

**Side Letter of Agreement  
Between the  
City of Petaluma and Local 1415 International Association of Fire Fighters – Unit 7**

**Furlough Hour Deduction / Leave Program – December 28, 2009 – December 23, 2013**

Representatives of the City of Petaluma and Local 1415 International Association of Fire Fighters Unit 7 have met and conferred and reached agreement on this Side Letter of Agreement.

The City of Petaluma continues to face financial shortfalls and impending layoffs. In response to this challenging and difficult financial and economic condition, the City and representatives of Unit 7 have agreed to implement a Furlough Hour Deduction / Leave Program to reduce the city's operating costs during FY 2009-2010 and FY 2010-2011.

The parties acknowledge that the Unit 7 Memorandum of Understanding (MOU) effective July 1, 2005 through June 30, 2009 has expired. The parties continue in the negotiation process and continue to work under the terms and conditions of the MOU. It is the intent of the parties to agree to the terms of this Side Letter separate from the negotiation process and the adoption of a successor MOU. This Side Letter shall be effective December 28, 2009 through December 23, 2013.

The parties agree to the following:


1. To reduce employee pay by 3.1% for an 18-month period December 28, 2009 through June 26, 2011, accomplished through a furlough hour deduction.
2. Employees in Unit 7 work either a 56.15-work week or 40-hour work week. For purposes of this Side Letter of Agreement hours will be referred to first for the 56.15-work week and then the 40-hour work week.
3. One hundred thirty-four point eight (134.8) or ninety-six (96) of furlough hour deduction is closely equivalent to a 3.1% pay reduction. The furlough hour deduction / leave program will not exceed that 3.1% equivalent reduction unless mutually agreed upon by the parties.
4. Effective December 28, 2009 and through June 26, 2011 employees shall have 3.46 hours (134.8 divided by 39 payroll periods) or 2.46 hours (96 hours divided by 39 payroll periods) of furlough hours deducted which includes base pay and excludes pays listed in section 5 below deducted from each paycheck for the thirty-nine (39) payroll periods over the 18-month period. The value of the deducted hours will not be reported as earnings to the CalPERS. However, the deducted furlough hours and value of the furlough hours does not change an employee's monthly pay rate. The City shall continue to report to CalPERS an employee's monthly pay rate.
5. Special pay which will not be subject to the furlough hour deduction are Bilingual Pay, flat rate Education Incentive pay, Holiday Pay, Uniform Pay, and Out of Grade Pay.
6. Furlough hours deducted shall count as hours worked for all purposes including the calculation of overtime, leave accrual, seniority, etc.
7. Effective December 28, 2009 and through June 26, 2011 employees shall have the deducted furlough hours of 3.46 (134.8 divided by 39 payroll periods) or 2.46 (96 hours divided by 39 payroll periods) per pay period placed into an employee's sick leave account.
8. If at any point between December 28, 2009 and June 26, 2011, staffing is increased to sixteen (16) employees, plus one (1) Battalion Chief per shift, the increased sick leave accrual will cease, and employees will convert to a special leave program, referred to as "*Special Leave Program*". The point at which this conversion is implemented will be called "*Conversion Point*".

9. At the Conversion Point, sick leave accrual reverts to former levels. The difference between the increased sick leave hours accumulated and 134.8 or 96 hours is allocated evenly between Special Leave and an increase in the vacation cap. Sick Leave accrued up to the Conversion Point remains in the employee's sick leave account. Special Leave hours have no cash value and any remaining hours of Special Leave will be eliminated on December 23, 2013. Vacation hours accrued above the regular limit shall have no cash value. Effective December 23, 2013 the vacation accrual limits shall return to the regular vacation accrual limit. Any unused vacation hours on the books above the regular vacation accrual limit as of December 23, 2013 will be eliminated.
10. If staffing levels are not increased and the Special Leave Program is not implemented, it will result in a total per employee allocation of 134.8 and 96 hours of sick leave. If staffing levels are increased and the Conversion Point implemented, it shall result in a combination of Sick Leave, Special Leave and vacation cap increase totaling 134.8 and 96 hours.
11. The terms for use of Special Leave are as follows:
  - a. An employee may take Special Leave hours upon mutual agreement of the supervisor and the employee, and in accordance with the provisions attached hereto, as Exhibit 1.
  - b. An employee may use Special Leave hours in lieu of vacation or sick leave hours.
  - c. Employees hired after the implementation date of December 28, 2009 and before June 26, 2011 will be required to participate in the salary reduction / leave program. The salary reduction / leave program will be prorated based upon date of hire.
  - d. Special Leave hours have no cash value and any remaining hours of Special Leave will be eliminated on December 23, 2013.
12. The City of Petaluma agrees to review its revenue on or about June 30, 2010 and December 31, 2010. At that time the City will evaluate the need to decrease furlough hours, based on increased tax revenues that may be realized during the 18-month period. Revenues subject to consideration are any increases in property, sales, and Transient Occupancy taxes attributable to the General Fund from the Silk Mill, Regency Center, Deer Creek Project or Water Street North projects that are distributed to the City prior to the end of FY 2010-2011. New revenues subject to this provision would also include any voter-approved tax increases placed on the 2010 primary or general election ballots. Any reduction in furlough hours would be implemented proportionate to ten (10) hours for every \$100,000 of new revenue that may be obtained from these sources during the term of the furlough. 10 hours is based on a 40 hour work week, thus for this unit appropriate hour conversions would be applied.
13. Any Unit 7 employee with an outstanding Fair Labor Standards Act pay advance in place in 1985/86 will not have that advance withheld from his/her final paycheck.
14. All provisions of the Unit 7 MOU remain in effect except those agreed upon in this Side Letter of Agreement.

**IAFF, Local 1415**

  
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 Richard B. King, Negotiator  
 IAFF Local 1415

1-20-2010  
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 Date

  
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 Martin Learn, President, IAFF Local 1415


1-20-2010  
 \_\_\_\_\_  
 Date

  
Kevin Weaver, Vice-President, IAFF Local 1415

1-22-10  
Date

  
Ken Dick, Secretary, IAFF Local 1415

1-21-2010  
Date

  
Randy Chism, Treasurer, IAFF Local 1415

1/21/2010  
Date

**City of Petaluma**

  
John C. Brown, City Manager

1-25-10  
Date

  
Scott Brodhun, Assistant City Manager

1.21.10  
Date

  
Pamala Robbins, Human Resources Manager

1-19-2010  
Date