

Staff Summary Report



Council Meeting Date: 06/11/09

Agenda Item Number: _____

SUBJECT: Request approval of a resolution authorizing the City Manager to execute an Addendum amending the current Memorandum of Understanding between the Firefighter's Unit and the City of Tempe.

DOCUMENT NAME: 20090611casv01 FIRE FIGHTERS – MEET AND CONFER (0303-08-01)
Resolution No. 2009.64

SUPPORTING DOCS: No.

COMMENTS: Amends the current MOU to temporarily suspend any step increases, and market adjustments pursuant to a market survey, to allow the City and the Firefighters' Unit additional time to meet and confer about these subjects.

PREPARED BY: Charlie Meyer, City Manager (350-8884)

REVIEWED BY: N/A

LEGAL REVIEW BY: Andrew B. Ching, City Attorney (350-8575)

FISCAL NOTE: The suspension of the step increases and market adjustments will reduce expenditures for the period of suspension, and is consistent with the City's five year budget balancing plan.

RECOMMENDATION: Staff recommends adoption of Resolution No. 2009.64.

ADDITIONAL INFO: None.

RESOLUTION NO. 2009.64

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TEMPE, ARIZONA, APPROVING AND AUTHORIZING THE MAYOR TO SIGN THE ADDENDUM TO THE TEMPE FIREFIGHTERS' UNIT MEMORANDUM OF UNDERSTANDING (MOU) FOR JULY 1, 2008 TO JUNE 30, 2010.

WHEREAS the City of Tempe ("Tempe") and the Tempe Fire Fighters' Unit ("Union") have entered into a Memorandum of Understanding ("MOU") for the period of July 1, 2008 to June 30, 2010;

WHEREAS, on January 8, 2009, the Tempe City Council entered a Resolution (the "Resolution"), in which the parties acknowledged that Tempe was suffering from the effects of an economic downturn and agreed to suspend certain benefit provisions of the MOU until at least June 30, 2009;

WHEREAS, since January 8, 2009, the effects of the economic downturn have forced Tempe to, among numerous actions:

- Undertake efforts to permanently reduce its workforce by targeting 119.25 positions for elimination;
- Enter into agreements with each of the employee bargaining units to suspend salary market adjustments or step increases; and
- Create the Voluntary Separation Incentive Plan (VSIP), at significant expense and utilizing the City's fund balance, to reduce salary expenditures and avoid layoffs through the concurrent establishment of the Employee Placement Options (EPO) plan for employees in positions targeted for elimination;

WHEREAS, Tempe's most recent five-year budget forecast projects continuing and significant budget shortfalls for all five years, particularly if salary increases are not properly managed; and

WHEREAS, given the above noted conditions, Tempe believes it is in the best interest of the parties to suspend certain benefit provisions of the MOU in order to allow the parties further opportunity to meet and confer regarding potential amendments to those provisions.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF TEMPE, ARIZONA, as follows:

That the City Manager is authorized to sign the Addendum to the Tempe Firefighters' Memorandum of Understanding (MOU) for July 1, 2008 to June 30, 2010, attached to this Resolution.

PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF TEMPE, ARIZONA, this ____ day of _____, 2009.

MAYOR

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

**ADDENDUM TO CITY OF TEMPE FIREFIGHTERS'
UNIT MEMORANDUM OF UNDERSTANDING
(MOU) FOR JULY 1, 2008 TO JUNE 30, 2010**

- B. WHEREAS the City of Tempe (“Tempe”) and the Tempe Fire Fighters’ Unit (“Union”) have entered into a Memorandum of Understanding (“MOU”) for the period of July 1, 2008 to June 30, 2010;
- C. WHEREAS, on January 8, 2009, the Tempe City Council entered a Resolution (the “Resolution”), in which the parties acknowledged that Tempe was suffering from the effects of an economic downturn and agreed to suspend certain benefit provisions of the MOU until at least June 30, 2009;
- D. WHEREAS the parties are currently discussing the potential impact of the economic downturn on various benefits provided for in the MOU, and believe that the parties will mutually benefit from further negotiations;
- E. WHEREAS the parties agree that it is their best interests during these ongoing negotiations to suspend the enforcement of certain benefit provisions of the MOU and Resolution;

NOW, THEREFORE, in consideration of the promises and mutual obligations of the parties, Tempe and the Union agree as follows:

1. The wages provision set forth in Article 3 of the MOU pertaining to step increases and market adjustments shall be temporarily suspended until at least September 30, 2009, or until such time that the parties have reached a final agreement on the enforcement of this provision.
2. Beginning July 1, 2009, the Tempe Human Resources Department will conduct a market survey as described in Article 3 of the MOU, and as provided for in the Resolution, however, any salary adjustment otherwise due as the result of the market survey shall be suspended until at least September 30, 2009, or until such time that the parties have reached a final agreement on the enforcement of this provision.
3. In the event the parties are unable to come to a mutual agreement on the enforcement of either market adjustments or step increases by September 30, 2009, the parties agree that the unresolved matters shall be presented to the Tempe City Council, which will determine if, after considering all relevant information (financial and otherwise), a salary adjustment is appropriate.
4. In the event the Tempe City Council determines that a salary adjustment is appropriate, the adjustment shall be made retroactive to July 1, 2009.

5. The Addendum supersedes and replaces any provisions of the MOU to the contrary.

IN WITNESS WHEREOF, the parties have set their hands this 11th day of June, 2009.

CITY OF TEMPE, an Arizona municipal corporation

City Manager

Firefighters Unit Representative

APPROVED AS TO FORM:

City Attorney