MEMORANDUM OF AGREEMENT

The City of Portland (City)
And
The Portland Fire Fighters Association (PFFA)

Amendment to the Labor Agreement between the City of Portland (City) and the Portland Fire Fighters Association (PFFA) for the Period July 1, 2002 through June 30, 2005

1. By this *Memorandum of Agreement* the parties amend Article 10, Vacation Leave of the 02-05 PFFA contract.

2. The amendment makes two changes to the current practice of vacation "banking" in Article 10 of the labor *Agreement*.

3. Vacation "banking' occurs when a 42- or 53-hour employee transfers to a 40-hour schedule. Upon transfer to a 40-hour schedule the employee's vacation is converted to a 40-hour equivalent. If the employee then has more vacation on the books than is allowed by the contract the excess vacation is "banked" until the employee returns to a 42- or 53-hour schedule.

4. One result of "banking" is that 42- and 53-hour employees are reluctant to take 40-hour assignments that would ultimately result in the loss of vacation hours paid off if the employee then retires as a 40-hour employee. In order to remove this barrier, and eliminate the subterfuge of transferring the employee back to a 42-hour or 53-hour schedule just before retirement, the parties have modified the contract so that the "banked" vacation will be paid off at the 40 -hour rate, thus keeping the employee "whole" and removing a disincentive to accepting a 40-hour assignment close to retirement.

5. A second result of "banking" comes when an 42- or 53-hour employee has moved to a 40-hour schedule, has vacation "banked" and qualifies for Family Leave under federal or state law. The employee has vacation leave "banked" that they cannot use. This agreement modifies that process to enable the employee who has qualified for Family Leave to have their "banked" vacation available for use during the qualifying Family Leave.

6. As a result of this agreement, subsection 2 of Article 10 of the Labor Agreement shall be amended to read as follows:

   2. Employees shall be allowed to carry over vacation time from one calendar year to the next, up to an amount equivalent to the annual vacation allowance earned by the employee in the preceding calendar year. The only exceptions to this section are provided in sections 3, 9 10, **12 and 13** below.

7. As a result of this agreement, subsections 12 and 13 shall be added to Article 10 of the Labor Agreement and shall read as follows:

12. If an employee who has vacation "banked" pursuant to subsection 10 above subsequently retires before transferring back to a 42- or 53-hour schedule, up to 270 hours of the excess vacation that was "banked" shall be paid off at the 40 hour rate. Under this unique circumstance, it may be possible that an employee could receive a payoff of the value of up to 270 "banked" vacation hours in addition to the maximum of hours of non-banked vacation. For an employee who has signed a commitment to retire as provided in Article 10, Section 3, the maximum of non-banked vacation hours would not exceed 600 hours.

13. If an employee who has vacation "banked" pursuant to subsection 10 above qualifies for Family Medical Leave under federal and/or state law, and the employee has otherwise used all of his/her vacation time, the excess vacation that was "banked" shall be available for use during the qualifying family leave.

Further, the remaining subsections shall be renumbered accordingly.

8. The amended contract language is subject to ratification by the Portland City Council on behalf of the City.

For the City of Portland:

_____ _____
Yvonne L. Deckard, BHR Director Date

For the Portland Fire Fighters Association:

_____ _____
Jack Finders, President Date

Approved as to Form for the City of Portland:

_____ _____
Lory Kraut, Deputy City Attorney Date