fighter.
- City will distribute settlement monies, less taxes, and issue 1099 tax forms.

Contractual Binding Agreement

FY 25 - 29

- Uses public sector fire departments as comparators— Dallas, Austin, San Antonio, and Fort Worth - and not private sector as required by state law.
- 5-year term, FY25–29, effective July 1, 2024.
- Avoids mandatory arbitration where the award is generally unappealable and must be paid within month(s). No consideration given to the City's finances or ability to pay the arbitration award.
- Base pay has guaranteed increases with an escalator contingent on additional new revenues for public safety: YR1 - 10%; YR2 - 3%(+3%); YR3 - 3 (+3%); YR4 - 4% (+2%); and YR 5 – 4% (+2%).
- Increases in assignment pay to help with recruitment and retention in order to reduce overtime and staffing issues.
- Education incentive pay similar to police.