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Date: June 9, 2009

To: Placerville City Council

From: David Mackowiak, Human Resources Practitioners (HRP)

Subject: Approval of Addendum to Memorandum of Understanding (MOU) between the City of Placerville and the Placerville Police Officer Association

Attached for your Council's consideration and approval, is a proposed Addendum to the Memorandum of Understanding between the City and the Placerville Police Officer Association (PPOA).

The City's operating budget is entirely dependent upon the economic conditions that prevail in the community and legislative actions of the State of California. Given the continuing severe economic recession, and its unpredictable impact on the City's budgeted revenues and expenditures, the City and PPOA agreed to a Cost savings Plan which provides for a ten percent reduction in salary beginning May 16, 2009. Employees will receive equivalent time off credits (MTO Time) in return for such reduction. The agreement will extend the current MOU from June 30, 2009 to June 30, 2010.

These are difficult economic times, and the PPOA has agreed to work with the City with this Addendum, and has joined other City employees in making sacrifices to maintain a viable City budget and preserve jobs.

Recommendation:

Approve the attached Addendum to the current Memorandum of Understanding (MOU) between the City of Placerville and the Placerville Police Officer Association and authorize the Mayor and City Manager to sign on behalf of the City.

ADDENDUM TO MEMORANDUM OF UNDERSTANDING

CITY OF PLACERVILLE

AND

PLACERVILLE POLICE OFFICERS ASSOCIATION

Adoption by Placerville City Council

This Addendum to the current 2006-2008 Memorandum of Understanding (MOU), hereinafter referred to as the "Agreement," entered into by the Placerville Police Officer Association hereinafter referred to as "PPOA," and the City of Placerville, herein after referred to as "City," has as its purpose to amend the current MOU as outlined below.

This Addendum to the MOU between subject parties constitutes a mutual recommendation to be jointly submitted to the Placerville City Council on or before June 9, 2009.

It is agreed that this Addendum to the current MOU shall not be binding upon the parties either in whole or in part unless and until said City Council by majority vote, acts formally to approve said Addendum to the MOU.

The City's operating budget is entirely dependent upon the economic conditions that prevail in the community and legislative actions of the State of California. Given the continuing severe economic recession, and its unpredictable impact on the City's budgeted revenues and expenditures, City and PPOA agree to implement the following Cost Savings Plan outlined below.

PPOA and City agree that such Cost Savings Plan shall automatically terminate June 30, 2010, unless specifically extended in writing by the parties.

MANDATORY TIME OFF (MTO)

- (1.) If the City's operating budget during Fiscal Year 2008/2009 and 2009/2010 suffers a forecasted deficit due to forecasted shortfalls in revenues, and/or from legislative action by the State that reduces budgeted revenues and/or increases budgeted expenditures, and/or increases in CalPERS employer contribution rates primarily due to CalPERS investment losses, the following Cost Savings Plan will go into effect for all employees. City and PPOA agree that the City has suffered a loss in revenues as described above based on the forecasted budget deficit for Fiscal Year 2008/2009, and the Cost Savings Plan shall be implemented the pay period beginning May 30, 2009.

- (2.) The City shall calculate the forecasted budget deficit quarterly, and divide such loss by each budgeted position or a portion thereof, to arrive at a percentage amount for each employee. The employee will receive the equivalent mandatory time off (MTO) without pay during the fiscal year. The City and PPOA agree that the initial MTO reduction shall be ten percent (10.00%) of employee's base salary effective May 30, 2009. Such MTO time shall not exceed ten (10.00%) of the employee's base salary. MTO time shall not have any cash value.
- (3.) Such MTO time will be shown on the employee's pay record and shall be used under the same procedures and conditions provided for in the use of vacation time except for the following conditions:
 - a. If the request for MTO time is anticipated to cause overtime costs to be incurred by the City, the Chief of Police may reject such MTO request and ask the officer to reschedule such time.
 - b. The Chief of Police may grant such MTO request even though it may generate overtime costs, if such request is made in conjunction with a major life event such as a family wedding, family illness, or death of a family member. The Chief of Police shall have sole authority to make the determination to accept or reject the request, and any approval or rejection shall not be considered precedent setting for future requests.
 - c. All other requests for MTO time shall be treated the same way the Police Department treats vacation time.
 - d. City and PPOA also agree that during the term of this agreement the City's budgeted net operational revenues will be reviewed each quarter beginning with the quarter ended March 31, 2009, and if such forecasted revenues exceed forecasted expenditures by more than one (1.00%) percent, the City and PPOA agree to restore the reduction in base salary made to the extent of the improvement in its forecasted net revenues. Any restoration of base salary shall be effective the first pay period following the City Council's approval of the negotiated restoration plan.
- (4.) This Cost Savings Plan shall not affect current vacation or sick leave accrual rates, and MTO time shall count as "paid time" for purposes of calculating authorized overtime.
- (5) Overtime Incentive-PPOA and City agree that a percentage of savings, of up to twenty-five percent (25%), experienced by the City's Fiscal Year 2009/2010 adopted overtime budgets for PPOA represented positions shall be treated as follows:

- a. The City shall calculate any overtime budget “savings” experienced in the overtime budgets mentioned above at the end of the Fiscal Year ending June 30, 2010;
- b. The City shall calculate 25% of such savings (the total savings less the 75% of the savings the City retains);
- c. The City shall allocate the amount of such 25% savings to each filled position that has a MTO leave bank balance, by exchanging one hour of current base salary, in for one hour of MTO time equally among all employees with MTO balances until the “savings” are exhausted, or the MTO hours are exhausted. The City may use fractions of an hour if necessary.
- d. Such restoration of salary shall be paid on a separate check the first full pay period in July 2010, subject to normal payroll withholdings.

LAYOFFS

The City shall notify an employee of a layoff thirty (30) days prior to the layoff date.

Term of Agreement

City and PPOA agree to extend the current 2006-2008 Memorandum of Understanding until June 30, 2010.

The parties hereto have agreed to this Addendum to the current memorandum of Understanding to be executed by affixing their signatures below:

For the City of Placerville:
Association

For the Placerville Police Officers

Patricia Borelli, Mayor

John Meuser, President PPOA

Date

Date

John W. Driscoll, City Manager/City Attorney

Date