



CITY OF LONG BEACH

R-17

DEPARTMENT OF HUMAN RESOURCES

333 WEST OCEAN BOULEVARD • LONG BEACH, CALIFORNIA 90802 • (562) 570-6621

October 13, 2009

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Adopt the attached Resolution approving the amendments to the Memoranda of Understanding with the Long Beach City Attorneys Association, Long Beach Prosecutors Association, and the Long Beach Firefighters Association; adopt the attached Amendments to the October 1, 2007 through September 30, 2012 Memoranda of Understanding with the Long Beach City Attorneys Association and Long Beach Prosecutors Association; adopt the attached Amendment to the January 1, 2008 through September 30, 2013 Memoranda of Understanding with the Long Beach Firefighters Association; and allow those matters that affect compensation to be implemented on the effective dates set forth in the October 1, 2007 through September 30, 2013 Amended Memoranda of Understanding with the Long Beach City Attorneys Association and Long Beach Prosecutors Association, and on the effective dates set forth in the January 1, 2008 through September 30, 2014 Amended Memoranda of Understanding with the Long Beach Firefighters Association. (Citywide)

DISCUSSION

City management representatives and representatives of the Long Beach City Attorneys Association (LBCAA), Long Beach Prosecutors Association (LBCPA), and Long Beach Firefighters Association (LBFFA) have held discussions over the past few months regarding the fiscal impacts of the FY10 budget. These meetings have resulted in agreements that provide amendments to the October 1, 2007 through September 30, 2012 Memoranda of Understanding (MOU) for the LBCAA and LBCPA, and an amendment to the January 1, 2008 through September 30, 2013 MOU with the LBFFA. All units have agreed to defer their FY10 adjustments in light of the fiscal issues facing the City in exchange for other considerations as detailed in Attachment A. The agreements have been ratified by the members of the Associations and signed by the City Manager and other appropriate management representatives.

This matter was reviewed by Deputy City Attorney Christina Checél, and Budget and Performance Management Bureau Manager David Wodynski on September 28, 2009.

TIMING CONSIDERATIONS

City Council action is requested on October 13, 2009, to ensure timely implementation of the amended MOU provisions.

FISCAL IMPACT

The existing MOUs with the LBCAA and LBCPA provided for a Fiscal Year 2010 (FY 10) general salary adjustment of two percent and an equivalent two percent value for equity adjustments with an estimated cost of \$191,000 to the General Fund. The LBCAA and LBCPA agreed to extend the term of their agreements through September 30, 2013 and defer the FY 10 general salary adjustments until October 1, 2010 resulting in a savings of \$191,000 in FY 10. The existing MOU with the LBFFA provided for a FY 10 general salary adjustment, skill pays and scheduled step increases with an estimated cost of \$3.9 million to the General Fund. The LBFFA agreed to extend the term of their agreement through September 30, 2014 and to defer the FY 10 general salary adjustments until October 1, 2010, resulting in a savings of \$2.8 million in FY10. The cost for the LBFFA skill pays (one certification pay and wellness) and scheduled step increases are estimated to be \$1.1 million. Sufficient revenue or overtime cost decreases are included in the FY10 Adopted Budget to fully offset these adjustments.

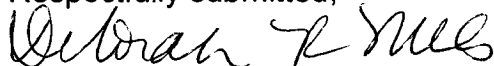
The City will agree to provide a supplement to retirees' retirement health insurance account for LBFFA employees who retire before December 31, 2009 equal to the difference of what their retirement benefit would be with the October 1, 2009 adjustment for a year and their actual retirement. The retiree health insurance supplement will be funded by setting aside an amount in the Employee Benefits Fund.

SUGGESTED ACTION:

Approve recommendation.

APPROVED:

Respectfully submitted,



DEBORAH R. MILLS
ACTING DIRECTOR OF HUMAN RESOURCES

SRM:KW:ph/sk/tb

Attachments



PATRICK H. WEST
CITY MANAGER

ATTACHMENT A

Associations with current agreements:

Long Beach City Attorneys Association

- Defer FY10 salary adjustment for 1 year, moving future years out 1 year. *
This does not include step increases.
- Extend current agreement term to September 30, 2013.

Long Beach City Prosecutors Association

- Defer FY10 salary adjustment for 1 year, moving future years out 1 year. *
This does not include step increases.
- Extend current agreement term to September 30, 2013.

Long Beach Firefighters Association

- Defer FY10 salary adjustment for 1 year, moving future years out 1 year.
This does not include step increases or wellness skill pay.
- Reduce the maximum number of eligible certifications from 3 to 1.
New revenue could increase the certifications back to 3 in April 2010.
- Extend current agreement term to September 30, 2014.
- Retirement supplement from 10/1/09-12/31/09 equal to the difference of what retirement benefit would be with the 10/1/09 adjustment for a year and actual retirement.
- Savings through flexible staffing model, in exchange for no furloughs during term of extended MOU.
- Reopener to discuss mutually agreeable pension changes on 3/1/11 and at any time during the contract.

* In exchange for: City agreement to no furloughs in FY10 unless there is a \$10 million loss of revenue or expenditure increase and agree to meet for 30 calendar days to explore compensation/benefit alternative savings.

AMENDMENT TO THE MEMORANDUM OF UNDERSTANDING BETWEEN
THE CITY OF LONG BEACH AND
THE LONG BEACH CITY ATTORNEYS ASSOCIATION

The City of Long Beach and the Long Beach City Attorneys Association (LBCAA) agree to amend the October 1, 2007 to September 30, 2012 Memorandum of Understanding as follows:

The labor agreement will be extended by one year, to expire on September 30, 2013. All existing terms and conditions set forth in that agreement shall remain unchanged for the term of the extended agreement, except as modified below.

1. Due to the current economic situation, the LBCAA agrees to defer the general salary increases and equity adjustments effective on October 1, 2009, October 1, 2010 and October 1, 2011 for one year from their original effective dates and extend the term of the contract to September 30, 2013.
2. In consideration of the Long Beach City Attorneys Association willingness to help address the City's financial challenges by agreeing to the deferral of the FY 10, FY 11 and FY 12 general salary and equity adjustments, the City will not unilaterally impose furloughs during Fiscal Year 2010, unless there is a \$10 million or more loss of General Fund revenues or uncontrollable General Fund expenditures of \$10 million or more when compared to the Fiscal Year 2010 Adopted Budget. Any increase in discretionary revenue or available alternative funding sources will be taken into consideration prior to implementation of a furlough.

If based on the financial situation it is determined that furloughs will be necessary in accordance with this section, the City will provide notice in writing to the LBCAA to include detailed financial information documenting the need to implement furloughs. This will initiate a 30-calendar day meeting period where the parties will meet to explore compensation and benefit related savings as alternatives to furloughs.

3. In the event that the City and another Miscellaneous Association agree to modify the parameters for the financial occurrence identified in No. 2 of this agreement to parameters more beneficial to the LBCAA, then the more beneficial parameters shall also apply to the LBCAA and will supersede the parameters currently identified in No. 2 of this agreement.
4. The City and the LBCAA agree that during the term of the agreement, either party may request a reopener with 30 days notice to discuss possible changes to pension plans. The outcome of the reopener must be mutually agreeable.

In witness thereof, the parties hereto have caused this Amendment to the Memorandum of Understanding to be executed this _____ day of _____, 2009.

FOR THE LONG BEACH CITY ATTORNEYS ASSOCIATION

Gary Anderson, President
Long Beach City Attorneys Association

FOR THE CITY OF LONG BEACH:

Patrick H. West, City Manager

Suzanne R. Mason
Director of Human Resources

Ken Walker
Manager, Personnel Operations

Robert E. Shannon, City Attorney

APPROVED AS TO FORM:

Robert E. Shannon, City Attorney

AMENDMENT TO THE MEMORANDUM OF UNDERSTANDING BETWEEN
THE CITY OF LONG BEACH AND
THE LONG BEACH CITY PROSECUTORS ASSOCIATION

The City of Long Beach and the Long Beach City Prosecutors Association (LBCPA) agree to amend the October 1, 2007 to September 30, 2012 Memorandum of Understanding as follows:

The labor agreement will be extended by one year, to expire on September 30, 2013. All existing terms and conditions set forth in that agreement shall remain unchanged for the term of the extended agreement, except as modified below.

1. Due to the current economic situation, the LBCPA agrees to defer the general salary increase and equity adjustment effective on October 1, 2009, October 1, 2010 and October 1, 2011 for one year from their original effective dates and extend the term of the contract to September 30, 2013.
2. In consideration of the Long Beach City Prosecutors Association willingness to help address the City's financial challenges by agreeing to the deferral of the FY 10 general salary and equity adjustments, the City will not unilaterally impose furloughs during Fiscal Year 2010, unless there is a \$10 million or more loss of General Fund revenues or uncontrollable General Fund expenditures of \$10 million or more when compared to the Fiscal Year 2010 Adopted Budget. Any increase in discretionary revenue or available alternative funding sources will be taken into consideration prior to implementation of a furlough.

If based on the financial situation it is determined that furloughs will be necessary in accordance with this section, the City will provide notice in writing to the LBCPA to include detailed financial information documenting the need to implement furloughs. This will initiate a 30-calendar day meeting period where the parties will meet to explore compensation and benefit related savings as alternatives to furloughs.

3. In the event that the City and another Miscellaneous Association agree to modify the parameters for the financial occurrence identified in No. 2 of this agreement to parameters more beneficial to the LBCPA, then the more beneficial parameters shall also apply to the LBCPA and will supersede the parameters currently identified in No. 2 of this agreement.
4. The City and the LBCPA agree that during the term of the agreement, either party may request a reopener with 30 days notice to discuss possible changes to pension plans. The outcome of the reopener must be mutually agreeable.

In witness thereof, the parties hereto have caused this Amendment to the Memorandum of Understanding to be executed this _____ day of _____, 2009.

FOR THE LONG BEACH CITY PROSECUTORS ASSOCIATION

Calvin "Ray" George, President
Long Beach City Prosecutors Association

FOR THE CITY OF LONG BEACH:

Patrick H. West, City Manager

Suzanne R. Mason
Director of Human Resources

Ken Walker
Manager, Personnel Operations

Thomas M. Reeves, City Prosecutor

APPROVED AS TO FORM:

Robert E. Shannon, City Attorney

AGREEMENT TO AMEND THE MEMORANDUM OF UNDERSTANDING
BETWEEN THE CITY OF LONG BEACH AND
THE LONG BEACH FIREFIGHTERS ASSOCIATION LOCAL 372,
INTERNATIONAL ASSOCIATION OF FIREFIGHTERS, AFL-CIO

The City of Long Beach and the Long Beach Firefighters Association Local 372 (FFA) agree to amend the January 1, 2008 to September 30, 2013 Memorandum of Understanding as follows:

The labor agreement will be extended by one year, to expire on September 30, 2014. All existing terms and conditions set forth in that agreement shall remain unchanged for the term of the extended agreement, except as modified below.

1. Due to the current economic situation, the FFA agrees to defer the October 1, 2009 general salary adjustments to October 1, 2010, and agrees to extend all other salary adjustments in the MOU by one year as reflected in the revised attached Appendix A – Listing of Classifications and Salary Increases.
2. In consideration of the FFA's willingness to defer the October 1, 2009 general salary adjustments, the City and the FFA agree to delay the decrease of the Paramedic Skill Pay and the Arson Investigator Skill pay effective October 1, 2009 in accordance with Article Two Section IV A and B in the current MOU. The Paramedic Skill Pay and Arson Investigator Skill Pay will remain at the 16.5% of top step firefighter for FY 10 and will go down to 16% of top step firefighter on October 1, 2010.
3. In accordance with Article Two Section V in the current MOU, the FFA agrees to reduce the number of eligible certifications any one member can receive from a maximum of three certifications at 1.5% of top step firefighter each to one certification at 1.5% of top step firefighter during October 1, 2009 to October 1, 2010.
4. In consideration of the FFA's creativity in recommending new funding sources to assist with the City's financial challenges, if new revenue derived from the Accident Debris Program, or other new revenue options brought forward by the FFA, reach a total of \$336,000 by April 1, 2010, the maximum number of certification pays will be restored to three certifications at 1.5% of top step firefighter each. If this revenue goal is not achieved, the maximum number of certifications any one member can receive will remain at one until October 1, 2010 at which time it will return to maximum number of three certifications per member at 1.5% of top step firefighter each.

The City and the FFA agree to meet on a quarterly basis during FY 10 to discuss the progress and status of reaching the mid-year revenue target goal of \$336,000 through the Accident Debris Program, contracting in dispatch services, and any other revenue options brought forth by the FFA.

5. In an effort to incentivize retirements to reduce General Fund costs, Association members who retire on or before December 31, 2009 will receive an adjustment to their post retirement health insurance account equivalent to the difference in their retirement benefit had their October 1, 2009 general salary adjustment been made (in accordance with Appendix A Section III of the original January 1, 2008 to September 30, 2013 MOU) for a full year, and their actual salary on the date they retire. Their post retirement health insurance account will be adjusted annually as long as they or their beneficiaries are still receiving retirement benefits from CalPERS. The annual supplement will be adjusted in accordance with the member's annual CalPERS COLA adjustment and will be equal to the amount of the member's annual CalPERS COLA adjustment.

Any sick leave hours' value funding method used by the City of Long Beach pursuant to this Letter of Understanding will be compliant with the current Internal Revenue Service Code and Regulations issued thereunder relative to the non-taxability of health insurance benefits received by Long Beach Firefighters Association (FFA) retirees. In addition, although the City of Long Beach's Integral Part Trust may not be the only method used to fund FFA retiree health insurance benefits, any other method chosen will be in good faith compliance with pertinent provisions of the Internal Revenue Service Private Letter Ruling (PLR-116685-99) issued to the City of Long Beach. Particular relative provisions of PLR-116685-99 include that each retiree have an account balance held in trust for that retiree's health insurance benefits, no cash can be received in lieu of benefits by any retiree, and the City of Long Beach is the only party making payments for retirees' benefits. All contributions of sick leave hours' value and payments for health insurance are only made by the City of Long Beach who maintains full control over the written program with no cash or other economic benefit being conferred upon the FFA employees.

6. Due to budget reductions, the FFA supports the POST position allocation changing from 137 to 133. In exchange, no furloughs will be implemented for Association members during the term of the extended agreement.
7. The City and the FFA agree to reopen the agreement on March 1, 2011 and at any time during the term of the extended agreement with thirty (30) days notice by either party solely for the purposes of discussing changes to the pension plan for bargaining unit members. Changes will only be made by mutual agreement of both parties.

In witness thereof, the parties hereto have caused this Amendment to the Memorandum of Understanding to be executed this _____ day of _____, 2009.

FOR THE LONG BEACH FIREFIGHTERS ASSOCIATION LOCAL 372,
INTERNATIONAL ASSOCIATION OF FIREFIGHTERS, AFL-CIO:

RICH BRANDT, President
Firefighters' Association

TIM RASMUSSEN
Firefighters' Association

MIKE DUREE
Firefighters' Association

TONY MARTINECK
Firefighters' Association

REX PRITCHARD
Firefighters' Association

FOR THE CITY OF LONG BEACH:

Patrick H. West, City Manager

Suzanne R. Mason
Director of Human Resources

Ken Walker
Manager, Personnel Operations

Stephanie Kemp, Personnel Analyst III

Grace Yoon, Administrative Analyst III

APPROVED AS TO FORM:

Robert E. Shannon, City Attorney

LISTING OF CLASSIFICATIONS AND SALARY INCREASES

Section I - Classifications Represented

- A. Firefighters - Basic Unit
- Firefighter
 - Fire Boat Operator
 - Fire Engineer
 - Fire Recruit
 - Fire Safety Specialist - NC
- B. Firefighters - Supervisory Unit
- Fire Captain
 - Battalion Chief

Section II – Entry Step for Fire Recruit

While in the Recruit Academy, Fire Recruits shall receive a salary that is 10% below Step 1 of Firefighter. Upon being sworn in as a Firefighter, the Fire Recruit will be placed at Step 1 of the salary range for Firefighter.

Section III – General Salary Increases

January 1, 2008

All ranks will receive a 1% General Salary increase.

April 1, 2008

All ranks will receive a 2% General Salary increase.

October 1, 2008

The ranks of Firefighter, Battalion Chief, and Fire Safety Specialist-NC will receive a 3% General Salary increase.

October 1, 2010

The following ranks will receive the following General Salary increases:

- Firefighter - 2.9%
- Fire Captain - 1.5%
- Fire Boat Operator - 2.84%
- Fire Engineer - 2.84%
- Battalion Chief - 8.8%
- Fire Safety Specialist-NC - 2.9%

October 1, 2011

Adjustments will be made to each rank as necessary to bring total compensation to within 2% below the true median as defined below as of August 2011, with a minimum of 2% and a cap of 6%.

October 1, 2012

Adjustments will be made to each rank as necessary to bring total compensation to the true median as of August 2012, with a minimum of 2% and a cap of 6%.

October 1, 2013

Adjustments will be made to each rank as necessary to bring total compensation to the true median as of August 2013, with a minimum of 2% and a cap of 6% of the annualized cost.

Section IV – True Median Calculation and Total Compensation Definition

- A. Calculation of true median total compensation adjustments for the above mentioned October 1st increases in 2011, 2012 and 2013 will be attained through an agreed upon total compensation formula that uses the same approach and makes the same determinations as the parties employed when agreeing upon the August 2008 total compensation formula attached hereto as Appendix B, which includes:

- Base Salary (at top step of applicable salary range)
- Maximum Uniform Allowance
- Maximum EMT Pay
- Education Incentive Pay (Bachelor's Degree)
- Longevity Pay (highest paid level)
- Wellness Program Participation Pay
- Employer Pick-up of Employee Retirement Contribution Amount
- Employee Cost Sharing of Employer Retirement Costs
- Employer Paid Deferred Compensation Contributions
- Post Retirement Health Savings Account Employer Contributions

- B. Median total compensation will be calculated based upon the sum of the total compensation components described in Section IV A by rank for the following agencies: Anaheim, Glendale, Huntington Beach, Los Angeles City, Los Angeles County, Orange County, Pasadena, Santa Ana, Santa Monica and Torrance.
- C. The median is defined as the total compensation value which is halfway between the fifth (5th) and sixth (6th) highest agencies when the agencies are rank ordered according to their total compensation with the agency with the highest total compensation being ranked 1st.

- D. Appendix B provides examples of the total compensation calculations for the comparable agencies used to determine salary adjustments for the 2008 to 2013 Memorandum of Understanding extended to September 30, 2014. They were used by the parties to ascertain total compensation as of 2008 and will serve as examples of calculating median for the October 1, 2011, 2012 and 2013 adjustments.

OFFICE OF THE CITY ATTORNEY
ROBERT E. SHANNON, City Attorney
333 West Ocean Boulevard, 11th Floor
Long Beach, CA 90802-4664

1 RESOLUTION NO.

2
3 A RESOLUTION OF THE CITY COUNCIL OF THE
4 CITY OF LONG BEACH APPROVING AMENDMENTS TO
5 MEMORANDA OF UNDERSTANDING WITH THE LONG
6 BEACH CITY PROSECUTORS ASSOCIATION; LONG
7 BEACH CITY ATTORNEYS ASSOCIATION; AND LONG
8 BEACH FIREFIGHTERS ASSOCTION; AND APPLYING THE
9 MEMORANDA OF UNDERSTANDING PROVISIONS
10 PERTAINING TO MATTERS OF COMPENSATION TO
11 UNREPRESENTED EMPLOYEES AS APPROVED BY THE
12 CITY MANAGER AND OTHER APPLICABLE APPOINTING
13 AUTHORITIES; AUTHORIZING AND DIRECTING THE CITY
14 MANAGER TO EXECUTE SUCH MEMORANDA; AND
15 DIRECTING CERTAIN IMPLEMENTING AND RELATED
16 ACTIONS

17
18 WHEREAS, on the date of this resolution, the City Council has considered
19 Amendments to Memoranda of Understanding with the Long Beach City Prosecutors
20 Association, Long Beach City Attorneys Association, and Long Beach Firefighters
21 Association; and

22 WHEREAS, it is the desire of the City Council to approve such
23 Amendments and to provide for their implementation;

24 NOW, THEREFORE, the City Council of the City of Long Beach resolves as
25 follows:

26 Section 1. That the Amendments to Memoranda of Understanding
27 between the City of Long Beach and the Long Beach City Prosecutors Association, Long
28 Beach City Attorneys Association, and Long Beach Firefighters Association, which are

OFFICE OF THE CITY ATTORNEY
ROBERT E. SHANNON, City Attorney
333 West Ocean Boulevard, 11th Floor
Long Beach, CA 90802-4664

1 hereby incorporated by reference in this resolution as Exhibit "A", "B", and "C",
2 respectively, are hereby approved, and the City Manager is hereby authorized to execute
3 said Amendments to Memoranda on behalf of the City and to implement, pursuant to
4 Section 503 of the Long Beach City Charter, all matters affecting compensation
5 contained in and prescribed by the Memoranda as of the operative date of this resolution.

6 Section 2. That the provisions of the Amendments to Memoranda of
7 Understanding relating to matters of compensation shall apply to unrepresented
8 employees, as approved by the City Manager and other applicable appointing authorities.

9 Section 3. The City Manager is also authorized and directed to cause the
10 preparation of amendments to the Long Beach Salary Resolution, if necessary, and to
11 such other documents as may be necessary, to conform such resolution and documents
12 to the provisions of the Memoranda and this resolution, and to further cause such
13 conforming amendments to be brought before the City Council and such Boards and
14 Commissions as may be required by law to act upon them, and the City Attorney is
15 requested to cooperate fully with the City Manager in order to cause the required
16 documents to be prepared as required by law and brought before the appropriate bodies.

17 Section. 3. This resolution shall take effect immediately upon its adoption
18 by the City Council, and the City Clerk shall certify the vote adopting this resolution.

19 I hereby certify that the foregoing resolution was adopted by the City
20 Council of the City of Long Beach at its meeting of _____, 20__ by the
21 following vote:

22 Ayes: Councilmembers: _____
23 _____
24 _____
25 _____
26 Noes: Councilmembers: _____
27 _____
28 Absent: Councilmembers: _____

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OFFICE OF THE CITY ATTORNEY
ROBERT E. SHANNON, City Attorney
333 West Ocean Boulevard, 11th Floor
Long Beach, CA 90802-4664

City Clerk

AMENDMENT TO THE MEMORANDUM OF UNDERSTANDING BETWEEN
THE CITY OF LONG BEACH AND
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2. In consideration of the Long Beach City Prosecutors Association willingness to help address the City's financial challenges by agreeing to the deferral of the FY 10 general salary and equity adjustments, the City will not unilaterally impose furloughs during Fiscal Year 2010, unless there is a \$10 million or more loss of General Fund revenues or uncontrollable General Fund expenditures of \$10 million or more when compared to the Fiscal Year 2010 Adopted Budget. Any increase in discretionary revenue or available alternative funding sources will be taken into consideration prior to implementation of a furlough.

If based on the financial situation it is determined that furloughs will be necessary in accordance with this section, the City will provide notice in writing to the LBCPA to include detailed financial information documenting the need to implement furloughs. This will initiate a 30-calendar day meeting period where the parties will meet to explore compensation and benefit related savings as alternatives to furloughs.

3. In the event that the City and another Miscellaneous Association agree to modify the parameters for the financial occurrence identified in No. 2 of this agreement to parameters more beneficial to the LBCPA, then the more beneficial parameters shall also apply to the LBCPA and will supersede the parameters currently identified in No. 2 of this agreement.
4. The City and the LBCPA agree that during the term of the agreement, either party may request a reopener with 30 days notice to discuss possible changes to pension plans. The outcome of the reopener must be mutually agreeable.

In witness thereof, the parties hereto have caused this Amendment to the Memorandum of Understanding to be executed this _____ day of _____, 2009.

FOR THE LONG BEACH CITY PROSECUTORS ASSOCIATION

Calvin "Ray" George, President
Long Beach City Prosecutors Association

FOR THE CITY OF LONG BEACH:

Patrick H. West, City Manager

Suzanne R. Mason
Director of Human Resources

Ken Walker
Manager, Personnel Operations

Thomas M. Reeves, City Prosecutor

APPROVED AS TO FORM:

Robert E. Shannon, City Attorney

AMENDMENT TO THE MEMORANDUM OF UNDERSTANDING BETWEEN
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In witness thereof, the parties hereto have caused this Amendment to the Memorandum of Understanding to be executed this _____ day of _____, 2009.

FOR THE LONG BEACH CITY ATTORNEYS ASSOCIATION

Gary Anderson, President
Long Beach City Attorneys Association

FOR THE CITY OF LONG BEACH:

Patrick H. West, City Manager

Suzanne R. Mason
Director of Human Resources

Ken Walker
Manager, Personnel Operations

Robert E. Shannon, City Attorney

APPROVED AS TO FORM:

Robert E. Shannon, City Attorney

AGREEMENT TO AMEND THE MEMORANDUM OF UNDERSTANDING
BETWEEN THE CITY OF LONG BEACH AND
THE LONG BEACH FIREFIGHTERS ASSOCIATION LOCAL 372,
INTERNATIONAL ASSOCIATION OF FIREFIGHTERS, AFL-CIO

The City of Long Beach and the Long Beach Firefighters Association Local 372 (FFA) agree to amend the January 1, 2008 to September 30, 2013 Memorandum of Understanding as follows:

The labor agreement will be extended by one year, to expire on September 30, 2014. All existing terms and conditions set forth in that agreement shall remain unchanged for the term of the extended agreement, except as modified below.

1. Due to the current economic situation, the FFA agrees to defer the October 1, 2009 general salary adjustments to October 1, 2010, and agrees to extend all other salary adjustments in the MOU by one year as reflected in the revised attached Appendix A – Listing of Classifications and Salary Increases.
2. In consideration of the FFA's willingness to defer the October 1, 2009 general salary adjustments, the City and the FFA agree to delay the decrease of the Paramedic Skill Pay and the Arson Investigator Skill pay effective October 1, 2009 in accordance with Article Two Section IV A and B in the current MOU. The Paramedic Skill Pay and Arson Investigator Skill Pay will remain at the 16.5% of top step firefighter for FY 10 and will go down to 16% of top step firefighter on October 1, 2010.
3. In accordance with Article Two Section V in the current MOU, the FFA agrees to reduce the number of eligible certifications any one member can receive from a maximum of three certifications at 1.5% of top step firefighter each to one certification at 1.5% of top step firefighter during October 1, 2009 to October 1, 2010.
4. In consideration of the FFA's creativity in recommending new funding sources to assist with the City's financial challenges, if new revenue derived from the Accident Debris Program, or other new revenue options brought forward by the FFA, reach a total of \$336,000 by April 1, 2010, the maximum number of certification pays will be restored to three certifications at 1.5% of top step firefighter each. If this revenue goal is not achieved, the maximum number of certifications any one member can receive will remain at one until October 1, 2010 at which time it will return to maximum number of three certifications per member at 1.5% of top step firefighter each.

The City and the FFA agree to meet on a quarterly basis during FY 10 to discuss the progress and status of reaching the mid-year revenue target goal of \$336,000 through the Accident Debris Program, contracting in

5. In an effort to incentivize retirements to reduce General Fund costs, Association members who retire on or before December 31, 2009 will receive an adjustment to their post retirement health insurance account equivalent to the difference in their retirement benefit had their October 1, 2009 general salary adjustment been made (in accordance with Appendix A Section III of the original January 1, 2008 to September 30, 2013 MOU) for a full year, and their actual salary on the date they retire. Their post retirement health insurance account will be adjusted annually as long as they or their beneficiaries are still receiving retirement benefits from CalPERS. The annual supplement will be adjusted in accordance with the member's annual CalPERS COLA adjustment and will be equal to the amount of the member's annual CalPERS COLA adjustment.

Any sick leave hours' value funding method used by the City of Long Beach pursuant to this Letter of Understanding will be compliant with the current Internal Revenue Service Code and Regulations issued thereunder relative to the non-taxability of health insurance benefits received by Long Beach Firefighters Association (FFA) retirees. In addition, although the City of Long Beach's Integral Part Trust may not be the only method used to fund FFA retiree health insurance benefits, any other method chosen will be in good faith compliance with pertinent provisions of the Internal Revenue Service Private Letter Ruling (PLR-116685-99) issued to the City of Long Beach. Particular relative provisions of PLR-116685-99 include that each retiree have an account balance held in trust for that retiree's health insurance benefits, no cash can be received in lieu of benefits by any retiree, and the City of Long Beach is the only party making payments for retirees' benefits. All contributions of sick leave hours' value and payments for health insurance are only made by the City of Long Beach who maintains full control over the written program with no cash or other economic benefit being conferred upon the FFA employees.

6. Due to budget reductions, the FFA supports the POST position allocation changing from 137 to 133. In exchange, no furloughs will be implemented for Association members during the term of the extended agreement.
7. The City and the FFA agree to reopen the agreement on March 1, 2011 and at any time during the term of the extended agreement with thirty (30) days notice by either party solely for the purposes of discussing changes to the pension plan for bargaining unit members. Changes will only be made by mutual agreement of both parties.

In witness thereof, the parties hereto have caused this Amendment to the Memorandum of Understanding to be executed this _____ day of _____, 2009.

FOR THE LONG BEACH FIREFIGHTERS ASSOCIATION LOCAL 372,
INTERNATIONAL ASSOCIATION OF FIREFIGHTERS, AFL-CIO:

RICH BRANDT, President
Firefighters' Association

TIM RASMUSSEN
Firefighters' Association

MIKE DUREE
Firefighters' Association

TONY MARTINECK
Firefighters' Association

REX PRITCHARD
Firefighters' Association

FOR THE CITY OF LONG BEACH:

Patrick H. West, City Manager

Suzanne R. Mason
Director of Human Resources

Ken Walker
Manager, Personnel Operations

Stephanie Kemp, Personnel Analyst III

Grace Yoon, Administrative Analyst III

APPROVED AS TO FORM:

Robert E. Shannon, City Attorney

LISTING OF CLASSIFICATIONS AND SALARY INCREASES

Section I - Classifications Represented

- A. Firefighters - Basic Unit
- Firefighter
 - Fire Boat Operator
 - Fire Engineer
 - Fire Recruit
 - Fire Safety Specialist - NC
- B. Firefighters - Supervisory Unit
- Fire Captain
 - Battalion Chief

Section II – Entry Step for Fire Recruit

While in the Recruit Academy, Fire Recruits shall receive a salary that is 10% below Step 1 of Firefighter. Upon being sworn in as a Firefighter, the Fire Recruit will be placed at Step 1 of the salary range for Firefighter.

Section III – General Salary Increases

January 1, 2008

All ranks will receive a 1% General Salary increase.

April 1, 2008

All ranks will receive a 2% General Salary increase.

October 1, 2008

The ranks of Firefighter, Battalion Chief, and Fire Safety Specialist-NC will receive a 3% General Salary increase.

October 1, 2010

The following ranks will receive the following General Salary increases:

- Firefighter - 2.9%
- Fire Captain - 1.5%
- Fire Boat Operator - 2.84%
- Fire Engineer - 2.84%
- Battalion Chief - 8.8%
- Fire Safety Specialist-NC - 2.9%

October 1, 2011

Adjustments will be made to each rank as necessary to bring total compensation to within 2% below the true median as defined below as of August 2011, with a minimum of 2% and a cap of 6%.

October 1, 2012

Adjustments will be made to each rank as necessary to bring total compensation to the true median as of August 2012, with a minimum of 2% and a cap of 6%.

October 1, 2013

Adjustments will be made to each rank as necessary to bring total compensation to the true median as of August 2013, with a minimum of 2% and a cap of 6% of the annualized cost.

Section IV – True Median Calculation and Total Compensation Definition

- A. Calculation of true median total compensation adjustments for the above mentioned October 1st increases in 2011, 2012 and 2013 will be attained through an agreed upon total compensation formula that uses the same approach and makes the same determinations as the parties employed when agreeing upon the August 2008 total compensation formula attached hereto as Appendix B, which includes:

- Base Salary (at top step of applicable salary range)
- Maximum Uniform Allowance
- Maximum EMT Pay
- Education Incentive Pay (Bachelor's Degree)
- Longevity Pay (highest paid level)
- Wellness Program Participation Pay
- Employer Pick-up of Employee Retirement Contribution Amount
- Employee Cost Sharing of Employer Retirement Costs
- Employer Paid Deferred Compensation Contributions
- Post Retirement Health Savings Account Employer Contributions

- B. Median total compensation will be calculated based upon the sum of the total compensation components described in Section IV A by rank for the following agencies: Anaheim, Glendale, Huntington Beach, Los Angeles City, Los Angeles County, Orange County, Pasadena, Santa Ana, Santa Monica and Torrance.
- C. The median is defined as the total compensation value which is halfway between the fifth (5th) and sixth (6th) highest agencies when the agencies are rank ordered according to their total compensation with the agency with the highest total compensation being ranked 1st.

- D. Appendix B provides examples of the total compensation calculations for the comparable agencies used to determine salary adjustments for the 2008 to 2013 Memorandum of Understanding extended to September 30, 2014. They were used by the parties to ascertain total compensation as of 2008 and will serve as examples of calculating median for the October 1, 2011, 2012 and 2013 adjustments.