

**City of Garden Grove**  
**INTER-DEPARTMENT MEMORANDUM**

<b>To:</b>	Matthew J. Fertal	<b>From:</b>	John D.R. Clark
<b>Dept:</b>	City Manager	<b>Dept:</b>	Human Resources
<b>Subj:</b>	AMENDMENT TO MEMORANDUM OF UNDERSTANDING WITH THE ORANGE COUNTY EMPLOYEES' ASSOCIATION - EMPLOYEES' LEAGUE CHAPTER (LEAGUE)	<b>Date:</b>	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 field workers for the Public Works Department. 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.

AMENDMENT TO THE MEMORANDUM OF UNDERSTANDING  
WITH THE ORANGE COUNTY EMPLOYEES' ASSOCIATION –  
EMPLOYEES' LEAGUE CHAPTER (LEAGUE)  
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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 – Employees' League Chapter.



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

Attachment: Proposed Resolution

**Recommended for Approval**



**Matthew Ferial**  
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' LEAGUE CHAPTER OF THE ORANGE COUNTY 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' League Chapter of the Orange County Employees' Association ("OCEA Employees' League") 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:

1. The Memorandum of Understanding on Salaries, Wages and Fringe Benefits 2009-2012, by and between the OCEA Employees' League and the City of Garden Grove as approved and adopted by the City Council in Resolution 8879-09 and subsequently amended by Resolution 8957-10, and 9108-12 is hereby further amended:

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 9 is amended to read as follows:

- a. The City provides uniforms for the purpose of safety and identification. All employees who are required to wear uniforms issued by the City must wear the complete uniform (pants, shirt, and safety shoes) during working hours. A clean uniform shall be worn each work day maintaining a neat appearance to the extent possible. City emblems shall not be removed nor shall uniforms be worn during off-duty hours. Uniforms, or other approved attire, shall remain consistent with the department's standard and guidelines.
  - b. *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.*
  - c. *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 G, entitled "UNIFORM ALLOWANCE."*
  - d. *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 "G"**

**EMPLOYEE'S LEAGUE UNIFORM ALLOWANCE**

<b>TITLE</b>	<b>REPORTED TO PERS EACH PAY PERIOD</b>	
RECREATION SPEC I	\$	9.66
RECREATION SPEC III	\$	9.66
TRAFFIC SIGNAL ELECTRICIAN	\$	9.66
PARK MAINTENANCE WKR	\$	9.66
SR PK MAINTENANCE WKR	\$	9.66
UTILITY WORKER	\$	9.66
ST MAINTENANCE WORKER	\$	9.66
SR TRAFFIC SIGNAL ELECTR	\$	9.66
HEAVY EQUIP OPERATOR	\$	9.66
MAINT REPAIR WORKER	\$	9.66
MAINT REPAIR HELPER	\$	9.66
SR ST MAINT WORKER	\$	9.66
EQUIPMENT SERV WORKER	\$	9.66
EQUIPMENT MECHANIC	\$	9.66
WATER SERVICE WORKER	\$	9.66
SR WATER SERV WORKER	\$	9.66
WATER PRODUCTION ELECT	\$	9.66
WATER PROD OPER	\$	9.66
SR WATER PROD OPER	\$	9.66
WATER PRODUCTION MECHANIC	\$	9.66
CUSTODIAN	\$	9.66
STOREKEEPER	\$	9.66
STOCK CLERK	\$	9.66
SEWER MAINT WORKER	\$	11.32