

## ***RESOLUTION No. 2011-2954***

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**A RESOLUTION APPROVING THE AMENDMENTS TO ARTICLE 10 (COMPENSATION), ARTICLE 15.6 (SICK LEAVE INCENTIVE), AND ARTICLE 18 (TERM OF AGREEMENT) OF THE COLLECTIVE BARGAINING AGREEMENT BETWEEN THE CITY AND THE INTERNATIONAL ASSOCIATION OF FIREFIGHTERS, LOCAL 1660; AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE AGREEMENT, AS WELL AS DELEGATING THE AUTHORITY TO MAKE THE AMENDMENTS ON BEHALF OF THE CITY**

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### **RECITALS:**

1. City staff has been in discussions with the International Association of Firefighters, Local 1660, (the "Union") representatives concerning compensation for the contract period July 1, 2009, through June 30, 2012.
2. The Union voted to accept the proposed amendment as contained in the Memorandum of Understanding, which is hereby attached as Exhibit "A" and by this reference incorporated.
3. The Union signed the Memorandum of Understanding. The signature page is hereby attached as Exhibit "B" and by this reference incorporated.
4. Due to the poor state of the economy and in order to currently afford paying for the Agreement, City staff recommends acceptance of the Compensation Amendment by the City Council.

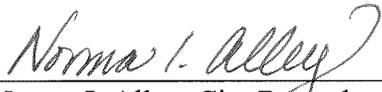
### **THE CITY OF NEWBERG RESOLVES AS FOLLOWS:**

1. The City approves the Compensation, Sick Leave Incentive, and extension of contract terms amendments (via a Memorandum of Understanding) to the Union's Collective Bargaining Agreement between the City and the Union, which is hereby attached as Exhibit "A" and by this reference incorporated.
2. The Union's ratification of the contract amendments in this resolution is hereby attached as Exhibit "B" and by this reference incorporated.
3. In recognition of the Union's willingness to agree to the Compensation and Sick Leave Incentive amendments to the Agreement, which is a concession by the Union in that it is a wage increase reduction and no use of the Sick Leave Incentive, the City further agrees to extend the contract from 06/30/2012 to 07/01/2014.

4. The city manager is authorized to execute the Amendment to the Agreement with the Union on behalf of the City and to interpret the Agreement.
5. The city attorney will review and approve the Agreement (Memorandum of Understanding) as to form and content.

➤ **EFFECTIVE DATE** of this resolution is the day after the adoption date, which is: June 21, 2011.

**ADOPTED** by the City Council of the City of Newberg, Oregon, this 20<sup>th</sup> day of June, 2011.

  
\_\_\_\_\_  
Norma I. Alley, City Recorder

**ATTEST** by the Mayor this 23<sup>rd</sup> day of June, 2011.

  
\_\_\_\_\_  
Bob Andrews, Mayor

#### **LEGISLATIVE HISTORY**

By and through City Council (executive session) at 05/16/2011 meeting. Or, \_\_\_ None.

**MEMORANDUM OF UNDERSTANDING**

**Amendment to Collective Bargaining Agreement**  
**(for the Period 07/01/09 – 06/30/12)**  
**Concerning Compensation**

Entered into this \_\_\_\_ day of June, 2011.

**PARTIES:**

City of Newberg <i>a municipal corporation</i> PO Box 970 Newberg, OR 97132 (503) 537-1207	International Association of Firefighters Local 1660 414 East Second Street Newberg, OR 97132 (503) 537-1230
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City of Newberg is hereinafter referred to as "**City**."  
International Association of Fire Fighters Local 1660 is hereinafter referred to as "**Union**."

**RECITALS:**

1. The current Collective Bargaining Agreement, ratified by Resolution No. 2011-2954 on 06/20/11, is for the period of 07/01/09 through 06/30/12.
2. The **City** has some upcoming budget challenges and requested that the Union members be compassionate and open-minded about the City's fiscal situation.
3. The **City** requested from the Union that they not receive any cost of living (COLA) increase their next contract year (July 1, 2011 through June 30, 2012). The no COLA increase is consistent with the non-represented employees.
4. The **City** also requested from the **Union** that they not receive any or step/merit increases their next contract year (July 1, 2011 through June 30, 2012).
5. The **City** and **Union**, along with their Local 1660 representatives (Rocky Hanes and Zach Williams), met on a couple of occasions and discussed the City's request, proposed some alternative solutions, and agreed upon some amendments to the Collective Bargaining Agreement for the period of 07/01/09 through 06/30/2012.
6. The agreed upon amendments are as follows:
  - **Article 10 (COMPENSATION):** Delay the COLA of a CPI + 1% for one year.
    - That is, the COLA would be frozen or a "restart" for one year. The CBA states that the COLA will be the CPI + 1% for the upcoming fiscal year. So, the CPI + 1% COLA will be effective July 1, 2012.

- **Article 10 (COMPENSATION)**: Freeze the step/merit increase for one year.
  - Step/merit increases will be effective July 1, 2012.
  - The CBA specifies a minimum-maximum COLA of "2-4% CPI" will be effective July 1, 2013, with another increase on July 1, 2014.
  
- **Article 15.6 (Sick Leave Incentive)**: No sick leave incentive until July 1, 2012.
  
- **Article 18 (TERM OF AGREEMENT)**: Extend the CBA for two (2) years.
  - Contract extension is from 06/30/2012 to 07/01/2014.
  - The reason for it expiring on July 1<sup>st</sup> instead of June 30<sup>th</sup> is so that the COLA and step/merit increases mirror the city's fiscal year/budget.

**NOW, THEREFORE, THE PARTIES ENTER INTO THE FOLLOWING UNDERSTANDING:**

1. **Formal Request**. The official request to meet and discuss Section 10 (Compensation) and possible adjustments to compensation was made via an in-person meeting and the March 21, 2011, letter by the city manager, which is hereby attached as Exhibit "1" and by this reference incorporated.

2. **Compensation Changes**. This Memorandum of Understanding ("MOU") hereby sets out, in the Collective Bargaining Agreement ("CBA"), expiring June 30, 2012, the following changes:

- **Article 10 (COMPENSATION)**:
  - Delay the COLA of a CPI + 1% for one year (contract period of July 1, 2011 through June 30, 2012).
    - Effective July 1, 2012 through July 1, 2013, the COLA is CPI + 1%.
    - Effective July 1, 2013 through the remainder of the contract (July 1, 2014), the specification in the CBA for a minimum-maximum COLA of "2-4% CPI" applies.
  - Freeze the step/merit increase for one year (contract period of July 1, 2011 – June 30, 2012).
    - Effective July 1, 2012 through the remainder of the contract (July 1, 2014), the step/merit increases will be in accordance with the CBA and Personnel Rules & Regulations.

3. **Sick Leave Incentive Change**. This Memorandum of Understanding ("MOU") hereby sets out, in the CBA, expiring June 30, 2012, the following changes:

- **Article 15.6 (Sick Leave Incentive)**: No sick leave incentive until July 1, 2012.

4. **Term of Agreement Change**. This MOU hereby sets out, in the Collective Bargaining Contract, expiring June 30, 2012, the following changes:

- **Article 18 (TERM OF AGREEMENT)**: Extend the Collective Bargaining contract for two (2) years.
  - Contract extension is from 06/30/2012 to 07/01/2014.

5. Past Practices. This MOU does not bind either party to past practices.
6. Effective Dates. The effective dates for each amendment have been listed accordingly.

**\*Subject to ratification by the City Council on June 20, 2011. \***

DATED this \_\_\_\_\_ day of June, 2011.

**City of Newberg**

**IAFF Local 1660**

\_\_\_\_\_  
Daniel Danicic  
City Manager  
Authorized via Resolution No. 2011-2954

\_\_\_\_\_  
Dan Boyes  
Shop Steward

Approved as to Form & Content:

\_\_\_\_\_  
Paul Holman  
Shop Steward

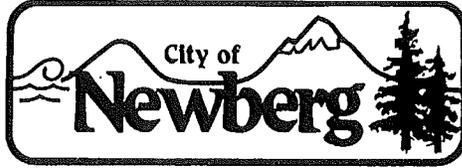
\_\_\_\_\_  
Terrence D. Mahr  
City Attorney

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Zach Williams, Secretary Local 1660  
Labor Representative

**Exhibit "1"**  
**to Memorandum of Understanding**  
**(Contract Amendments – Compensation)**  
Page 1 of 1

City Manager's Office  
(503) 538-9421

City Attorney  
(503) 537-1206



414 East First Street  
PO Box 970  
Newberg, OR 97132

March 21, 2011

**Dan Boyes and Paul Holman, Shop Stewards**  
International Association of Firefighters, Local 1660 ("Unlon")  
Fire Department  
414 East 2<sup>nd</sup> Street  
Newberg, OR 97132

Dear Shop Stewards,

RE: Request to Meet on Compensation (Article 10 of Collective Bargaining Agreement)

In an effort to plan ahead on the City's budget for the upcoming fiscal year, I would appreciate meeting with you to discuss the compensation section (Article 10) of the Collective Bargaining Agreement.

I am sure you are aware of the financial difficulties the City is facing due to the weak economy. As a result of this situation, I am specifically interested in discussing the wages and benefits contained in the bargaining agreement.

It is my responsibility as the City's budget officer to consider compensation costs across the entire organization—for represented and unrepresented employees. As such, should the Unlon be willing, I have some thoughts on what the City and Unlon might do to delay some costs. This would be done in order to make the upcoming budget affordable in light of the continued outpacing of personnel costs as compared to the slower revenue increases, as well as the reduced development in Newberg.

If you are willing to meet, please work with Dawn Wilson, extension 1206 to schedule a day and time that works for everyone. To start, a few dates and times that work for the City are as follows:

Monday, March 28<sup>th</sup>: 10am – 11am and 3pm – 5pm  
Tuesday, March 29<sup>th</sup>: 11am – Noon  
Thursday, March 31<sup>st</sup>: 10am – Noon  
Monday, April 4<sup>th</sup>: 11am – Noon and 2pm – 5pm

Sincerely,

Daniel Danilic  
City Manager

cc: Becky Green, H/R Manager; Les Hallman, Fire Chief; Janelle Nordyke, Finance Director; Dawn Wilson, Senior Paralegal; Terrence D. Mahr, City Attorney; Rocky Hanes, President of Local 1660; and Zach Williams, Secretary of Local 1660

D:\Legal\Fire Dept\CURRENT CB Contract\_Expires June 30 2012\Request to Meet with Unlon on Wages and Benefits\_2011-final.doc  
● CITY MANAGER'S OFFICE: <mailto:dan.danilic@newbergoregon.gov> Fax: (503) 537-5013 ●  
Admin: 537-1261 ● Building: 537-1240 ● Public Works: 537-1273 ● Finance: 538-9421 ● Fire: 537-1230  
Library: 538-7323 ● Municipal Court: 537-1203 ● Police: 538-8321 ● Maintenance: 537-1234 ● Utilities: 537-1205  
Municipal Court Fax: 538-5393 ● Public Works Fax: 537-1277 ● Library Fax: 538-9720

"Working Together For A Better Community-Serious About Service"

**Exhibit "B"**  
**to Resolution No. 2011-2954**  
**Union's Ratification of Contract Amendments**  
*(Total pages: 1)*

Tualatin Valley Firefighters Union



Newberg firefighters

Memorandum

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DATE: 6/13/2011  
TO: City of Newberg  
FROM: Zach Williams, Secretary, Local 1660

Subject: Resolution 2011-2954

The Newberg members of IAFF Local 1660 have met and voted to approve the Contract amendments set for in resolution 2011-2954.

- **Article 10 (COMPENSATION)**: Freeze the step/merit increase for one year.
  - Step/merit increases will be effective July 1, 2012.
  - The CBA specifies a minimum-maximum COLA of "2-4% CPI" will be effective July 1, 2013, with another increase on July 1, 2014.
- **Article 15.6 (Sick Leave Incentive)**: No sick leave incentive until July 1, 2012.
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  - The reason for it expiring on July 1<sup>st</sup> instead of June 30<sup>th</sup> is so that the COLA and step/merit increases mirror the city's fiscal year/budget.

Zach Williams, secretary  
Tualatin Valley Fire Fighters Union  
IAFF Local 1660, Oregon