

City of Garden Grove
INTER-DEPARTMENT MEMORANDUM

To: Matthew J. Fertal
From: John D.R. Clark
Dept: City Manager
Dept: Human Resources
Subj: POLICE UNION MOU EXTENSION
Date: March 13, 2012

BACKGROUND

In the fall of 2010, the police union requested to meet and confer over their raise set to go into effect July, 2011. Specifically, they requested that 0.6% of the raise be instead allocated to their proprietary retiree medical trust, thus reducing their July 2011 raise from 2% to 1.4%. The union was desirous of this 0.6% payment occurring as soon as possible after January 1, 2011, as their trust would otherwise be forced to lower payments to retired members.

DISCUSSION

The City Council approved this request in Resolution 9039-11, and the 0.6% payment was made in May, 2011. Resolution 9039-11 stated, however, that the 0.6% carve-out would be one-time only. This is in error, the 0.6% additional payment to the Garden Grove Police Association Retiree Medical Trust should have been stated as permanent, raising the City's contribution from 1.4% to 2.0% unless and until subsequently changed.

This is logical, as the 2% raise awarded to all other employees and the 1.4% raise awarded to police union members was ongoing, i.e., the raise did not go away after a year and their salary returned to its pre-raise level, it continues at the higher level unless or until changed. Since the 0.6% was carved out of the police union's 2.0% raise, the 0.6% also needs to be ongoing, and the attached Resolution corrects this error.

FINANCIAL IMPACT

None.

RECOMMENDED ACTION

- Adopt the attached Resolution amending the Memorandum of Understanding on Salaries, Wages and Fringe Benefits 2009-2011, by and between the Garden Grove Police Association and the City of Garden Grove as approved and adopted by the City Council in Resolution 8882-09 and subsequently amended by Resolution 8955-10 and Resolution 9039-11 is hereby further amended to

CORRECTION TO CITY PAYMENT TO RETIREE MEDICAL TRUST

March 13, 2012

Page 2

clarify that the City's annual payment to the Garden Grove Police Association Retiree Medical Trust is changed to 2% annually, on an ongoing basis.


- Direct the Human Resources Director and Finance Director to implement its provisions with all deliberate speed.



JOHN D.R. CLARK
Human Resources Director/City Treasurer

attachment: Resolution

Recommended for Approval



Matthew Fertal
City Manager

GARDEN GROVE CITY COUNCIL

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GARDEN GROVE
AMENDING THE MEMORANDUM OF UNDERSTANDING ON SALARIES, WAGES, AND
FRINGE BENEFITS FOR THE TERM 2009-2011 BY AND BETWEEN THE GARDEN
GROVE POLICE ASSOCIATION AND THE CITY OF GARDEN GROVE

WHEREAS, the City Council of the City of Garden Grove wishes to correct an inadvertent error in the formula paid annually by the City to the Garden Grove Police Association's Retiree Medical Fund; and

WHEREAS, the Garden Grove Police Association shares this concern and supports the City's effort to correct this error.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF GARDEN GROVE DOES HEREBY RESOLVE:

Section 1. The Memorandum of Understanding on Salaries, Wages and Fringe Benefits 2009-2011, by and between the Garden Grove Police Association and the City of Garden Grove as approved and adopted by the City Council in Resolution No. 8882-09 and subsequently amended by Resolution No. 8955-10 and Resolution No. 9039-11 is hereby further amended as follows:

D. Article III, Section 5 (Retiree Medical Fund) is amended to read as follows:

a. Annual Payment

Commencing with 2011, during the month of January each year, the City will calculate the value of 2.00% of salary and pay that amount toward an Association retiree medical trust fund on an ongoing basis. In so doing, the Association warranted that there were no legal barriers to the validity of the trust fund or to payment by the City to such a trust fund, and that by making any such payment, the City would assume no obligation or liability to the trust fund or its beneficiaries, or to the Association.