



SUPPLEMENTAL CITY COUNCIL AGENDA REPORT

MEETING DATE: August 4, 2009 ITEM NUMBER: VIII-2E

SUBJECT: Memorandum of Understanding (MOU) 2007-2013 with the Costa Mesa Firefighters Association (CMFA)

DATE: August 4, 2009

FROM: City Managers Department, Administrative Services Department
Finance Department

PRESENTATION BY: Allan L. Roeder City Manager
Steve Mandoki, Administrative Services Director
Costa Mesa Firefighters Association

FOR FURTHER INFORMATION CONTACT: Allan L. Roeder, City Manager, (714) 754-5327

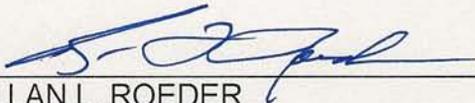
Since the July 31, 2009 distribution of the Agenda Report for the above subject item, discussions have continued with representatives of the Costa Mesa Firefighters Association (CMFA). As a result of those discussions, CMFA has indicated its support for further modifications to its proposal. Those modifications are outlined in the following including the original proposal and the updated proposal (**in bold**):

- No layoff provision for the term of the MOU
- **Removal of layoff language**
- Modification to the existing "financial hardship" language regarding the City's ability to grant salary increases in the event of a 3% or greater decrease in the City's leading revenue sources (Sales Tax, Property Tax and Transient Occupancy Tax). The modification includes language that precludes from consideration in the calculation of a "financial hardship" any new revenue sources that may be created and any increases in existing General Fund Reserve Accounts
- **Agreement to retain the existing fiscal protection language with the clarification that reopening of the MOU pertains to wage adjustments only**
- Suspension of contributions towards the Retiree Medical Program during the period from July 2009 to June 2010 with the employee contribution going to the proposed retirement enhancement
- **Agreement to continue suspension of the Retiree Medical Program if other represented employee groups agree to suspension beyond September 2010. CMFA agrees to continue applying the 1% employee contribution towards payment of the retirement enhancement**

- Modification of the existing minimum daily staffing levels during the term of the MOU as follows (summarized):
 - (1) During the period of July 2009 through December 2009, minimum daily staffing may be reduced from 32 personnel to 31 personnel. This reduction shall only be accomplished through the reduction of one Firefighter or Firefighter/Paramedic position.
 - (2) During the period of January 2010 through June 2011, minimum daily staffing may be reduced from 32 personnel to 28 personnel. The reductions are specific to identified equipment and personnel.
 - (3) During the period of July 2011 through June 2013, minimum daily staffing may be reduced from 32 personnel to 30 personnel. The reductions are specific to identified equipment and personnel.
 - (4) Effective June 2013, minimum daily staffing shall return to 32 personnel.
 - (5) Clarification of staffing levels when minimum staffing drops below 32 personnel for vacancy or absence for a period of 8 hours or less.
- **CMFA agrees to continue minimum staffing (reduction to 28 personnel) beyond June 30, 2011 based on a review of economic indicators. The specific language operationally defining the economic indicators to be used will be agreed upon prior to submission of the MOU to the City Council for approval**
- Adjustment of salaries based on total compensation for the average total compensation of the existing benchmark survey agencies (Fountain Valley, Huntington Beach, Newport Beach, Santa Ana and the Orange County Fire Authority) for the beginning of each pay period that includes the following dates: July 1, 2010, July 1, 2011 and July 1, 2012
- **CMFA agrees to forgo the marketplace adjustment of July 1, 2009 (3.75%) and the scheduled marketplace adjustment of July 1, 2010 (the amount, if any, to be determined by a benchmark survey at that time) unless market wage adjustments are provided to other employee groups. If a market adjustment is provided the effective date will be September 1, 2010**
- Modification of the existing Certification Program/Monthly Award from fixed dollar awards to percentage awards. Proposed percentages reflect current fixed dollar amounts in relationship to salary
- **Implementation of the proposed changes to the Certification Program/Monthly Award from fixed dollar awards to percentage awards would go into effect September 1, 2011 as opposed to going into effect upon approval of the MOU**
- Addition of an award for "Tiller Certification" to the Certification Program in the amount of .75% for designated classifications
- **Deferral of further discussions between CMFA and the City regarding implementation of a "Tiller Certification" to a later date and at such time as the new apparatus is delivered**

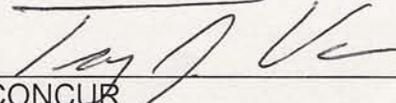
In light of the preceding, the concerns expressed by management in the original staff report dated July 31, 2009 in the **Analysis** section (bottom of page 5) have been addressed by the proposed changes from CMFA. Those concerns involved the 4 year term of the MOU with the recovery provision to return to a minimum manning level of 32 per shift by June 2013. While the term of the MOU is still at 4 years, the recovery language has substantially changed. This will allow for an assessment of economic conditions at the time to ascertain whether the City is in a financial position to increase manning. This change is key in providing the kind of flexibility required in uncertain economic times. Additionally the changes agreed to by CMFA regarding layoffs, the economic uncertainty language, suspension of the Retiree Medical Program and prospective market place adjustments not only provided needed budget relief but are more in-line with labor agreements entered into with other employee groups.

On the strength of the proposed changes to the CMFA proposal, management is fully in support of the recommended action to authorize staff to finalize the Memorandum of Understanding (MOU) for ratification by the City Council at your regular meeting of August 18, 2009. In recognition of the fact that every day that passes without the new MOUs in place means a loss in salary savings towards that needed for the current fiscal year, management recommends that a Special Meeting of the City Council be convened prior to the regular meeting of August 18, 2009 if the final language for the MOU is complete.



ALLAN L. ROEDER

City Manager



CONCUR

Tim Vasin, CMFA President

DISTRIBUTION: Fire Chief Morgan
Deputy Fire Chief Jones