

GARDEN GROVE CITY COUNCIL

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GARDEN GROVE AMENDING THE MEMORANDUM OF UNDERSTANDING BY AND BETWEEN THE GARDEN GROVE CHAPTER OF THE ORANGE COUNTY EMPLOYEES' ASSOCIATION AND THE CITY OF GARDEN GROVE PERTAINING TO SALARIES, WAGES, AND FRINGE BENEFITS FOR THE TERM 2015-2018

WHEREAS, in anticipation of meeting the Public Employees' Pension Reform Act (PEPRA) mandates, members of the Police Association, Fire Association, Fire Management, Police Management and safety members of the Central Management group received a 3% increased salary range adjustment and the "classic" safety members contribution went up to the maximum member contribution of 12% from 9%;

WHEREAS, at the time that the foregoing groups received the PEPRA adjustments, the Special Officer job classification did not receive the adjustment. Special Officers are members of the Union but designated sworn employees and members of the Public Safety Plan. Because their bargaining group was not in negotiations at that time, four members were not included in the previous PERS "classic" safety member contribution adjustments; and

WHEREAS, the City Council wishes to provide the adjustment to the Special Officer job classification consistent with the adjustments implemented for the other bargaining groups.

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 2015-2017, by and between the Garden Grove Chapter of the Orange County Employees' Association and the City of Garden Grove as approved and adopted by City Council Resolution No. 9334-15 is hereby amended as follows:

A. Article II, Section 1 ("Wage") is amended to add the following.

Effective the first pay period following City Council approval on September 12, 2017, Special Officer Classification will receive a 3% across the board range adjustment.

B. Article III, Section 1 ("Retirement Plan") is amended to read as follows:

1. RETIREMENT PLAN

a. Retirement Formula

- (1) Miscellaneous Unit members who are "classic members" as defined by the Public Employees' Pension Reform Act of 2013 (PEPRA) are covered by the 2.5% @ 55 formula provided by the Public Employee's Retirement Law at Government Code section 21354.4. This formula applies to "classic members" defined as any member hired before December 31, 2012 as well as any member hired after January 1, 2013 who is a lateral hire from another PERS agency, public agency with reciprocity or a member who has had less than a six month break in service from his/her previous public agency employment.
  - i) One-Year Final Compensation option "single highest year" (Government Code section 20042.2).
- (2) Miscellaneous Unit members hired on or after January 1, 2013 who are defined as "new members" under PEPRA, are covered by the 2% @ 62 formula provided for by the Public Employees' Retirement Law at Government Code section 7522.20.
  - ii) Final compensation will be based on the highest annual average pensionable compensation during the 36 consecutive months immediately preceding the effective date of his or her retirement, or some other 36 consecutive month period designated by the member per Government Code section 7522.32(a).
- (3) Safety Unit members (Special Officer) who are "classic members" as defined by the Public Employees' Pension Reform Act of 2013 (PEPRA) are covered by the 3% @ 50 formula provided by the Public Employee's Retirement Law at Government Code section 21362.2. This formula applies to "classic members" defined as any member hired before December 31, 2012 as well as any member hired after January 1, 2013 who is a lateral hire from another PERS agency, public agency with reciprocity or a member who has had less than a six month break in service from his/her previous public agency employment.
  - iii) One-Year Final Compensation option "single highest year" (Government Code section 20042).
- (4) Safety Unit members (Special Officer) hired on or after January 1, 2013 who are defined as "new members" under PEPRA, are covered by the 2.7% @ 57 formula provided for by the Public Employees' Retirement Law at Government Code section 7522.25(d).
  - iv) Final compensation will be based on the highest annual average pensionable compensation during the 36 consecutive months immediately preceding the effective date of his or her retirement, or

some other 36 consecutive month period designated by the member per Government Code section 7522.32(a).

b. EMPLOYEE CONTRIBUTIONS TO THE RETIREMENT SYSTEM

(1) Employees subject to the 2.5%@55 Formula:

These employees shall contribute eight percent (8%) as an employee retirement contributions.

(2) Employees subject to the 2%@62 Formula:

Per the PEPRA and Government Code section 20516.5, these employees shall contribute the statutorily mandated employee contribution rate of one half of the normal cost as determined by CalPERS for the City.

(3) Employees subject to the 3%@50 Formula (Special Officer):

These employees shall contribute twelve percent (12%) as an employee retirement contributions. The twelve percent shall be comprised of nine percent (9%) of compensation earnable as the required CalPERS member contribution and three percent (3%) of compensation earnable per Government Code section 20516(a).

(4) Employees subject to the 2.7%@57 Formula (Special Officer):

Per the PEPRA and Government Code section 20516.5, these employees shall contribute the statutorily mandated employee contribution rate of one half of the normal cost as determined by CalPERS for the City.

The City has adopted the CalPERS resolution in accordance with and as permitted by IRS Code section 414(h)(2) to ensure that the employee contribution is made on a pre-tax basis.