



POLICE MANAGEMENT MOU EXTENSION

April 24, 2012

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The third item is that this amendment authorizes "employee buyouts" on the same terms already provided to non-union City employees. This option enables full-time employees to voluntarily resign their position, and waive any claims and property rights to their position, in exchange for a cash payment. Payments of \$35,000 or 35% of base salary, whichever is higher, is recommended. Based on discussions with members, two will, if offered, take the buyout. The Police Chief has indicated he will keep these two positions vacant for FY 12-13 and beyond, if necessary. Achieving these savings is a critical component of the Police Department's plan for reaching its budget reduction goal for next fiscal year.

FINANCIAL IMPACT

As noted above, deletion of the 2% COLA for sworn police and police management is expected to save some \$427,000. The net savings from the two employee buyouts described above is an additional \$544,000.

RECOMMENDED ACTION

- Adopt the attached Resolution providing for the fourth amendment to the Memorandum of Understanding with the Garden Grove Police Management Association with the attendant changes contained therein; and
- 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 MANAGEMENT ASSOCIATION AND THE CITY OF  
GARDEN GROVE

WHEREAS, the City Council of the City of Garden Grove understands the need for increased cost savings to close a deficit between revenues and expenditures in an expeditious fashion;

WHEREAS, the Garden Grove Police Management Association shares this concern and believes a solid fiscal foundation to be essential to its member's well-being;

WHEREAS, the Garden Grove Police Management Association and City Management have met and conferred in good faith on joint solutions to this pressing need; and

WHEREAS, the Garden Grove Police Management Association and City Management have reached tentative agreement on changes to the Memorandum of Understanding to insure a financially-sound future.

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 Management Association and the City of Garden Grove as approved and adopted by the City Council in Resolution 8922-09 and subsequently amended by Resolutions 8959-10 and 9040-11, is hereby further amended as follows:

Section 3: Salary Range Schedule for Police Management Classifications for Fiscal Years 2009-2010, 2010-2011, 2011-2012 and 2012-2013

A. First Year: (July 1, 2009 – June 30, 2010)

The City shall provide no (0%) salary increase during the first year, fiscal year 09-10.

B. Second Year: (July 1, 2010 – June 30, 2011)

The City shall provide no (0%) salary increase during the second year, fiscal year 10-11.

C. Third Year: (July 1, 2011 – June 30, 2012)

The City shall provide a 1.4% salary increase to the classifications of Police Lieutenant and Police Captain to be effective the first full pay period after July 1, 2011.

D. Fourth Year: (July 1, 2012 – June 30, 2013)

The City shall defer any salary increase during the fourth year, fiscal year 12-13, except as provided herein.

Section 4: Fringe Benefits, Part C, is amended to include a new subpart: Subpart vi – Retirement Pay Adjustment, which shall read as follows:

vi. Retirement Pay Adjustment

Members who are age 49 or older may elect to provide "terminal retirement notice" of their commitment to retire upon a date certain no more than one (1) year into the future. Upon such notice, the base salary of said member shall be raised by 2%. This increased base pay shall continue until the member's retirement date but in no case shall be more than 26 pay periods. If, for any reason, the member does not retire on the date indicated or at the end of 26 pay periods, the member will be returned to his previous salary level (i.e., minus 2%). Both City and Union agree that this subsection shall expire on June 29, 2013.

Section 4: Fringe Benefits, Part D, Subpart i – Retiree Medical Contribution, shall read as follows:

- i. Effective July 1, 2000, the City shall contribute to the Police Association Retiree Medical Trust Fund (or a similar retiree medical premium plan) an amount equal to the average annual cost, but not to exceed 1% of salary for the positions of Police Lieutenant or Police Captain. The salary total for the positions of Police Lieutenant and Police Captain will be, for the purposes of this calculation only, increased by 2%. The City will make this contribution beginning with calendar year 2000. In doing so, the Police Management Association warrants that there are 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 alternative plan)

or its beneficiaries, or to the Police Management Association.

A new Section 6.5 is added to read as follows:

Full-time Police Management employees may be offered a "buyout," which is defined as the payment of \$35,000 or 35% of an employee's base pay, whichever is greater, in exchange for said employee's voluntary resignation and release of all property rights in his employment, and a waiver of all claims relating to such employment and the termination thereof, if any, against the City. Such buyout will be subject to deductions and treated as taxable income pursuant to IRS regulations. The time period or periods for which this buyout is offered will be at the discretion of the City Manager. The City Manager or his designee shall notify in advance all employees eligible to participate in the buyout program of the program's commencement and termination dates.

To the extent permitted under the laws and regulations of the California Public Employees' Retirement System (PERS), it is the intent of the City of Garden Grove that any Police Management employee may avail themselves of this buyout, if eligible, or the Two Years Additional Service Credit ("Golden Handshake"), permitted pursuant to Government Code section 20903, if offered, but not both.

Temporary, part-time, limited term and interim employees are not eligible to participate in the Employee Buyout. PERS Retired annuitants working part-time pursuant to Government Code §21221 or Government Code §21224 are also not eligible to participate in the Employee Buyout.