

is exceedingly rare for police officers to retire without 1,000 or more sick leave hours, we estimate this change to have a *de minimis* effect.

The new MOU also addresses Public Employees' Pension Reform Act (PEPRA) requirements by defining "classic" members (those in PERS as of 12/31/2012) and "new" members, and by bringing classic members up to the maximum member contribution of 12% from the present 9%. The proposed MOU would require classic members to begin paying the 12% member contribution on June 30, 2015 (essentially at the end of the contract). To offset this increased member contribution, the salary range will be adjusted by three percent (3%) on the same day. Because these are offsetting amounts, staff is not counting this as a general salary increase in the same vein as the "2 and 2" referred to above.

FISCAL IMPACT

The total cost to base salary of the two two-percent raises (2% in January, 2014 and 2% in July, 2014) totals about \$63,350.

As to the increase of the employee member contribution from 9% to 12% offset by changing the salary range by 3%, this will result in a concomitant *decrease* in our PERS employer contribution, making it *essentially* a wash. However, because Union members' base salary will be increasing by 3% (even if they never see that increased 3% because it will be paid to PERS), there will be increased cost for retirement cashouts because they will now be based on salary ranges that are 3% higher. Based on the past few years, the increased cashout cost will add another \$2,000 to \$3,000 annually. Do note that these increased costs will not occur until the end of the contract, i.e., June 2015 onward.

Since management Union members are overtime exempt, this exchange will not increase overtime costs.

RECOMMENDATION

It is recommended that the City Council take the following actions:

- Adopt the attached resolution and memorandum of understanding with the Garden Grove Police Management Association for the term of July 1, 2013 through June 30, 2015;
- Authorize the Director of Human Resources to make corrections of a technical or ministerial nature to the final MOU document; and

- Authorize the Director of Human Resources to implement the provisions of the attached resolution and memorandum of understanding with all deliberate speed.
- Appropriate \$63,000 (GF) to cover the cost of the negotiated 2% salary increase effective January 2014.



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

- Attachments:
1. Proposed Resolution
 2. Proposed Memorandum of Understanding

Recommended for Approval



Matthew Fertal
General Manager

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GARDEN GROVE APPROVING THE MEMORANDUM OF UNDERSTANDING ON SALARIES, WAGES, AND FRINGE BENEFITS FOR THE TERM 2013-2015 BY AND BETWEEN THE GARDEN GROVE POLICE ASSOCIATION AND THE CITY OF GARDEN GROVE AND RESCINDING RESOLUTION NO.8922-09, RESOLUTION NO. 8959-10, RESOLUTION NO. 9040-11, RESOLUTION NO. 9105-12, RESOLUTION NO. 9111-12, RESOLUTION NO. 9150-12 AND RESOLUTION NO. 9161-13

THE CITY COUNCIL OF THE CITY OF GARDEN GROVE DOES HEREBY RESOLVE:

1. That the Memorandum of Understanding on Salaries, Wages, and Fringe Benefits 2013-2015, by and between the Garden Grove Police Management Association and the City of Garden Grove, and signed by the President on behalf of the Garden Grove Police Association, and the Human Resources Director on behalf of the City of Garden Grove, is hereby approved.
2. That Resolution No.8922-09, Resolution No. 8959-10, Resolution No. 9040-11, Resolution No. 9105-12, Resolution No. 9111-12, Resolution No. 9150-12 and Resolution No. 9161-13 are hereby repealed.

Adopted this 14th day of January, 2014.

Bruce A. Broadwater
MAYOR

Attest:
Kathy Bailor, CITY CLERK

CITY OF GARDEN GROVE
MEMORANDUM OF UNDERSTANDING
PURSUANT TO THE CALIFORNIA MEYERS-MILIAS-BROWN ACT
BY AND BETWEEN
THE GARDEN GROVE POLICE MANAGEMENT ASSOCIATION
AND
THE CITY OF GARDEN GROVE
2013-2015

THIS MEMORANDUM OF UNDERSTANDING has been prepared pursuant to Resolution No. 4066-71, as amended, of the City of Garden Grove, which Resolution is generally identified as the "EMPLOYEE RELATIONS RESOLUTION" and the Government Code Sections 3500 through 3510, as amended, which is generally referred to as the Meyers-Milias-Brown Act.

This Agreement has been developed as a result of the requests of the Garden Grove Police Management Association. The items in this Agreement are subject to the approval of the City Manager and the City Council of the City of Garden Grove and will be placed into effect upon the taking of administrative action by the City Manager's Office and the adoption of the necessary ordinances and resolutions by the City Council, if acceptable to them, in accordance with the terms and conditions hereinafter set forth.

For simplicity of language and usage, whenever the male pronoun is used, it shall be assumed to apply to both genders.

The term of this Memorandum of Understanding shall be from July 1, 2013 through June 30, 2015.

POLICE MANAGEMENT ASSOCIATION/CITY
MEMORANDUM OF UNDERSTANDING

2013-2015

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SECTION 1: MANAGEMENT RECOGNITION AND MANAGEMENT RIGHTS

- A. This Memorandum of Understanding (MOU) establishes wages, benefits, terms and conditions of employment for the Police Management classifications of Police Lieutenant, Police Captain, and Deputy Chief of Police as an assignment pay designation for a person holding permanent rank as Police Captain.
- B. All management rights and functions except those which are clearly and expressly limited in this MOU shall remain vested exclusively in the City. It is expressly recognized merely by way of illustration and not by way of limitation that such rights and functions include, but are not limited to:
- i. Manage the City
 - ii. Establish and schedule working hours.
 - iii. Establish, modify, or change work schedules or standards.
 - iv. Institute changes in procedures.
 - v. Direct the work force, including the right to hire, promote, demote, transfer, suspend, discipline or discharge any employee.
 - vi. Determine the location of any new facilities, buildings, departments, divisions, or subdivisions thereof, and the relocation, sale, leasing or closing of facilities, departments, divisions, or subdivisions thereof.
 - vii. Determine services to be rendered and frequency thereof.
 - viii. Determine the layout of buildings and equipment and materials to be used therein.
 - ix. Determine processes, techniques, methods, and means of performing work.
 - x. Determine the size, character and use of inventories.
 - xi. Determine financial policy including accounting procedure; establish and administer the fiscal year budget.
 - xii. Determine the administrative organization of the City including those of departments, divisions, bureaus, units, and other subdivisions.
 - xiii. Determine selection, promotion, or transfer of employees.
 - xiv. Determine the size and characteristics of the work force.
 - xv. Determine the allocation and assignment of work to employees.
 - xvi. Determine policy affecting the selection of new employees.
 - xvii. Determine the establishment of quality and quantity standards and the judgment of quality and quantity standards of work required.
 - xviii. Determine administration of discipline.
 - xix. Determine control and use of City property, materials, and equipment.
 - xx. Schedule work periods and determine the number and duration of work periods.
 - xxi. Establish, modify, eliminate or enforce rules and regulations.
 - xxii. Place work with outside firms.
 - xxiii. Determine the kinds and numbers of personnel necessary to execute the City mission.

- xxiv. Determine the methods and means by which such operations are to be conducted.
- xxv. Require employees, where necessary, to take in service training courses during working hours.
- xxvi. Determine duties to be included in any job classifications.
- xxvii. Take any necessary action to carry out the mission of the City in cases of an emergency, urgency, or other unusual situations.
- xxviii. Prescribe a uniform dress to be worn by designated employees.

The exercise of the foregoing powers, rights, authority, duties, and responsibilities by the City, adoption of policies, rules, regulations, and practices in furtherance thereof, and the use of judgment and discretion in connection therewith, shall be limited only by the specific and express terms of this MOU, and then only to the extent such specific and express terms are in conformance with law. As pursuant to the law, all subjects, in relation to wages, hours, and working conditions will continue to be the subject of meet and confer or meet and consult, whichever is applicable.

- C. All provisions for wages, hours, fringe benefits, terms and conditions of employment not specifically enumerated herein shall continue to be provided in the same amount, time, place, and manner as was done during the period of the prior Police Management Resolution.

SECTION 2: SALARY RANGE MERIT STEP ELIGIBILITY

Step increases for individual employees are granted in recognition of merit. The normal time intervals between the steps are as follows:

<u>Employment at Step A</u>	
Step A to Step B.....	Six months
Step B to Step C.....	One year
Step C to Step D	One year
Step D to Step E.....	One year
Step E to Step F	One year
Step F to Step G.....	One year

SECTION 3: SALARY RANGE SCHEDULE FOR POLICE MANAGEMENT
CLASSIFICATIONS FOR FISCAL YEARS 2013-2014 and 2014-2015

A. First Year

The City will provide a two percent (2%) salary increase in the first year, fiscal year 13-14, to be effective the first full pay period after January 1, 2014.

B. Second Year

The City will provide a two percent 2% salary increase in the second year, fiscal year 14-15, to be effective the first full pay period after July 1, 2014.

SECTION 4: FRINGE BENEFITS

A. Fringe Benefit Contribution

- i. All Police Management Association (hereinafter "Association") employees must enroll in one of the PERS health program plans, unless they submit to the City both (1) proof of health coverage and (2) sign a health insurance waiver. Employees who fail to complete both requirements shall not be allowed to utilize their cafeteria plan contributions for any other eligible plans.
- ii. Association employees shall be provided the following cafeteria amounts each month: Employee only: \$465; Employee + One Dependent: \$925; Full Family: \$1,200.
- iii. An Association employee who selects the option of not enrolling in one of the PERS plans and who meets the conditions outlined in subsection A above, shall receive a \$200.00 per month credit either payable in cash or contributed to the employee's account with the City's deferred compensation plan. This credit shall be provided to such employee once a year in the month of December.

B. Tuition Reimbursement

Police Lieutenants, Police Captains and Deputy Chiefs are eligible to participate in the Tuition Reimbursement Program offered to other management employees.

C. Retirement

- i. The City currently contracts with PERS to provide the following benefit to the Police Safety retirement plan.

- a) Section 21362.2 (3% at 50 Full formula for local Police Safety members).
 - b) Section 20024.2 (Highest Year).
 - c) Section 20862.8 (Credit for Unused Sick Leave).
 - d) Sworn Public Safety management employees pay the entire "Employee Contribution."
- ii. At the time of an Association member's retirement, the City shall pay to him an amount equal to 100% of his total accumulated but unused sick leave hours, provided that the 100% pay out under this provision may be applied to no more than 750 hours accumulated but unused sick leave. The remaining accumulated but unused sick leave hours will be used toward the extension of his service period under the PERS retirement system, subject to Government Code Section 20862.8.
 - iii. Association members who commenced full-time, regular service (i.e., not Reserve) as a Police Officer prior to January 1, 1985, shall not be subject to the 1,000-hour cap referred to above.
 - iv. Association members who hold a permanent appointment as a Police Lieutenant or Police Captain on July 1, 2009 and who commenced full-time, regular service (i.e., not Reserve) as a Police Officer after January 1, 1985 shall receive an amount equal to 75% of his total accumulated but unused sick leave hours, provided that the 75% pay out under this provision may be applied to no more than 1,000 hours accumulated but unused sick leave, and said member shall receive an additional amount equal to 50% of his total accumulated but unused sick leave hours for any hours of accumulated but unused sick leave in excess of 1,000 hours.
 - v. At the request of the Association member, 100% of accumulated but unused sick leave hours may be used toward the extension of his service period under PERS Section 20862.8 and no payout will occur.
 - vi. Pursuant to the Public Employees' Pension Reform Act ("PEPRA," AB 340, Laws of 2012), persons who were not members of the Public Employees' Retirement System (PERS) or another California public retirement system which has effected reciprocity with PERS as of December 31st, 2012, or who were part of such a plan but have had a break in service of more than six months are considered new members under PEPRA and will be subject to the provisions contained therein notwithstanding any other provision of this Agreement.
 - vii. Pursuant to Government Code § 20516.5, unit members defined by PEPRA as "classic members" (meaning those persons who were members of PERS or a reciprocal California public retirement system as of December 31, 2012 or were part of such a plan within the prior six months of being employed by the City) shall commence paying a PERS member contribution of twelve percent (12%) on June 30, 2015. For the

convenience of payroll processing, this may be implemented in the first full pay period following June 30, 2015, and have the same effect as if implemented on June 30, 2015. To offset this increased member contribution, the salary range for all represented classifications (applying to both "classic" and new employees) in this unit shall be increased by three percent (3%) on June 30, 2015. For the convenience of payroll processing, this may be implemented in the first full pay period following June 30, 2015, and have the same effect as if implemented on June 30, 2015.

- viii. During the term of this Agreement, either the City or the Association may request to meet and confer (i.e., reopener) on the issue of payout of sick leave upon retirement.

D. Retiree Medical Contribution

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 1.6% 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%. 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.

E. Additional Fringe Benefits

Increases of additional fringe benefits made for the Police Association members shall also be provided to the Police Management Association.

F. Sick Leave

Association members shall accrue sick leave at the rate of ten (10) hours per month.

G. Uniforms

The City shall provide up to four work uniforms per year on an as-needed basis. 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 A, 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.

H. Holidays

i. General Provision

Effective January 1, 2013, each Association employee will receive ten (10) hours of pay in-lieu of holiday leave for each of the eleven (11) holidays as designated below in subsection H (iv). This additional compensation will be paid as the holiday occurs and shall be reported to PERS as Special Compensation pursuant to Title 2, Division 1, Chapter 2 of the California Code of Regulations, specifically § 571 (a)(5) – Statutory Items, Holiday Pay.

ii. Part-Year Employment

An Association employee who commences employment at a time other than the beginning of a calendar year shall only be entitled to receive those holidays described in subsection H (iv) that occur during the period actually worked.

iii. Effect of Unpaid Leave of Absence

An employee who is on an unpaid leave of absence during any holiday designated in subsection H (iv) is not entitled to receive any holiday benefits for that holiday.

iv. Designated Holidays

January 1st (New Year's Day)
Third Monday of February (President's Day)
Last Monday of May (Memorial Day)
July 4th (Independence Day)
First Monday in September (Labor Day)
November 11th (Veteran's Day)
Fourth Thursday in November (Thanksgiving Day)
The Day after Thanksgiving
December 24th (Christmas Eve)
December 25th (Christmas Day)
December 31st (New Year's Eve)

v. Holiday – End of Year Cash Out

Any portion of the annual holiday hours not used at the end of the calendar year will be relinquished in return for a cash payment equal to the value of those benefits based upon the employee's hourly rate of pay in effect on December 31 of the calendar year in question.

SECTION 5: ADMINISTRATIVE LEAVE

The Police Management positions listed in this MOU shall be exempt from all overtime provisions contained in the Municipal Code or in any Memorandum of Understanding in the group(s) supervised, except as specifically authorized by the City Manager.

Employees in Police Management positions shall receive forty (40) hours of Administrative Leave each January. Upon the Police Chief's recommendation, the City Manager may approve additional Administrative Leave hours, not to exceed forty (40) hours, for employees involved in additional major projects or assignments. The granting of additional leave time shall be at the sole determination of the City Manager.

Administrative Leave cannot be cashed out at any time. No employee may have more than eighty (80) hours of Administrative Leave time on the books at any time without the City Manager's approval. All Administrative Leave granted in a calendar year must be used by the end of the same calendar year, or it is forfeited. The City Manager shall establish procedures for employees who are hired or who terminate during a calendar year.

SECTION 6: EXEMPT POLICE MANAGEMENT CLASSES

All classes listed in this Police Management MOU shall be designated as exempt and be considered to be exempt from the provisions of the Municipal Code Section 2.44.390 and from the provisions of the Fair Labor Standards Act (FLSA) except as determined by the City Manager.

The appointment and removal of Division heads are governed by the Municipal Code Section 2.08.100.

Those employees who have used all their accrued leave benefits and are absent for less than one (1) day shall not have that time treated as an absence without pay.

Employees in this category shall be subject to disciplinary actions involving unpaid time off in accordance with FLSA regulations.

SECTION 7: EFFECTIVE DATE AND TERM

The provisions of this MOU shall be effective July 1, 2013 - June 30, 2015 unless extended by mutual agreement or superceded by subsequent Resolution or Ordinance.

DATED: January 14, 2014

FOR THE CITY OF GARDEN GROVE:

FOR THE GARDEN GROVE POLICE
MANAGEMENT ASSOCIATION:

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

Lt. JOHN J. KEELY
President

LAURA J. STOVER
Human Resources Manager

Lt. TED H. PEASLEE
Board Member

POLICE MANAGEMENT ASSOCIATION/CITY
MEMORANDUM OF UNDERSTANDING
2013-2015
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