

City of Garden Grove
INTER-DEPARTMENT MEMORANDUM

To:	Matthew J. Fertal	From:	John D.R. Clark
Dept:	City Manager	Dept:	Human Resources
Subj:	AMENDMENT TO MEMORANDUM OF UNDERSTANDING WITH THE ORANGE COUNTY EMPLOYEES' ASSOCIATION (OCEA)	Date:	October 23, 2012

OBJECTIVE

The California Public Employees' Retirement System (PERS) conducted an audit of the City's contract in late 2011, with their final audit report issued in June, 2012. While the audit generally found us to be in good compliance with applicable statutes and regulations, PERS did direct the City to make several changes of a ministerial nature to its procedures. The recommended action, if adopted, would insure Garden Grove's continued compliance.

BACKGROUND

The City Council may recall that on October 11, 2011, it formally adopted the employee salary schedule and list of assignment pays in compliance with California Code of Regulations (CCR) §570.5 and CCR §571. From time to time it is necessary to amend either the salary schedule or assignment pays list to take into account changes in the staffing or operations of the City, particularly when we are in a period of downsizing, as we are now. CCR §570.5 and §571 require City Council approval for these changes. The first section of the amendment adds "Temporary Upgrade Pay" to the list of approved assignment pays.

The second change is to adopt the language demanded by PERS concerning uniforms. The City buys uniforms for the members of this union, notably Police Dispatchers, Police Records Clerks, and Community Service Officers. The City buys the uniforms for the employees and reports this value to PERS every pay period, as required by Government Code § 20636 (c)(6). The PERS Audit cited Government Code § 20160 in directing the City and union to adopt the specific language contained herein.

FINANCIAL IMPACT

The recommended amendments represent no change in existing City practice and expenditure, and will have no fiscal impact.

RECOMMENDED ACTION

That the City Council take the following action:

- Approve the attached Resolution amending the City's Memorandum of Understanding with the Orange County Employees' Association.



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

Attachment: Proposed 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 2009-2012, AS AMENDED, BY AND BETWEEN
THE GARDEN GROVE EMPLOYEES' ASSOCIATION AND THE CITY OF
GARDEN GROVE

WHEREAS, the California Public Employees' Retirement System (CalPERS) conducted an audit of the City of Garden Grove in 2011;

WHEREAS, CalPERS issued a final audit report in June, 2012 indicating general satisfaction with the City's reporting to CalPERS, but also noting several corrections to be made pursuant to California Code of Regulations (CCR) Section 570.5 and Section 571, pertaining to the specific elements of compensation that are reportable to CalPERS;

WHEREAS, the City of Garden Grove wishes to bring the City into full compliance by adopting the corrective actions listed in the CalPERS audit with all deliberate speed, which include making specific amendments to labor union contracts and resolutions, as appropriate; and

WHEREAS, the Garden Grove Employees' Association ("OCEA") shares with the City the goal of bringing the City in general and their union in particular into full compliance with the CalPERS audit.

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 2009-2012, by and between the Garden Grove Employees' Association and the City of Garden Grove as approved and adopted by the City Council in Resolution No. 8881-09 and subsequently amended by Resolution No. 8956-10 and 9107-12 is hereby further amended as follows:

Article II, Section 3.1 is added and reads as follows:

3.1 TEMPORARY UPGRADE PAY

Temporary Upgrade Pay of five-percent (5%) above base salary may be paid to employees who are required to work in an upgraded position or classification for a limited duration.

Article VI, Section 3 is amended to read as follows:

3. UNIFORMS

Employees may be required to wear uniforms issued by the City if so determined by their respective department director(s). The City will replace uniforms due to normal wear.

The cost of uniforms shall not constitute compensation for purposes of the regular rate calculation under the Fair Labor Standard Act. This policy shall remain in effect unless a change is dictated by applicable law.

The City shall report to CalPERS the monetary value of uniforms and uniform maintenance for those employees required to wear uniforms. The monetary value by classification is listed in Exhibit E, entitled "UNIFORM ALLOWANCE."

Uniform allowance is defined as compensation paid or the monetary value for the purchase, rental and/or maintenance of required clothing, including clothing made from specially designed protective fabrics, which is a ready substitute for personal attire the employee would otherwise have to acquire and maintain.

2. The Director of Human Resources is directed to effect, at his earliest opportunity, whatever procedural changes are necessary to implement this Resolution.

EXHIBIT "E"

EMPLOYEE'S ASSOCIATION UNIFORM ALLOWANCE

<u>TITLE</u>		<u>REPORTED TO PERS EACH PAY PERIOD</u>
POLICE RECORDS SPEC	\$	5.54
POLICE RECORDS SHIFT SUPER	\$	5.54
PUB SAFETY DISPATCHER	\$	5.54
COMMUNICATIONS SHIFT SUPER	\$	5.54
COMMUNITY SERVICE OFFICER	\$	5.54
WATER QUALITY TECHNICIAN	\$	11.22
FIRE PREVENTION TECH	\$	24.27
SR WATER QUALITY TECH	\$	13.16
FIRE PROTECTION SPEC	\$	24.27
SR FIRE PROTECTION SPEC	\$	24.27
SPECIAL OFFICER	\$	13.33
POLICE RECRUIT	\$	13.33