

**AN OPEN LETTER FROM THE MENLO PARK FIRE PROTECTION DISTRICT BOARD OF DIRECTORS
TO THE DISTRICT'S EMPLOYEES AND THE COMMUNITY THEY SERVE
ABOUT CONTRACT NEGOTIATIONS WITH OUR FIREFIGHTERS**

The Board of Directors of the Menlo Park Fire Protection District offers this letter to address the currently stalled labor negotiations and disparaging public statements issued recently by the Menlo Park Firefighters Union concerning District management personnel. We feel that our employees and the public we serve should have access to all the same information we have used to inform our contract negotiations and to know the depth of the Board's support for the District's administration.

At the heart of the impasse is the District's offer to extend the labor contract until the end of the year while maintaining present salary levels and improving the medical plan. As explained to the Fire Union leadership, this fiscally conservative approach is necessary and justified given the rapidly changing and highly uncertain economic conditions facing the District.

To that end, we wish to begin by publicly acknowledging and thanking the District employees represented by AFSCME for ratifying a new cost neutral labor contract with the District and the District's unrepresented management employees for agreeing to defer a scheduled salary increase until January 2010. Such concessions in these times of economic insecurity and distress are very difficult for all involved and deeply appreciated by the Fire District.

To our firefighters represented by the Menlo Park Firefighters Association, Union Local 2400, the Board also wishes to acknowledge and thank you for the professionalism and dedication to the public service that you offer every day, as recently demonstrated by your response to the July 16th Susan Gale Court fire in Sharon Heights. And while the Board is confident that the present deadlock in negotiations between the Union and the District will not deter District employees from their common mission to serve and protect the public, we are dismayed that over a year of negotiations have resulted in unfair labor practice proceedings and an impasse on the issues of salary and benefits.

We are also distressed and offended by the Union's public charges against the Fire Chief, the call for the termination of the District's Director of Administrative Services and by the Union's suggestion that the public service may suffer if its demands in this regard are not met. This Open Letter offers the Board's perspective on the labor dispute and the regrettable tactics undertaken by the Union leadership, which are counter-productive, inflammatory, and in opposition to the best interests of the public we serve.

To be clear, we are confident the firefighters of Menlo Park Fire Protection District are fairly compensated. While the District is looking to contain its labor costs, it has and will continue to provide very competitive compensation. Firefighters in our District get paid on average **\$125,900** in salary and benefits. Sixty-nine of our firefighters were paid more than **\$100,000 last year**. The average cost of

employing a firefighter is **\$170,000.00**. In contrast, the median household income (usually two wage earners) of our taxpayers in Menlo Park was \$103,702 and East Palo Alto was \$49,267 in 2007.

The District also provides a generous pension plan, whereby a firefighter who works for 30 years is entitled to 90% of his or her highest salary, and can retire as early as 50. This benefit plan costs the District approximately 39% of payroll, and this number is projected to go up to almost 50% by 2011.

In the face of pay cuts, rising job losses and property foreclosures in our district, the Union demands to be paid at the higher end of firefighters on the Peninsula, which is an 11% salary increase this year and additional increases thereafter. The Union also demands \$1,322 per month for medical insurance benefits, a 55% increase, whether or not the firefighter is single or has a family.

The District cannot accommodate these demands, particularly given the uncertainty surrounding the District costs and revenue sources. In addition to the projected increase in pension costs and the reduction in property tax revenue, the recently adopted State budget promises to take more money away from the District. We have a fiduciary responsibility to the taxpayers of our District to prudently plan and prepare for these anticipated hits to the District's budget.

This economic reality is being recognized by many other firefighter unions nearby and across the state. Nearly every day you read of public employee unions agreeing to eliminate and/or defer salary and benefit increases to accommodate the growing fiscal crisis. Just recently, Central County firefighters gave up incentive pay and an increase in order to keep stations open. A recent CALPELPA Economic Crisis Survey of local governments stated that 25% of responding agencies had reduced compensation by 6%, about 40% had not reached agreement on open negotiations, another 25% had unilaterally adopted reductions in compensation and about 31% advised that next year's negotiations will be worse

It has been suggested the District seek alternative means of financing the increases being sought, including the use of reserves to meet the firefighters' demands. This is neither responsible nor feasible. Because property tax revenues are paid twice a year, we must keep a half-year's budget, or about \$15 million, in reserve, and we need to keep another \$10 million in reserves for apparatus, equipment, and stations replacement, among other obligations. It would be fiscally irresponsible to utilize the District's critical reserves to fund ongoing salary increases.

The District has made a serious good-faith offer despite our current economic situation by offering contract improvements in the areas of educational incentive pay, EMT and Paramedic Pay, bilingual pay and acting pay. The District has also offered to increase its contributions to employee medical insurance and we have reached tentative agreement on more than 106 subjects covered by the previous labor agreement. And though we are at impasse, we have made repeated offers to the Union leadership to return to the bargaining table with the help of a neutral mediator only to be rebuffed each time. Nevertheless, the District maintains its offer to the Union to return to bargaining to end this dispute.

The Board would be remiss if we did not address the Union's public mistreatment of the District's Director of Administrative Services, Michele Braucht. Ms. Braucht is a dedicated public servant who

must often say “no” and recommend hard decisions in order to maintain tight budgetary control. Her role is thankless and can be extremely unpopular, but for the Union to singularly and publicly blame her for poor morale and demand her termination is misplaced, unfair and wrong. The Board of Directors has the utmost confidence in Ms. Braucht’s abilities and rejects out of hand the Union’s call for her termination.

We must also address the Union’s charges against Chief Schapelhouman and his administration. As the one charged with overseeing administration and operations of the Department, Chief Schapelhouman also needs to make tough decisions, especially during difficult economic times. The Chief has proven himself to be service-minded, dedicated and passionate about the fire service. Also, he embodies leadership and commands respect. He has our full support.

In closing, we are in the midst of an almost unprecedented economic downturn, and Americans across the state and the country are being forced to make changes in the face of hardship.

The pressing economic conditions have affected people as well as organizations and public agencies, including the Fire District. We are all being challenged to step up and deliver in the manner the public expects and deserves. The Board is asking Department members to strive towards excellence again and to work with the District to resolve our present differences. Such resolution can only be achieved through open and good faith communications at the bargaining table. We have directed the District’s representatives to communicate our standing offer to the Association leadership to join us there so that we may solve our disputes and refocus our energies on the public service.

The Board of Directors of the Menlo Park Fire Protection District

Bart Spencer, President

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(posted July 2009)