

GARDEN GROVE CITY COUNCIL

RESOLUTION NO. 9108-12

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 BY AND BETWEEN THE GARDEN  
GROVE EMPLOYEES' LEAGUE CHAPTER OF THE ORANGE COUNTY EMPLOYEES'  
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 Employees' League Chapter of the Orange County Employees' Association (hereinafter "OCEA Employees' League") shares this concern and believes a solid fiscal foundation to be essential to its member's well-being;

WHEREAS, the OCEA Employees' League and City Management have met and conferred in good faith on joint solutions to this pressing need; and

WHEREAS, the OCEA Employees' League 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 2009-2012, by and between the OCEA Employees' League and the City of Garden Grove as approved and adopted by the City Council in Resolution No. 8879-09 and subsequently amended by Resolution No. 8957-10 is hereby further amended as follows:

- A. Article I, "Recognition and Rights," is amended to include new Sections 15 and 16, to read as follows:

15. TERM OF AGREEMENT

- Notwithstanding any other provision contained herein, the term of this Memorandum of Understanding, as amended, shall be October 1, 2009 through June 30, 2014.

16. RATIFICATION

The amendatory provisions contained herein shall only become effective upon approval of a majority of members of the OCEA Employees' League and the adoption of this Resolution by the Garden Grove City Council.

B. Article II, Section 1 ("Wages") is amended to read as follows:

1. WAGES

a. Fiscal Year 2009-10 (October 1, 2009 through June 30, 2010)

The City provided no (0%) salary increase during fiscal year 2009-10.

b. Fiscal Year 2010-11 (July 1, 2010 through June 30, 2011)

The City provided no (0%) salary increase during fiscal year 2010-11.

c. Fiscal Year 2011-12 (July 1, 2011 through June 30, 2012)

The City provided a 2% salary increase to all represented classifications listed in Exhibit A to be effective the first full pay period after July 1, 2011.

d. Fiscal Year 2012-13 (July 1, 2012 through June 30, 2013)

The City will provide no (0%) salary increase during fiscal year 2012-13.

e. Fiscal Year 2013-2014 (July 1, 2013 through June 30, 2014)

i) 4% Furlough Reduction Recapture

In order for union members to recapture a portion of their pay lost through the employee furlough (see herein), the City authorizes a 4% recapture, to be provided as follows:

1. The City will provide a 2% increase to all represented classifications listed in Exhibit A to be effective the first full pay period following January 1, 2014.

2. The City will provide an additional 2% increase to all represented classifications listed in Exhibit A to be effective the next full pay period following groundbreaking for either the "Waterpark Hotel" or the "Site C Hotel," whichever occurs first, but in no event before January 1, 2014.

ii) Should neither the "Waterpark Hotel" nor the "Site C Hotel" break ground by June 30, 2014, no increase shall be owed.

C. Article II, "Salary and Compensation" is amended to include new Sections 16 and 17, to read as follows:

16. EMPLOYEE FURLOUGH

Union explicitly agrees that the City may impose a furlough of eight (8) hours per month, during the remainder of Fiscal Year 11-12 (May, 2012 and June, 2012), and thereafter a furlough of eight (8) hours per month, ninety-six (96) hours per year, during Fiscal Year 12-13 and Fiscal Year 13-14. A furlough is defined as a period of unpaid time during which an employee must not work and not "cover" with any form of paid time, except as provided herein. This has the effect of reducing an employee's work month by eight (8) hours, and reducing their compensation by a proportionate amount. The time, place and manner of the furlough shall be solely at the discretion of the Director of Human Resources.

If the furlough is suspended, cancelled, or modified so as to reduce its effect on employees in the non-union Middle Management and/or Central Management units, the same provisions will be extended to employees in classifications listed in Exhibit A at the beginning of the pay period following such change.

17. PARITY

In the context of salary and benefit reductions to address the current fiscal crisis, the City agrees to maintain a parity impact to all units, represented and non-represented, to the greatest degree possible. This parity may be measured on a department basis, a bargaining unit basis, employee basis, or some combination thereof.

D. Article III, "Fringe Benefits" is amended to include new Sections 14, 15, and 16, to read as follows:

14. "GOLDEN HANDSHAKE" AND "EMPLOYEE BUYOUT"

As soon as reasonably practical under CalPERS rules, the City agrees to offer the CalPERS "Two-Year Additional Service Credit" program (aka, "Golden Handshake") to eligible employees in classifications listed in Exhibit A. Before or after the Golden Handshake is offered, the City shall also offer a "Voluntary Incentive Program" (aka, "Employee Buyout") for full-time, permanent employees in classifications listed in Exhibit A to voluntarily resign their position and waive all present and future claims against the City in exchange for a one-time taxable payment of \$35,000 or 35% of salary, whichever is greater. Employees in classifications listed in Exhibit A who take the Employee Buyout shall receive an amount equal to 50% of his total accumulated but unused sick leave hours, provided that the 50% payout under this provision may be applied to no more than 1,000 hours of accumulated but unused sick leave. An employee may not receive both the Golden Handshake and the Employee Buyout, and the union consents to the Director of Human Resources taking reasonable steps to avoid this occurrence.

15. ACCRUAL PROTECTION DURING FURLOUGH

There will be no impact to any benefit accrual during any pay period in which there is a scheduled furlough.

16. CalPERS "2% @ 60" BENEFIT FORMULA

Notwithstanding any other provision contained herein or in the Memorandum of Understanding, as amended, the union agrees not to oppose the City amending its contract with PERS to provide new "Miscellaneous" employees in classifications listed in Exhibit A the CalPERS "2% at 60" formula. Such amendment will be effective no earlier than July 1, 2013.

City agrees to actively seek, to the greatest degree feasible, pension tier reductions with all Safety bargaining units during the remaining term of this Memorandum of Understanding, i.e., May, 2012 through June 30, 2014.

E. Article IV, Section 4 ("Callback Pay") is amended to read as follows:

4. CALL BACK

Off-duty employees recalled to work shall receive compensation at time and one-half their regular hourly rate for a minimum of two (2) hours, but shall not receive more than two (2) hours of compensation at time and one-half for any two (2) hour period. Call back pay on a

scheduled furlough day will be paid at a rate of time and one-half. Being called back on a scheduled furlough day is defined as being called into work with less than 24 hours notice to the affected employee. Otherwise, time and one-half will only be paid after 40 paid hours in a week.

- F. Article IV, Section 5 ("Standby Pay") and Section 6 ("Standby – Chlorine Gas Response Team") are amended to read as follows:

5. STANDBY

An employee may be assigned to be on standby from Wednesday afternoon to the following Wednesday morning. During the week which Fridays are scheduled off (due to the 9/80 schedule), the employee scheduled to work standby commencing on that Wednesday, will have their work schedule adjusted to accommodate the forty (40) hour work week.

For being on standby, an employee is paid a total of four (4) hours of straight time for the five (5) work days and eight (8) on each day of the weekend. If a holiday occurs during a standby period, an employee shall receive eight (8) hours of straight time instead of one (1) hour for that day. Standby on a scheduled furlough day will entitle an employee to eight (8) hours of straight time, same as a holiday/weekend day.

6. STANDBY – CHLORINE GAS RESPONSE TEAM

Effective December 18, 2004, the employee assigned to standby for the Chlorine Gas Response Team from Wednesday afternoon to the following Wednesday morning shall be paid a total of one (1) hour for each regular work day and eight (8) hours for each day of the weekend (Saturday and Sunday). This will total twenty-one (21) hours of standby pay for a regular week of standby. Employees assigned to standby for the shortened work week will receive one (1) hour for each regular work day and eight (8) hours for each weekend day (Saturday, Sunday and the off-Friday). This will total twenty-eight (28) hours for the shortened week of standby. All employees on the Chlorine Gas Response Team standby will work the same 9/80 schedule as other water employees not assigned to any other standby schedule. Employees assigned to standby for the furlough work week will receive one (1) hour for each regular work day and eight (8) hours for the furlough day and weekend days (Saturday and Sunday). This will total twenty-eight (28) hours for the furlough week of standby.

G. Article V, Section 1 (“Vacation Leave”) is amended to add a new Subsection I, to read as follows:

I. Vacation Buy-Back During Periods of Furlough

In addition to the vacation buy-back specified in Subsection k., above, which normally occurs in January, the City will offer additional vacation buy-back opportunities in May and September. Under the provisions of this subsection, which will only apply during periods of furlough as elsewhere defined, Employees in classifications listed in Exhibit A can avail themselves of the vacation buy-back any two times of the three window times offered (i.e., twice in any combination of January, May and September). A “special 1-time vacation buy-back” sellback, which will not count against the 2012 limit, will be offered in June, 2012 and will replace the May, 2012 vacation buy-back.

Employees availing themselves of this benefit must maintain eighty (80) hours of vacation after any vacation buy-back is taken into account (deducted). However, under the terms of this subsection, the requirement to have used eighty (80) hours of vacation in the preceding year is waived from the effective date of this amendment through the end of the term, June 30, 2014, during periods of furlough. This subsection shall expire and cease to have effect when the employee furlough is cancelled or on June 30, 2014, whichever occurs first.

H. Article VIII, “Grievance/Discipline/Layoff/Probationary Period” is amended to include a new Section 8, to read as follows:

8. TEMPORARY NO-LAYOFF CLAUSE

Notwithstanding any other provisions contained in the Memorandum of Understanding, a “layoff” is defined as the separation of an employee from the active workforce due to lack of hours or funds, or the abolition of the position by the City Council. The City agrees that there will be no layoff of full-time employees in classifications listed in Exhibit A during the term of the current MOU and any agreed-upon extension, i.e., from the effective date of this amendment through June 30, 2014.

Adopted this 8<sup>th</sup> day of May 2012.

ATTEST:

/s/ WILLIAM J. DALTON  
MAYOR

/s/ TERESA POMEROY  
DEPUTY CITY CLERK

STATE OF CALIFORNIA    )  
COUNTY OF ORANGE    ) SS:  
CITY OF GARDEN GROVE )

I, TERESA POMEROY, Deputy City Clerk of the City of Garden Grove, do hereby certify that the foregoing Resolution was duly adopted by the City Council of the City of Garden Grove, California, at a meeting held on May 8, 2012, by the following vote:

AYES:           COUNCIL MEMBERS:   (5) BEARD, BROADWATER, JONES, NGUYEN, DALTON  
NOES:           COUNCIL MEMBERS:   (0) NONE  
ABSENT:        COUNCIL MEMBERS:   (0) NONE

/s/ TERESA POMEROY  
DEPUTY CITY CLERK