

**LETTER OF UNDERSTANDING FOR CONTRACT  
EXTENSION  
AND MODIFICATION**

This Agreement is entered into between the CHARTER TOWNSHIP OF WATERFORD, MICHIGAN, a Michigan Charter Township, (the "Township") and LOCAL NO. 1335 of the INTERNATIONAL ASSOCIATION OF FIREFIGHTERS, (the "Union").

**WHEREAS**, the Township and the Union desire to provide Advanced Life Support ("ALS") and Basic Life Support ("BLS") transport to local hospitals; and

**WHEREAS**, the Union acknowledges that without certain modifications to the present Collective Bargaining Agreement between the Township and the Union, the Township is without sufficient funds to purchase the necessary equipment and provide sufficient manpower to accomplish ALS or BLS transport services; and

**WHEREAS**, a committee consisting of both Union and management personnel of the Township Fire Department has met and determined that providing ALS and BLS transport services would result in additional income to the Township that would support a forth rescue unit and the necessary increase in staffing; and

**WHEREAS**, the aforesaid committee considered various proposals and Collective Bargaining Agreement modifications, including an extension of the present Collective Bargaining Agreement with certain modifications; and

**WHEREAS**, the Union understands and agrees that the future financial circumstances of the Township is unknown and that this agreement will in no way be construed as to provide for minimum manning of the Waterford Township Fire Department ("WTFD"), or any commitment by the Township to maintain ALS and BLS transport services, subject to the agreement hereinafter made.

**NOW, THEREFORE, IT IS AGREED**, subject to the ratification of the membership of the Union and the Waterford Township Board of Trustees, as follows:

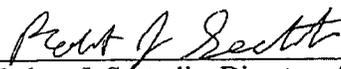
1. Subject to the terms hereinafter set forth, the current Collective Bargaining Agreement between the parties that expires on December 31, 2010, shall be extended to expire on December 31, 2012.
2. Except as herein modified, all terms and conditions of the current Collective Bargaining Agreement shall remain in full force and effect.
3. As soon as practicable after ratification of this Letter of Understanding by the Union and the Waterford Township Board of Trustees, the Township will purchase all necessary equipment as determined by the Waterford Township

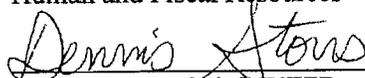
Fire Chief and approved by the Waterford Township Board of Trustees to put into service a fourth rescue unit.

4. Beginning no sooner than April 1, 2009, or later than May 1, 2009, the WTFD will begin to transport ALS runs.
5. The WTFD shall hire four (4) additional personnel on or before September 1, 2009.
6. Beginning September 1, 2009, the WTFD will transport all EMS runs, both ALS and BLS.
7. Upon the activation of the fourth rescue unit, it is the intent of the Chief to move Rescue 2 to Station 2 and Rescue 5 to Station 5, but management of the WTFD retains the right to make the final determination of the primary location of all rescue units.
8. Wages: Wages for the 2011 and 2012 calendar year shall remain the same as wages provided for in the Collective Bargaining Agreement for 2010, provided, however, the wages for the 2012 calendar year shall be subject to being reopened for negotiation at the request of the Union. If the Union desires to exercise its right to reopen to negotiate 2012 wages, the Union shall notify the Director of Fiscal and Human Resources in writing no later than September 1, 2011, that it intends to exercise its right to reopen negotiations for 2012 wages. Failure to timely do so will result in a continuation of the then current wages, with no increase.
9. Overtime Pool, 2009: For the balance of the 2009 fiscal year, the WTFD will establish an "overtime pool" of \$100,000 to provide for sufficient funds to man the fourth rescue unit with three personnel, provided, however, that once the \$100,000 overtime pool is exhausted, or for other good and sufficient reasons, such as the lack of available manpower, the fourth rescue unit can, at the discretion of the Chief, be manned with two (2) persons, or eliminated.
10. Overtime Pool, 2010, 2011, 2012: The "overtime pool" shall be set at \$300,000 for each fiscal year under the same terms as set forth in paragraph 9. There shall be no carryover of unused overtime from one fiscal year to the next.
11. Manning intention: It is the intent of the WTFD, except as provided in paragraphs 9 and 10 hereof, that the fourth rescue unit will be manned by three (3) persons, provided, however, that if circumstances require, at the discretion of the Chief, the fourth rescue unit can be manned by two (2) persons or eliminated.

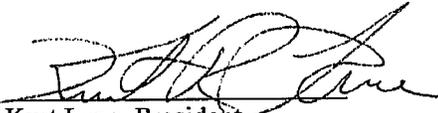
12. Special Assignments: When necessary, all special assignments shall be cancelled to provide sufficient personnel to continue manning the fourth rescue unit with three (3) personnel.
13. Layoffs: The Township agrees that there will be no layoffs of Fire Department personnel effective upon ratification of this agreement through the two-year extension of the current Collective Bargaining Agreement, provided, however, that this non-layoff provision will not survive the termination date of the contract (i.e. December 31, 2012), any provisions of Act 379 of the Public Acts of 1965, as amended, and Act 312 of the Public Acts of 1969, as amended, to the contrary notwithstanding. During the term of the extension of the current Collective Bargaining Agreement the Township will not be required to replace any personnel due to retirement, attrition or for any other reason that creates a reduction in WTFD staffing.
14. This agreement is based on revenue estimates provided by the Fire Department staff in the WTFD February 2009 Transporting Study. If those estimates prove to be unrealistic and transport related revenues are not realized as projected, the Township may elect to discontinue transport and void items 9, 10 and the "non-layoff" provision of item 13 of this agreement.
15. The Union signatories to this Letter of Understanding agree to present this Letter of Understanding to the Union membership for ratification with their full recommendation that it be approved. The Township signatories, upon ratification by the Union, agree to fully recommend to the Township Board of Trustees that the Board accept and ratify this Agreement.

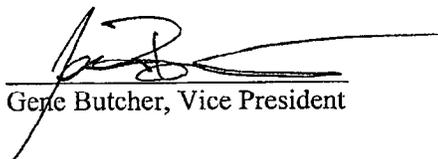
FOR THE CHARTER TOWNSHIP  
OF WATERFORD

  
Robert J. Seeterlin, Director of  
Human and Fiscal Resources

  
Dennis Storrs, Chief, WTFD

FOR LOCAL NO. 1335 of the IAFF

  
Kurt Lane, President

  
Gene Butcher, Vice President

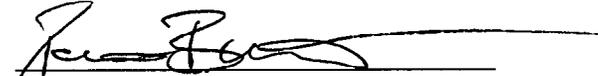
The foregoing Agreement has been ratified by the Union:

Date: 3-23-09

LOCAL NO. 1335 of the IAFF



Kurt Lane, President



Robert E. Butcher, Vice President

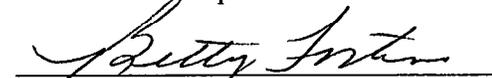
The foregoing Agreement has been ratified and adopted by the Charter Township of Waterford Board of Trustees:

Date: 3-23-09

TOWNSHIP OF WATERFORD



Carl Solden, Supervisor



Betty Fortino, Clerk