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**Agreement Terms**

1. *2%@55 Retirement Formula for all new hires*
2. *Employees begin paying 9% PERS Contribution*
3. *Eliminate scheduled wage increases (4.5%) and no new wage increases*
4. *Eliminates Personal Leave Day for 2010-11*
5. *Eliminates Uniform Allowance for 2010-11*
6. *Eliminates Fitness Incentive for 2010-11*
7. *Eliminates Annual Medical Evaluation for 2010-11*
8. *Reduces engine staffing to 3 per engine, increases citywide staffing to 9*
9. *Provides for mediation of disputes*
10. *Neither party will pursue charter amendments regarding terms and conditions of employment or labor relations (including binding interest arbitration)*
11. *18-Month Extension (to June 30, 2013)*

**Net Estimated Cost Saving Effect**

1. *MOU Reductions = 13.79%*
  2. *3-Station Model Cost = 6.6%*
  3. *FY 11 Net Cost Savings = 7.19%*
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“Once again the firefighters have stepped up for the benefit of the community,” said Jim Buessing, Local 2805’s Secretary. “The membership did what was necessary to re-open the Sunrise Fire Station and provide additional economic stability for the City through Fiscal Year 13. The current economic conditions have put a strain on many local governments. It is imperative that labor and management work together and agree upon solutions that will provide the necessary services to the citizens of Gilroy. These structural changes will set forth a new foundation for the City and the Fire Department to grow from and meet the ever increasing service demands from the citizens.” Firefighters contributed nearly 10% in concessions for the 2009-10 fiscal year through furloughs and other temporary reductions, most of which are carried through for the 2010-11 fiscal year under the new agreement.

With the agreement, Local 2805 becomes the first union in Gilroy to agree to a second tier retirement benefit, something the City Council has identified as a priority for new MOUs.

Firefighters approved the agreement on Wednesday night. The City Council will adopt the agreement at its meeting on July 19, 2010.

The City is in the middle of two-year concession agreements with bargaining units represented by AFSCME and the Gilroy Management Association. The City is currently meeting with the Gilroy Police Officers Association (GPOA) to negotiate a new contract.

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