

City of Garden Grove
INTER-DEPARTMENT MEMORANDUM

To: Matthew J. Fertal
From: John D.R. Clark
Dept: City Manager
Dept: Human Resources
Subj: INTERNATIONAL ASSOCIATION
OF FIREFIGHTERS, GARDEN
GROVE LOCAL 2005 MOU
EXTENSION
Date: May 22, 2012

BACKGROUND

Management representatives and the union met informally on a number of occasions to discuss options for dealing with the significant and unexpected loss of redevelopment funds.

DISCUSSION

The Memorandum of Understanding (MOU, aka "contract") with the Garden Grove Local 2005, International Association of Firefighters does not expire until June 30, 2013. Therefore, the City could not compel the union to meet and confer, nor could it impose terms following impasse (and now, with AB 646, fact-finding). At the same time, union leadership was sensitive to the draconian measures that might be necessary in the absence of a negotiated solution.

The result of these discussions is an Agreement to amend the MOU (the second amendment) that will require union members to fully "cash-out" their holiday time bank. Members receive a bank of 156 hours, which equals thirteen holidays (same as all other City staff) times 12 hours (half a 24-hour shift for firefighters). Because union members are scheduled 24/7 all year, they do not usually take off the actual day of the holiday, but use the equivalent time in their bank as time off allows.

Forcing members to fully cash out their holiday bank saves the City half the cost of the backfill. Because all fire stations must be manned 24/7 all year, a member who takes a day of holiday time must be backfilled by bringing in another firefighter to work overtime at time and one half. Forcing the cash-out means the member in question will "work" their holidays at straight time, obviating the need to backfill at 1.5x wages, thus saving the "one half" of the 1.5x wage.

It was Management's desire to roughly parallel the savings from the Fire Union with those of Police and Police Management, which both gave up the 2% raise scheduled for them in July, 2012. Because the Fire Union has longevity pay which is divvied up unequally across the group, there was no across-the-board 2% to readily cancel. This

amendment with the mandatory cash-out approximates the savings from such a 2% reduction.


In consideration for this concession, the Fire Union requested that their contract term be extended by two years, i.e., from June 30, 2013 to June 30, 2015. Depending on the City's finances three years from now, locking in current terms could favor either the City or the union. The additional length does provide, at a minimum, predictability for the next several years.

FINANCIAL IMPACT

The value of a 2% raise to the Fire Union payroll would be about \$256,000. It is estimated that the forced cash-out will save between \$200,000 and \$300,000 annually, roughly equaling the reductions made by the other public safety unions.

RECOMMENDED ACTION

- Adopt the attached Resolution providing for the second amendment to the Memorandum of Understanding with the Garden Grove Local 2005, International Association of Firefighters with the attendant changes contained therein; and
- Direct the Human Resources Director and Finance Director to implement its provisions with all deliberate speed.



JOHN D.R. CLARK
Human Resources Director/City Treasurer

attachment: Resolution

Recommended for Approval



Matthew Feral
City Manager

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GARDEN GROVE
AMENDING THE MEMORANDUM OF UNDERSTANDING (MOU) ON SALARIES,
WAGES, AND FRINGE BENEFITS FOR THE TERM 2009-2012 BY AND BETWEEN THE
INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS, GARDEN GROVE LOCAL 2005
AND THE CITY OF GARDEN GROVE

WHEREAS, the City Council of the City of Garden Grove understands the need for increased cost savings to close a deficit between revenues and expenditures in an expeditious fashion;

WHEREAS, the International Association of Fire Fighters, Garden Grove Local 2005 shares this concern and believes a solid fiscal foundation to be essential to its member's well-being;

WHEREAS, the International Association of Fire Fighters, Garden Grove Local 2005 and City Management have met and conferred in good faith on joint solutions to this pressing need; and

WHEREAS, the International Association of Fire Fighters, Garden Grove Local 2005 and City Management have reached a tentative agreement on changes to the Memorandum of Understanding (MOU) to insure a financially-sound future.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF GARDEN GROVE DOES HEREBY RESOLVE:

Section 1. The Memorandum of Understanding on Salaries, Wages, and Fringe Benefits 2009-2012, by and between the International Association of Fire Fighters, Garden Grove Local 2005 and the City of Garden Grove as approved and adopted by City Council Resolution No. 8883-09 and amended by Resolution No. 8958-10 is hereby amended as follows:

A. The term of this MOU shall be extended two full years, i.e., the new term of the MOU shall be July 1, 2009, through June 30, 2015.

B. Article II, Section 1 ("Wages") is amended to read as follows:

a. First Year

The City shall provide no (0%) salary increase during the first year, fiscal year 09-10.

b. Second Year

The City shall provide no (0%) salary increase during the second year, fiscal year 10-11.

c. Third Year

Effective the first full pay period after July 1, 2011, the City will implement Longevity Pay as outlined below.

d. Fourth Year

The City shall provide no (0%) salary increase during the fourth year, fiscal year 12-13.

e. Fifth Year

The City shall provide no (0%) salary increase during the fifth year, fiscal year 13-14.

C. Article V, Section 3 ("Holidays") is amended to read as follows:

- a. Fire Department members assigned to suppression duty earn thirteen (13) hours of holiday time each month. Employees assigned to a forty-hour schedule receive an equivalent amount of holiday time per the conversion formula currently used by the Payroll Unit within the Finance Department. For suppression shift personnel, holidays shall be computed as a 12-hour period. Forty-hour personnel shall observe the holidays on the days designated by the Fire Chief.

January 1 (New Year's Day)
Third Monday of February (President's Day)
Last Monday in May (Memorial Day)
July 4 (Independence Day)
First Monday in September (Labor Day)
November 11 (Veteran's Day)
Fourth Thursday in November (Thanksgiving Day)
Day after Thanksgiving Day
Day before Christmas Day*
December 25th (Christmas Day)
Day before New Year's Day*
2 Floating Holidays

Members may, at employee's option, cash out holiday time. The total available holiday hours for shift personnel will be divided as follows:

- (1) 50% of the total will be available on January 1; and
- (2) The remaining 50% will be available on July 1.

At date of termination from City employment, any holidays previously paid off but not earned shall be deducted from the employee's final paycheck.

- b. Notwithstanding the foregoing in subpart a., above, beginning May 23, 2012, for the remainder of fiscal year 11-12, and the entirety of fiscal year 12-13 and fiscal year 13-14, Members must cash out their entire

holiday time bank. During this time period, Members may not use their holiday time bank to cover any absence. Per current practice, any time remaining in a holiday time bank in December will be paid out by the Payroll Unit within the Finance Department prior to the end of the calendar year.