

Mergers of IAFF Affiliates

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Preface

During the 49th Convention of the International Association of Fire Fighters (IAFF) in Las Vegas, Nevada, the Convention Delegates adopted Resolution No. 12, as revised and amended, directing the IAFF to develop a manual for use by IAFF affiliates wishing to consolidate with other IAFF affiliates through voluntary merger and amalgamation. In August, 2009, pursuant to the Resolution, the IAFF Legal Department developed this Merger Manual.

At the June, 2012 IAFF Executive Board meeting, the Board adopted a policy to simplify the process by which affiliates merge. This manual has been updated several times, including in July of 2022, to reflect current policies. Despite the simplification of the merger process over time, there are still important legal challenges any time two or more IAFF affiliates want to merge.

Consolidation of local affiliates often benefits IAFF members because it can increase political influence, tap experience and knowledge of seasoned union leaders, and maximize bargaining power. The IAFF encourages geographically proximate locals to consider merger or amalgamation because of these benefits.

This Manual is intended to assist IAFF locals through the process of voluntary mergers and amalgamations. Article XIX, Section 2 of the IAFF Constitution and By-Laws expressly prohibits IAFF Locals from either agreeing or colluding with an employer, or exerting any economic pressure on an employer, for the purpose of obtaining work for its members where an established work relationship exists between the employer and another IAFF local. Any local that is the victim of raiding can seek recourse against the offending local under Article XIX of the IAFF Constitution and By-Laws. Accordingly, IAFF locals are strictly prohibited from using this Manual as a guide to raid other locals by forcing an involuntary merger or amalgamation.

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Introduction

A *merger* occurs when two or more locals combine and retain the identity of one of the merging locals. For example, where Local “A” merges with Local “B,” and the combined locals continue to function as Local B.

The IAFF Constitution and By-Laws – specifically, Article XII, Section 2 – addresses an important aspect of mergers or amalgamations¹ of IAFF locals. (A copy of Article XII, Section 2 is found in the appendix.) That aspect is the “voluntary forfeiture” of a charter, and makes a distinction between voluntary mergers or amalgamations, and involuntary ones. *Involuntary mergers* (also called *mergers by operation of law*) occur as a result of city or township consolidations, unifications, or mergers required by state, provincial, or municipal action. Such mergers are deemed “involuntary” because they occur as a consequence of government action, and not at the election of the IAFF locals involved. A *voluntary merger* or amalgamation occurs when two or more IAFF locals mutually agree to form one local without being forced to do so by operation of law.

Voluntary or involuntary mergers should not be confused with “involuntary forfeitures.” Those are addressed in Article XII, Section 3 (the next section of the IAFF Constitution and By-Laws) and pertain to locals that have had a charter revoked by the IAFF for reasons such as failure to pay per capita tax.

¹ An amalgamation occurs when two or more locals combine and form an entirely new local without retaining the identity of any of the combining locals. For example, Local A and Local B mutually agree to amalgamate, and the two locals combine and operate as a newly-chartered local (e.g., Local C).

IAFF Policies and Procedures

Article XII, Section 2 explains most – but not all – of the process for dissolving a local. The rest is described in two Executive Board policies, which are also found in the appendix. Taken together, the steps for **voluntary mergers** are as follows:

1. Any local that appears headed into a merger, annexation, or amalgamation should contact the relevant District Vice President and state or provincial association (if the local belongs to one) before committing to the merging process.
2. All locals which desire to merge or amalgamate must enter into a *merger agreement* that sets forth the terms of the consolidation. This agreement should be made between the presidents of the merging locals. It is urged that the agreement be distributed or made available to the membership.
3. If the merger is by operation of law, then it is recommended that the merger agreement be voted on by the executive boards of both locals. If the merger is voluntary, then the merger agreement must be voted on by the membership by whatever means selected by the respective locals (referendum vote, membership meeting vote, etc.).
4. Once the agreement has been reached and necessary votes have taken place, the local presidents may (jointly or separately) submit a signed form confirming that the preceding steps have been taken. The form can be found on the IAFF's web site at https://www.iaff.org/wp-content/uploads/Departments/Legal_Department/2-11409_Local-Merger-and-Annexation-Checklist.pdf. The signed form(s) should be sent to the General Secretary-Treasurer's office.
5. If a merger is by operation of law, it becomes effective once the IAFF Executive Board *receives notice of the merger*. The GST's office will review the form(s) sent and confirm that the locals are current on their respective per capita. If so, the General Secretary-Treasurer will notify the Board by email, and the notice will be memorialized in the minutes of the next Executive Board meeting.
6. If a merger is voluntary, it becomes effective once the IAFF Executive Board *approves the merger by motion of the General Secretary-Treasurer*. The GST's office will review the form(s) sent and confirm that the locals are current on their respective per capita. If so, the General Secretary-Treasurer will forward a motion to the Board by email, and (assuming the merger is approved) the merger will be memorialized in the minutes of the next Executive Board meeting. The merger or amalgamation formally takes place on the date of the approval of the motion to the Executive Board.

Following approval or notification, as appropriate, the General Secretary-Treasurer will

notify the President of each local of the Executive Board's action. On this date, the merger or amalgamation becomes effective (unless the Executive Board has rejected the merger).

Again, any local that is dissolving as a result of the merger or amalgamation must be paid current with the IAFF. To be paid current, the local must continue to pay its per capita until the effective date of the merger, at which time the successor local will assume the per-capita obligation. Likewise, EDF and PROP loans, and any outstanding fines, must either be paid in full, or the balance will be assumed by the successor local.

Executive Board Policies

The Executive Board has established two policies to date dealing specifically with voluntary mergers of locals: *Dissolutions or Mergers of Local Affiliates* (June 2012) and *Merger of Fire Departments and Involuntary Merger of Affected IAFF Locals* (February 1992).

The policies require that a "receiving" local must take in *all* members of the absorbed local, unless an express provision of the receiving local's constitution and by-laws provides otherwise. It establishes requirements for a merger agreement. The merger agreement is probably the most important document involved in a voluntary merger or amalgamation, because it is an enforceable agreement that memorializes all of the rights and obligations of the locals involved throughout the merger process and —more importantly—the rights and obligations of the members comprising those locals.

Merger agreements shall be in writing and be thorough. This is for the protection of the officers of the respective locals, who could be held legally responsible if a member litigates a controversial merger. For small locals with minimal or no assets or cash-on-hand that want to merge but have concerns about not having sufficient resources required for entering into a written merger agreement, please contact the IAFF Legal Department for consultation.

The merger policy suggests what information should be contained in a valid merger agreement. A valid merger agreement should include provisions for allocation of assets and liabilities between merging or amalgamating locals, provisions for governance of the local post-merger or amalgamation, provisions for collection of dues and assessments from members of the local, and provisions for resolution of disputes arising from the merger or amalgamation.

Importantly, IAFF policies require that specific attention be paid to the repayment of any outstanding loans awarded under the IAFF's Emergency Disputes Fund policy. Therefore, if any of the locals involved in a merger or amalgamation have received such a loan, the written agreement should address who has the responsibility on how repayment is made and who is responsible for making the payment of that loan to the IAFF. If the agreement does not address this matter, the receiving local would, by default, assume responsibility for repayment of the balance of the loan. For clarity, therefore, locals absorbing another local with an outstanding EDF loan should address the loan repayment in the agreement.

Negotiating a Merger Agreement

A sample merger agreement is provided in the appendix, but it should be used solely as a guide to merging or amalgamating locals. The following is a discussion of some of the important issues to keep in mind.

The Locals' Assets and Liabilities

When negotiating a merger agreement, locals should consider the financial aspects of the merger or amalgamation and address them in the agreement. Officers of merging locals owe a *fiduciary duty* to the members that they represent in their pre-merger locals. If this duty is breached, the officers could be held personally liable for financial losses suffered as a result of the merger. Therefore, an officer of a merging local must act prudently to protect the assets of his or her local, while at the same time, protecting the local's members from an unreasonable exposure to significant financial liabilities post-merger.

In most cases, locals that are merging do not have substantial or complicated assets or liabilities. For example, small locals that choose to merge may have a small amount of property, such as a laptop computer, a website hosting contract, and bank accounts holding the locals' general funds. In such cases, the treatment of the merger of the assets and liabilities of these locals may be simple, as long as the property is fully accounted for and addressed in the merger agreement. In other cases, however, the merger or amalgamation of two or more locals can present substantial fiduciary concerns.

The most obvious example of where fiduciary concerns might arise is where a local with few assets and significant financial liabilities is merging into a local that is in sound financial shape, with significant assets and little or no financial liabilities.

It is important to point out, however, that a merging local's officers do not necessarily risk breaching their fiduciary duty by assuming the liabilities of a dissolving local. For example, in situations where neither of the merging locals have significant liabilities, or in situations where a dissolving local's liabilities are small enough that the receiving local can afford to incur the liabilities, a merging local's officers would not have to be as concerned with breaching their fiduciary duty by accepting both the assets and liabilities of the dissolving local. Therefore, in this situation, it would be appropriate to include language similar to the following in a merger agreement:

Within fourteen days after the effective date of the Merger, Local 9876 will transfer all of its financial assets held in accounts controlled by Local 9876 to accounts controlled by Local 5432. Local 9876 further agrees that upon receipt of such assets by Local 5432, the assets shall be merged and indistinguishable from Local 5432's previously-held assets. Local 5432 agrees to assume all known liabilities of Local 9876, as if those liabilities were incurred by Local 5432 directly.

A clause such as this would allow an automatic transfer of the dissolving local's assets, and those assets could be immediately used by the merged local for the benefit of all members. Here, the officers of the receiving local likely would not have breached their fiduciary duty, so long as liabilities involved were small, or there were sufficient assets on hand to pay for whatever liabilities existed. In either case, there would have been little or no risk that members of the receiving local would incur any significant financial liability that arose from actions by the dissolved local.

An alternative arrangement set forth in valid merger agreements has been that merging locals' accounts are held separate for a period of time – for example, one year – and money from that account is authorized for expenditure only specifically to the benefit of the members of the former locals. Note that this arrangement can lead to disputes over whether a certain expenditure is truly for the benefit of certain members.

In mergers involving the transfer of assets from a dissolving local, the merger agreement should identify the transferring property, which can include both real property (i.e., land and buildings) and personal property (e.g., computers, desks, cell phones, motor vehicles, etc.). Property held by the dissolving local should be inventoried, and it should be determined who holds the title to the property, since that will dictate what steps must be taken to ensure the proper transfer, if required, to the receiving local.

Where land or buildings (i.e., “real property”) are owned by one or more locals, the merger will require that the transfer be recorded with the proper authority, like any transfer or title.

Personal property can involve not only ownership issues but also extenuating issues such as service contracts (e.g., cell phone service contract, etc.) that allow the service provider to assess early termination penalties. The IAFF Legal Department is available to provide assistance to merging or amalgamating locals; however, the Legal Department cannot typically give specific legal advice to merging locals on matters involving state or local law. Each merging or amalgamating local must consider the complexity of its own situation and consider employing legal counsel when necessary. The IAFF is not responsible for drafting or creating the necessary merger agreement on behalf of any local.

Finally, if a merger or amalgamation is going to involve the transfer of real or personal property from one local to another, the merger agreement should identify the property involved, and it should identify who is obligated to execute the transfer of ownership and how that transfer will be performed.

Governance of the Merged Local Union

Another issue that needs to receive particular attention during negotiations towards a merger agreement is the post-merger governance of the new local. While the new local's

constitution and by-laws will be the governing document, the merger agreement can provide a bridge between the merger and the first post-merger election—during which time the merged local must function, and each member of the local must be duly represented during that process. Locals considering a merger or amalgamation should discuss the governing structure of the merged local thoroughly and consider all the benefits and consequences of the various governing structures that are available.

No matter what is said in the merger agreement about governance of the new local, leadership should also consider whether it is necessary to amend the new local's constitution and by-laws (CBL) **in addition to** crafting a merger agreement. For example, the jurisdiction article of the local's CBL may have to be amended, or changes to the executive board of the local may have to be enacted. The changes should be enacted as soon as possible.

There are several governing options that merging locals can utilize to integrate new groups of members into an existing local's governing structure. One option is to provide members from a dissolved local with direct representation on the receiving local's Executive Board, but as a separate chapter within the parent local. This can be accomplished by including language in the merger agreement similar to the following:

The Officers and Members of Local 9876 understand that upon the effective date of the merger, they will become a part of Local 5432, but they will be treated as a separate bargaining unit; and they will be entitled to be represented by two Executive Board members of their choosing to serve on Local 5432's Executive Board. The Officers of Local 5432, pursuant to their authority under the Local's Constitution and By-Laws will appoint two such members to the Executive Board immediately upon the merger becoming effective.

In addition to this provision in the merger agreement, the membership of Local 5432 should amend its constitution and by-laws to create two new, permanent positions on its executive board to represent the bargaining unit, elected in a manner of the local's choosing and in accordance with the IAFF's Constitution and By-Laws.

Clearly, this arrangement may not be preferable or suitable for some locals. (For example, some mergers involve locals whose members are not in a certified bargaining unit.) However, the provision quoted above can easily be changed to accommodate that situation by designating the employees as a separate "employee group," or identifying them as employees of the specific fire department they work for, if the merging locals are not in a collective bargaining relationship with their employers.

This language is also an example of how the merger agreement can be used to provide a bridge between the effective date of the merger and the first post-merger election. The members appointed to the Executive Board to represent the new members from the dissolving local would

typically serve until the next regularly-scheduled election, unless the merged local's constitution and by-laws provides otherwise. A provision such as this in a merger agreement provides a dissolving local's members with direct representation on the merged local's executive board without having to wait until the next election to have that opportunity.

An interim executive board can also be established where multiple locals have dissolved, and through amalgamation have formed a newly-chartered local. In that situation, the interim executive board could serve during the initial post-merger period until the first election of a new local is held. The new local could be governed through an interim board by including language in the merger agreement similar to the following:

The Officers and Members of Local 9876 and Local 5432 agree to establish an interim Executive Board to govern newly-chartered Local 9999, pursuant to the authority granted under the Local 9999 Constitution and By-Laws, and the parties agree to be governed by said interim Executive Board for a term which shall expire one year from the effective date of this amalgamation. An election of Officers shall be conducted in accordance with the Local 9999 Constitution and By-Laws one year from the effective date of this amalgamation.

There are other options that merging or amalgamating locals may utilize to integrate groups of new members into an existing local's governing structure besides executive board representation. For example, if locals are merging because their employing departments have merged, then it may be best to integrate the executive board by extending shift representatives' responsibilities to cover *all* employees in a given shift, no matter what department they used to be part of.

Only the locals involved in a merger or consolidation can decide which type of governance structure most effectively integrates former members of a dissolved local into a new local. (For that matter, only the leadership of the respective locals can decide the type of merger which will be acceptable to the membership.) Locals contemplating a merger or amalgamation are encouraged to discuss the various governing options with the Vice President for the District in which the locals are located as early in the process as possible.

Representational Obligations of Locals Involved

Before proceeding with a formal merger or amalgamation in a collective bargaining setting, officers representing locals involved must clearly understand their *duty of fair representation* obligations, including to whom those representation obligations are owed—or whether they are owed at all.

This primarily concerns officers representing locals that are the certified bargaining representative for an existing bargaining unit of employees. **Local officers owe a duty of fair representation to the employees in the bargaining unit they represent.** They generally do

not owe a duty of fair representation to employees in a bargain unit represented by another local, even if that local is another IAFF local. Nonetheless, it is important that officers participating in discussions with other locals towards a merger or amalgamation consult with legal counsel experienced in labor law over representational matters, particularly where the officer is not certain of his or her duty of fair representation obligations.

Officers of locals contemplating a voluntary merger or amalgamation must be particularly aware of possible unintended consequences of such a move in situations where a dissolving local is the certified bargaining representative of an existing bargaining unit of employees. Locals must verify that, under the controlling collective bargaining law, the receiving local can, and will, be recognized as the successor bargaining agent of the unit employees. If a successor local will be recognized, the new local would be authorized to represent members of the existing bargaining unit in negotiations, grievances, etc., just as the dissolved local had previously. Where a merged local cannot be recognized as the successor bargaining representative, the local might have to seek voluntary recognition from the employer, or the new local might be required to file a petition with the proper labor relations board or other certifying authority seeking certification as the exclusive representative, which could require a vote of the bargaining unit. Any locals that are contemplating a merger or amalgamation should consult with an attorney specializing in labor law early in the process.

Name Changes

In a merger or amalgamation where the local takes on a new name, the newly named local must take the following steps to update the relevant agencies and other entities about the new name of the local.

As a non-profit, unincorporated association organized under Section 501(c)(5) of the Internal Revenue Code, IRS procedures for exempt organizations making a name change that file an annual report require that the local must note the name change on its next annual report. <https://www.irs.gov/charities-non-profits/charitable-organizations/change-of-name-exempt-organizations>. If the local would like confirmation from the IRS acknowledging the name change, they must submit a letter or fax to the following address (or fax number) requesting a determination letter and including a copy of the updated CBL with the new name:

Internal Revenue Service
Exempt Organizations Determinations
Room 6403
P.O. Box 2508
Cincinnati, OH 45201

Fax: (855) 204-6184

The local should check with the state agency charged with regulating public sector unions in their state or resolving public sector labor disputes to see how to notify the state agency of its name change. Policies on name changes vary state-by-state. Some states require an update if there are any active matters before the agency, where, in these cases, the docket should be updated to correctly reflect the local's new name. Contact the IAFF Legal Department with any questions about updates to state agencies following a merger.

If the local is affiliated with a state or other labor council, they should be notified of the name change. While not necessary, the local may want to inform the employer of any name change or change in status due to the merger and update any collective bargaining agreement or at least ensure that the updated name is used in the next CBA.

If the merged or amalgamated local contains any private sector employees (and is therefore covered by the Labor-Management Reporting and Disclosure Act of 1959 (LMRDA), 29 U.S.C. § 401), the US Department of Labor's Office of Labor-Management Standards (OLMS) advises that name changes must be submitted to OLMS through an amended LM-1 form: "If your organization changes its affiliation or organization name or its designation (Items 4-7), then submit the amended Form LM-1 before you begin work on the annual Form LM-2, LM-3, or LM4 report." OLMS also advises any LMRDA-covered union making a name change to provide the updated information by emailing OLMS-Public@dol.gov or calling 202-693-0125. If the merging local that will cease to exist as a separate union as a result of the merger or amalgamation had previously filed LM reports, a terminal LM report must be filed with OLMS by that local or on that local's behalf. The remaining, now larger, local should keep in mind that the local's changed finances might affect what annual LM Form it has to file (LM-2, 3, or 4).

Conclusion

This manual is intended to provide general guidance for those IAFF locals considering a consolidation through voluntary merger or amalgamation with other IAFF locals. Given the varied complexity and circumstances involved in different mergers or amalgamations, it is impossible to create one document that addresses all situations. Locals needing more information and guidance are encouraged to contact their IAFF District Vice President for more information and additional resources from the IAFF.

Appendix I: Merger Agreement

This Merger Agreement is between Local No. 9876, [insert Local's name], of the International Association of Fire Fighters, AFL-CIO and Local No. 5432, [insert Local's name], of the International Association of Fire Fighters, AFL-CIO.

Article I

Local Name, Dates of Votes and Merger

1.1 On [date], the Membership of Local 9876 voted by [method used] to dissolve, by voluntarily forfeiting its IAFF Charter, and merge into Local 5432, pursuant to the terms of this Merger Agreement.

1.2 On [date], the Membership of Local 5432 voted by [method used] to accept and merge with Local 9876, pursuant to the terms of this Merger Agreement.

1.3 The merger will take effect upon approval of this Merger Agreement by the IAFF Executive Board during its regular meeting to be held _____.

1.4 Post-merger, Local 5432 shall be known as [fill in name of Local].

Article II

Disclosure of Assets and Liabilities

2.1 The Officers of Local 5432 have provided copies of the most recent audited financial statements of Local 5432 and its affiliated entities to the Officers and Members of Local 9876 for their full and complete review;

2.2 The Officers of Local 5432 have represented that they are aware of no significant liabilities of the Local beyond those disclosed in its financial documents and/or during merger discussions with Local 9876;

2.3 The Officers of Local 9876 have provided the Officers and Members of Local 5432 with documents identifying all assets owned by Local 9876, including

[NOTE: This provision should identify any assets, including but not limited to, location and value of any real estate, personal property (e.g., cell phones, computers, motor vehicles, etc.), savings accounts, checking accounts, and investment accounts. The Merger Agreement should also identify who has title to those assets and how ownership of the assets will be transferred to the new Local. If the assets are not going to be transferred to the new Local, then the Merger Agreement must state that all assets and property of the dissolving Local will remain the property and assets of the recorded/registered owner or the members of the dissolving Local personally.]

2.4 The Officers of Local 9876 have represented to the Officers and Members of Local 5432 that Local 9876 has no outstanding liabilities not previously identified, including but not limited to, loans, judgments, potential litigation liability, mortgages, contracts, and/or unpaid dues

assessments.

[NOTE: If a dissolving Local union involved in a merger has outstanding liabilities, those liabilities should be identified in the Merger Agreement, and the disposition of those liabilities should be disclosed.]

2.5 The Officers of Local 9876 agree that, as of the date the merger becomes effective, all per capita dues, assessments, fees, etc. will be current with the IAFF, state association (if applicable), and other AFL-CIO labor organizations.

2.6 [NOTE: If any Local involved in a merger or amalgamation has an outstanding balance due on an Emergency Disputes Fund Loan from the IAFF, the Merger Agreement must state how timely payments on the Loan will be made, and who is responsible for making those payments. If the new Local is assuming the Loan obligation on behalf of a dissolving Local, the Merger Agreement must so state. If the Merger Agreement does not address repayment of an outstanding EDF loan, then, the receiving local shall, by default, assume responsibility for repaying the balance of the loan.]

Article III Constitution and By-Laws, and Post-Merger Governance

3.1 The Officers and Members of Local 9876 have been provided a copy of Local 5432's Constitution and By-Laws for their full and complete review, and the Members of Local 9876 have voted to be governed by Local 5432's Constitution and By-Laws, including all currently proposed changes;

3.2 The Officers and Members of Local 9876 understand that upon the effective date of the merger, they will become a part of Local 5432, but they will be treated as a separate bargaining unit; and they will be entitled to be represented by two Executive Board members of their choosing to serve on Local 5432's Executive Board. The Officers of Local 5432, pursuant to their authority under the Local's Constitution and By-Laws, will appoint two such members to the Executive Board immediately upon the merger becoming effective.

Article IV Dues and Assessments

4.1 The Officers and Members of Local 9876 are aware of the dues structure of Local 5432, and the Members of Local 9876 have voted to be bound the applicable provisions contained in the Local 5432 Constitution and By-Laws.

4.2 The Officers and Members of Local 9876 agree that the applicable dues rate is [fill in the dues rate amount that will apply].

Article V Dispute Resolution

5.1 In the event of any conflict between any provision of this Merger Agreement and any provision of the Local 5432 Constitution and By-Laws, the latter shall govern. In the event a dispute or controversy arise out of, or under, this Merger Agreement that cannot be resolved through mutual

agreement of the parties, such dispute or controversy shall be referred to mediation, and if not resolved there, to binding arbitration.

Article VI
Trust Funds and PACs

6.1 Local 9876 has provided documents to Local 5432 identifying all trust funds that Local 9876 is affiliated with or has an interest in, along with procedures for dissolving all such trust funds in a manner that avoids imposing personal financial liability on individual members of Local 9876.

6.2 Local 9876 has identified any and all Political Action Committees (PACs) with which the Local is affiliated, and the Local 9876 further represents that it has taken all necessary steps, including seeking the advice of legal counsel, regarding the proper disposition, under federal and state laws, of any funds held in any PACs established by Local 9876 or its Officers.

6.3 [NOTE: if a dissolving Local union involved in a merger is disposing of PAC funds, the Merger Agreement should describe the terms of how those funds will be disposed.]

The Officers and Members of Local 5432 and Local 9876 hereby agree that Local 9876 shall be merged into Local 5432 and that the Charter of Local 9876 shall be surrendered to the IAFF immediately upon approval of the General President and the IAFF Executive Board.

In Witness Hereof, the parties to this Merger Agreement have set their hands and seals this _____ day of _____, 20_____.

Name:
President, IAFF Local 5432

Name:
President, IAFF Local 9876

Name:
Secretary-Treasurer, IAFF Local 5432

Name:
Secretary-Treasurer, IAFF Local 9876

Appendix II: IAFF Constitution and By-Laws, Article XII, Section 2

ARTICLE XII – DISSOLUTION

Section 2. Voluntary Forfeiture of Charters and Dissolution of Local Unions or Other Subordinate Bodies.

There shall be no voluntary forfeiture of the charter or dissolution of any local union unless the majority of its membership in good standing vote to forfeit the charter, and there shall be no voluntary forfeiture of the charter or dissolution of any state or provincial association unless the majority of member locals of such state or provincial association vote to forfeit its charter, or of any joint council unless the majority of members of such council vote to forfeit its charter. Voluntary forfeiture of a charter or dissolution shall be determined only by a referendum vote of the local union or other subordinate body membership. This referendum shall be conducted by secret ballot after at least thirty (30) days written notice has been made to all members of such local union or other subordinate body stating that a proposal to forfeit the charter will be submitted to a referendum ballot. Such written notice shall also be communicated by a local union seeking dissolution to any state or provincial association or joint council of which it may be a member. The referendum shall be initiated only by motion of the membership in good standing of such local union or by the governing authority of such other subordinate body.

Where local unions of the Association become merged with other local unions of the IAFF as a result of city or township consolidations, unifications or mergers required by state, provincial or municipal action, the local unions which do not survive the merger and lose their identity shall be regarded as dissolved by operation of civil law.

Upon notice of such dissolutions to the General Secretary-Treasurer and through him/her to the Executive Board, such dissolutions shall be recorded in the books of the Association and their charters returned and cancelled.

In the event of any voluntary proposal of merger of one or more local unions of the Association with another local union of the IAFF which is not caused by action of municipal or other civil authority, no such merger shall be consummated without approval of the General President and Executive Board upon such terms and conditions as they may authorize. Two or more existing IAFF locals who wish to merge voluntarily must obtain approval by a referendum vote of each local's membership by whatever means selected by the locals, and such affected locals must comply with the then current policy of the IAFF Executive Board and consult with the IAFF Vice President of the District to include written verification after a showing of interest and prior to the vote. To be recorded as a voluntary forfeiture, the affiliate's per capita must be paid current with notification to the General Secretary-Treasurer of such voluntary forfeiture, dissolution by merger or by operation of civil law.

Appendix III: IAFF Executive Board Policies

TITLE: Dissolutions or Mergers of Local Affiliates

COMMITTEE: Legal Services

EFFECTIVE DATE: June 2012

POLICY:

Any local that appears headed into a merger or voluntary dissolution should notify the appropriate District Vice President and state/provincial officers.

Affiliates that voluntarily dissolve in accordance with the requirements of Article XII, Section 2 of the IAFF Constitution and By-Laws shall notify the General Secretary-Treasurer in writing of the dissolution and its effective date. An affiliate must be paid current on its per capita and all other financial obligations until the notice has been provided in writing to the General Secretary-Treasurer.

In the event that an affiliate and/or its members are to be absorbed, merged, or otherwise annexed by or into another IAFF affiliate, the affiliate's officers must comply with the requirements of this policy and Article XII, Section 2 of the IAFF Constitution and By-Laws. Any merger that is voluntary must be approved by a referendum vote of each local's membership by whatever means selected by the locals.

In the event of any merger, an agreement as to the handling of assets and liabilities shall be made and approved by each local in the manner determined by the local's executive board. It is recommended that this agreement be in writing and signed by the principal officers of each local. Prior to approval or notice of the Executive Board, as appropriate, of the merger of two or more affiliates, the presidents of each affiliate shall affirm to the General Secretary-Treasurer in writing that an agreement has been agreed upon by the memberships of the respective locals.

In preparation for the merger, the merging locals should consider the following as part of the agreement: effective date; member dues and assessments; governance of the merged local; representational obligations of the merged local; transfer and allocation of assets and liabilities; outstanding EDF loans, PROP loans, and other such financial obligations; and dispute resolution procedures.

Any affiliate with an outstanding EDF or PROP loan balance that forfeits its charter must repay its loan in order to reaffiliate with the IAFF. If an affiliate with an outstanding loan balance merges with another affiliate, either voluntarily or involuntarily, the successor organization shall assume responsibility for repayment of the balance of the loan. Within the merger agreement, the merging affiliates may arrange for an assessment or dues structure to finance that obligation.

Where two or more locals are merged, annexed, or amalgamated, the successor local must take in all members unless otherwise expressly prohibited by law or the successor local's constitution and by-laws.

The Executive Board recommends that when the consolidation, unification, or merger of two or more counties, cities, or townships is anticipated, all locals involved should merge as soon as possible. If a merger of locals is not immediately possible, a joint committee should be established to work with the department administration to negotiate the benefits for all members. Every effort should be made to conclude the bargaining prior to the merger.

IAFF Legal Counsel shall provide a form to assist locals in complying with this Policy.

TITLE: Merger of Fire Departments and Involuntary Merger of Affected IAFF Locals

COMMITTEE: Legal Services

EFFECTIVE DATE: February 1992

POLICY:

Whenever two or more fire departments or jurisdictions are merged by operation of law or otherwise, the General President of the IAFF shall have the authority to involuntarily merge any of the IAFF affiliates who represent firefighters, paramedics, EMTs or related services in those fire departments if they fail to agree among themselves which affiliate shall be the exclusive representative for collective bargaining or other purposes. The General President may order an election among IAFF members in all the affected affiliates. The election shall be conducted under rules established by the General President. The IAFF members shall have a choice between formation of a new local and selection of one of the existing locals. If a new local is selected, a charter shall be issued with a new name and number; the membership shall be required to adopt a new constitution and by-laws and hold elections for officers. If an existing local is selected, the officers and constitution and by-laws of that local shall remain in place, and the charters of the remaining local(s) shall be revoked under Article XII, Section 3, of the IAFF Constitution and By-Laws with the approval of the Executive Board. Where appropriate, the General President shall notify the fire department or fire jurisdiction which entity is the successor labor organization. The above may be modified by the General President to comply with applicable federal, state/provincial or local laws.

Appendix IV: Local Merger/Amalgamation Form

1. Please indicate the locals (name and number) that are merging:

2. What is the effective date of the merger? _____

(All locals must be paid current up to the effective date of the merger.)

3. Please indicate the name and number of the successor local: _____

4. Do either of the merging locals have an outstanding EDF or PROP loan?

_____ Yes _____ No

(Any outstanding loan balances shall be assumed by the successor local.)

5. Is the merger voluntary or by operation of law?

_____ Voluntary

_____ Operation of Law

6. Locals merging, either voluntarily or by operation of law, must enter into a merger agreement. It is recommended that this agreement be in writing, and address the following: dues and assessments, governance of the merged local, representational obligations of the merged local, and transfer and allocation of assets and liabilities. Check below to certify whether the merging locals have entered into a merger agreement in writing.

- _____ Yes _____ No

7. If the merger is voluntary, the agreement must be approved by referendum vote of each local's membership. If the merger is by operation of law, the agreement need only be approved by each local's executive board. Check below to certify that the merger agreement has been approved in the necessary manner.

_____ The merger agreement was approved by referendum vote of each local's membership

_____ The merger agreement was approved by each local's executive board.

(signed)

(signed)

Sign & Print Name of Local President
Local Number:

Sign & Print Name of Local President
Local Number:

THIS DOCUMENT MUST BE SIGNED BY THE PRESIDENT OF EACH LOCAL HEADING INTO A MERGER, ANNEXATION, OR AMALGAMATION.

If your local is voluntarily dissolving

- ✓ You should contact the appropriate District Vice President early in the process.
- ✓ The local must conduct a referendum vote amongst all members in good standing.
- ✓ The membership must have thirty (30) days written notice stating that a proposal to forfeit the charter and dissolve the union will be submitted to the membership via a referendum.
- ✓ If the local is a member of a state or provincial association, the notice must also be sent to that association.
- ✓ After the affirmative vote, send a letter to the General Secretary-Treasurer notifying him of same.

If your local is dissolving and a majority of the members will be absorbed into another local because of municipal or governmental action

- ✓ This is actually a merger by operation of law.
- ✓ You should contact the appropriate District Vice President early in the process.
- ✓ Your local's executive board should conclude a merger agreement with the other local or locals.
- ✓ For your protection as a local officer, it is recommended that the agreement be in writing.
- ✓ The executive board of your local should vote on the merger agreement and notify the General Secretary-Treasurer's office by completing and signing this form.
- ✓ You must notify your membership of the terms of the merger agreement or arrangement.
- ✓ Your local must remain paid up on its per capita until the effective date of the merger.

If your local will be absorbing members of another local because of municipal or governmental action

- ✓ The same steps as above apply:
- ✓ Conclude the above-mentioned merger agreement with the other local or locals.
- ✓ Ask the "incoming" local or locals if they have outstanding PROP or EDF loans.
- ✓ The executive board of your local must vote on the merger agreement and complete and sign this form.
- ✓ Notify your membership of the terms of the agreement or arrangement.

If your local will be joining, amalgamating, or merging with another local or locals for other reasons

- ✓ You should contact the appropriate District Vice President early in the process.
- ✓ Your local's officers should conclude a merger agreement with the other local or locals.
- ✓ For your protection as a local officer, it is recommended that the agreement be in writing.
- ✓ The two or more locals must approve, via a referendum vote of all members in good standing both the merger *and* the merger agreement's terms and arrangements.
- ✓ The membership must have thirty (30) days written notice stating that a proposal to forfeit the charter and dissolve the union will be submitted to the membership via a referendum.
- ✓ If the local is a member of a state or provincial association, the notice must also be sent to that association.
- ✓ The principal officers of each local must complete and sign this form.