

TO: Honorable Mayor and City Council
Attention: Laura C. Kuhn, City Manager

FROM: Dawn M. DelBiaggio, Director of Human Resources

SUBJECT: RESOLUTION TO IMPLEMENT THE CITY OF VACAVILLE'S LAST, BEST, AND FINAL OFFER FOR TERMS AND CONDITIONS OF EMPLOYMENT FOR THE VACAVILLE POLICE OFFICERS ASSOCIATION

BACKGROUND:

Since 2007, the City has been continuing its efforts to reduce General Fund spending in order to better align spending with revenues. However, the economic downturn continues to impact the City's budget with ongoing revenues falling short of ongoing spending. While all bargaining groups have made a variety of concessions in the past to reduce the City's labor costs, revenue shortfalls continue and the City needs to cut spending even further to close the gap between spending and revenues for the 2011-12 budget. The City cannot maintain acceptable public service levels and achieve significant spending reductions without commensurate reductions in employee salaries and benefits.

Beginning in late 2010, the City began negotiations with its bargaining groups as the Memorandums of Understanding (MOU) expired. To date, the City has reached agreement for one-year term successor MOUs with the majority of the bargaining groups to achieve the equivalent of a 5.5% wage reduction for the 2011-12 budget. The agreements include extension of concessions and a reopener on retirement.

DISCUSSION:

The Vacaville Police Officers Association (VPOA) MOU, along with the VPOA concessions, expired June 30, 2011. The City began negotiations with the VPOA on March 24, 2011 for the purpose of negotiating a successor MOU covering July 1, 2011 through June 30, 2012. Negotiations were conducted by the City's bargaining team based on direction given by the City Council to management in closed session during the bargaining process.

The City met with the VPOA on six occasions to try and reach agreement. On May 17, 2011, the VPOA declared impasse. On May 26, 2011, per Council's direction, the City made its Last, Best, Final Offer to the VPOA. On May 26, 2011, another option was also presented to the VPOA in an attempt to reach agreement for a successor MOU. The VPOA was given until the close of business on June 6, 2011 to accept or reject the terms of the option. The VPOA has rejected both the option and the City's Last, Best, Final Offer.

Under California Government Code Section 3505.4, if after meeting and conferring in good faith an impasse has been reached, and applicable impasse procedures have been exhausted, a public employer may implement its Last, Best, Final Offer, but may not implement a memorandum of understanding. Per the City of Vacaville Employer-Employee Relations Resolution (EERR) No. 2008-92, impasse procedures were initiated. The parties agreed to mediation and on June 16, 2011, the City and the VPOA met with Kenneth Glenn of the California State Mediation and Conciliation Service. The parties met again on July 8, 2011.

Although progress was made towards resolution, ultimately no agreement was reached. On July 13, 2011 the VPOA made its Last, Best, Final Offer to the City. On July 19, 2011, the City rejected this offer.

The parties completed the impasse resolution procedures in accordance with the City's Employer-Employee Relations Resolution. On August 9, 2011, the City Council approved a resolution to implement the City of Vacaville's Last, Best, and Final Offer for Terms and Conditions of Employment for the Vacaville Police Officers Association (Resolution 2011- 91).

The following is a brief summary of the approved imposed terms. All terms were to be effective July 1, 2011, unless otherwise noted:

- Term: July 1, 2011 – June 30, 2012
- Extension of Concessions for term
 - 3.5% contribution to PERS Employer Rate
 - 72 hours PTO Time covering July 1, 2011 – June 30, 2012
 - Suspension of CTO Cashout
 - Removal of cap for CTO
 - Suspension of Sick Leave Buy Back
- 5.5% Wage Reduction

In good faith, the City dropped the Cashout of Leave at the Base Rate and the Court Overtime reduction items from its Last, Best, Final Offer presented on May 26, 2011.

On September 13th, the City Council rescinded the Imposed Terms and gave direction to City staff to go back to the bargaining table and attempt to reach agreement. The approved terms from August 9th Council action were not implemented.

Since August 9th, the City has met twice with the VPOA in an attempt to reach agreement. In addition, the City's and VPOA's Chief Negotiators have communicated several times in an attempt to reach agreement. The VPOA had expressed a desire to use furloughs as a cost saving measure, so the City has offered a comprehensive package that included furloughs with a combination of salary reductions and/or pre-tax PERS contributions. In addition, the City reduced the new City savings from 12 months to 11 months for purposes of trying to reach agreement and being consistent with the other bargaining groups who have reached agreement. The City also dropped its proposal to eliminate Appendix A from its Last, Best and Final to respond to VPOA's concerns with retaining the survey methodology in the MOU.

The City wanted a Retirement Reopener to address two-tier pensions and cost saving measures with respect to retirement costs. The City has a Retirement Reopener with all other bargaining groups at this point, with exception of Vacaville Police Managers Association (VPMA), as the City is still bargaining with the VPMA. The VPOA preferred to implement the second tier now, rather than have a reopener so the City proposed the second tier of 2% @ 50, average of three highest compensation years and elimination of the Survivor Continuance optional benefit. Further details are described in the Options listed below.

The following is a summary of the City's Last Offer as of October 3, 2011, which included three options, of which VPOA could have selected one to reach agreement for a successor MOU. The City also acknowledged the VPOA would like to minimize the burden of concessions on Dispatchers compared to Police Officers. As a result, the City was willing to shift furloughs

and/or other concessions from Dispatchers to Police Officers so long as the City meets savings targets for the bargaining unit.

All three options below would have achieved the City's goal of savings of \$1,013.880 from the VPOA bargaining unit during the term of the MOU.

Option 1 – Furlough and CalPERS Blend

- 1) All sworn Police Officers take one 10 hour unpaid furlough day per month on a day to be determined by the Police Department during November, 2011 and January through June, 2012 for a total of 7 unpaid furlough days during the term of the Agreement. This is equivalent to a 3.37% wage reduction. The Department will work cooperatively with Officers to schedule furlough days but will ultimately have the discretion to set and/or reschedule furlough days on any day during the month.
- 2) All Dispatchers take seven 10 hour unpaid furlough days on dates to be determined by the Police Department during the term of this Agreement. This is equivalent to a 3.37% wage reduction. The Department will work cooperatively with Dispatchers to schedule furlough days but will ultimately have the discretion to set and/or reschedule furlough days.
- 3) Sworn Officers shall trade 70 hours of PTO time in exchange for 70 hours of unpaid furlough. They will retain two hours of PTO to be taken during the term of the Agreement. If the hours are not used, they will be lost. They cannot be cashed out or carried over per prior PTO policy.
- 4) Dispatchers shall trade 70 hours of PTO time in exchange for 70 hours of unpaid furlough. They will retain two hours of PTO to be taken during the term of the Agreement. If the hours are not used, they will be lost. They cannot be cashed out or carried over per prior PTO policy.
- 5) The City shall deduct approximately 8.15% for Sworn and approximately 7.84% for Dispatchers of salary on a pre-tax basis as an employer PERS contribution. This deduction will be effective October 15, 2011 until June 30, 2012 or until the parties complete the negotiation process for a successor MOU, whichever occurs later.
- 6) The City shall introduce a new pension tier for sworn police officers with a defined benefit formulation of 2% at age 50 calculated on the average of three years of compensation. The new tier may also not include the Survivor Continuance benefit if the City introduces a new pension tier for the Vacaville Firefighters Association and Fire Managers Group which also deletes that benefit. The new pension tier shall take effect for Police Officers hired after an effective date to be determined by the City. The City will address a new pension tier for Dispatchers when they meet with the other Miscellaneous Groups; therefore, a reopener is needed for this portion of retirement.

Option 2- Furlough and Salary Reduction Blend

- 1) All sworn Police Officers take one 10 hour unpaid furlough day per month on a day to be determined by the Police Department during November, 2011 and January through June, 2012 for a total of 7 unpaid furlough days during the term of the Agreement. This

is equivalent to a 3.37% wage reduction. The Department will work cooperatively with Officers to schedule furlough days but will ultimately have the discretion to set and/or reschedule furlough days on any day during the month.

- 2) All Dispatchers take seven 10 hour unpaid furlough days on dates to be determined by the Police Department during the term of this Agreement. This is equivalent to a 3.37% wage reduction. The Department will work cooperatively with Dispatchers to schedule furlough days but will ultimately have the discretion to set and/or reschedule furlough days.
- 3) Sworn Officers shall trade 70 hours of PTO time in exchange for 70 hours of unpaid furlough. They will retain two hours of PTO to be taken during the term of the Agreement. If the hours are not used, they will be lost. They cannot be cashed out or carried over per prior PTO policy.
- 4) Dispatchers shall trade 70 hours of PTO time in exchange for 70 hours of unpaid furlough. They will retain two hours of PTO to be taken during the term of the Agreement. If the hours are not used, they will be lost. They cannot be cashed out or carried over per prior PTO policy.
- 5) The City shall reduce salaries by approximately 6.01% for sworn and approximately 6.40% for Dispatchers effective October 15, 2011 until June 30, 2012 or until the parties complete the negotiation process for a successor MOU, whichever occurs later.
- 6) The City shall introduce a new pension tier for sworn police officers with a defined benefit formulation of 2% at age 50 calculated on the average of three years of compensation. The new tier may also not include the survivor continuance benefit if the City introduces a new pension tier for the Vacaville Firefighters Association and Fire Managers Group which also deletes that benefit. The new pension tier shall take effect for police officers hired after an effective date to be determined by the City. The City will address a new pension tier for Dispatchers when they meet with the other Miscellaneous Groups; therefore, a reopener is needed for this portion of retirement.

Option 3- Salary Reduction and/or CalPERS Pick-Up Blend

- 1) The City shall reduce salaries of unit members effective the first full pay period following adoption or implementation of Option 3 through June 30, 2012 or until the parties complete the negotiation process for a successor MOU, whichever occurs later. The salary reduction shall be calculated at a rate designed to achieve \$1,013,880 in savings from the bargaining unit through June 30, 2012. With the agreement of the VPOA, the City may achieve this savings in whole or in part from employee payment of a portion of the employer's PERS contribution.
- 2) The City shall introduce a new pension tier for sworn police officers with a defined benefit formulation of 2% at age 50 calculated on the average of three years of compensation. The new tier may also not include the survivor continuance benefit if the City introduces a new pension tier for the Vacaville Firefighters Association and Fire Managers Group which also deletes that benefit. The new pension tier shall take effect for police officers hired after an effective date to be determined by the City. The City will address a new pension tier for Dispatchers when they meet with the other Miscellaneous Groups; therefore, a reopener is needed for this portion of retirement.

- 3) Employee shall have 72 hours of PTO that they must use no later than June 30, 2012. The rules associated with PTO use are intended to be the same as the PTO awarded during the 2010-2011 fiscal year.

In addition to the three options presented to the VPOA, the current concessions would be extended:

- Suspension of CTO cash-out.
- Suspension of CTO cap enforcement up to the legal maximum accrual.
- Suspension of sick leave buy back.

CONCLUSION:

The VPOA had a membership meeting on October 18, 2011 to present the three options offered by the City. As of October 19, 2011, the VPOA had not accepted any of the City's offers and we are once again at impasse. Since we have been through mediation previously, it is staff's recommendation that we move to impose so there is no further delay in achieving the savings needed. By law, the City cannot impose retroactively and cannot impose a PERS Employer contribution paid by the Employee; therefore, City staff hereby recommends the Option 3 Salary Reduction be imposed and implemented effective November 1, 2011, along with the other items listed in Exhibit A. While it is unfortunate we are at this point again, the City has tried to address the VPOA's concerns by offering three options for consideration.

FISCAL IMPACT:

The annual savings from the extension of concessions is \$346,426 and the annual savings from the 5.5% wage reduction is \$667,454, for an 11 month period, for a combined annual General Fund savings of \$1,013,880.

RECOMMENDATION:

By simple motion, that the City Council adopt the subject resolution.

EXHIBIT A

TERMS AND CONDITIONS OF EMPLOYMENT BEGINNING JULY 1, 2011 FOR VACAVILLE POLICE OFFICERS ASSOCIATION

The following terms and conditions of employment shall be in effect for Fiscal Year 2011-2012 (July 1, 2011 – June 30, 2012) for City of Vacaville employees in the Vacaville Police Officers Association (VPOA). All other sections not addressed below shall remain as written in the Memorandum of Understanding between the City of Vacaville and the Vacaville Police Officers Association, adopted March 25, 2008. All Side Letters, not modified by these Terms and Conditions, shall remain in full effect.

TERM:

July 1, 2011 – June 30, 2012

WAGES:

- 1) Effective November 1, 2011, the City shall reduce salaries of unit members through June 30, 2012, or until the parties complete the negotiation process for a successor MOU, whichever occurs later. The salary reduction shall be calculated at a rate designed to achieve \$1,013,880 in savings from the bargaining unit through June 30, 2012 (which is 11.44% for sworn and 11.85% for non-sworn).
- 2) The City shall introduce a new pension tier for sworn police officers with a defined benefit formulation of 2% at age 50 calculated on the average of three years of compensation. The new tier may also not include the survivor continuance benefit if the City introduces a new pension tier for the Vacaville Firefighters Association and Fire Managers Group which also deletes that benefit. The new pension tier shall take effect for police officers hired after an effective date to be determined by the City. The City will address a new pension tier for Dispatchers when they meet with the other Miscellaneous Groups; therefore, a reopener is needed for this portion of retirement.
- 3) All employees in the bargaining unit shall have 72 hours of PTO that they must use no later than June 30, 2012. The rules associated with PTO use are intended to be the same as the PTO awarded during the 2010-2011 fiscal year.

EXTENSION OF CONCESSIONS

- Suspension of CTO Cashout
- Removal of cap for CTO
- Suspension of Sick Leave Buy Back

Section 4 – Overtime/Compensatory Time Off

Time and one-half (1-1/2) the employee's regular rate of pay will be paid for time worked in excess of the normal workday when such time is required to be worked by the City. The normal workday under this MOU for the purpose of computing overtime shall be based on a ten (10) hour or an eight (8) hour workday.

Paid time off shall be counted as hours worked for overtime calculation purposes.

Overtime or CTO will be paid pursuant to this MOU for hours worked in excess of the following: 10 hours in a day (for employees assigned to 4/10 schedule); 8 hours in a day (for employees assigned to a 5/8 schedule); or 40 hours in a seven day period.

Unit employees may accrue compensatory time off (CTO) under this MOU for approved overtime hours (as set forth above) at the rate of 1 ½ times the employee's regular rate of pay.

Prior to July 1, 2008, CTO balances for unit employees may not exceed 70 hours. Effective July 1, 2008 the maximum CTO balance shall be increased to 100 hours. The employee may, subject to City approval, elect to convert all or part of accrued CTO to cash **once each year, to be paid out in November. An election form will be sent to eligible employees showing their Compensatory Time balance in early October. Employees must elect whether or not they want Compensatory Time cash out and how much. The election form must be returned to Human Resources by October 31st. The Compensatory Time will be paid out in the November 15th paycheck.**

Employees may, at the time overtime is earned, elect payment in cash or CTO, pursuant to forms prescribed by the City. Nothing in this MOU precludes the right of the City **Chief** to designate ~~specific~~ **any and all** overtime opportunities as "cash only" opportunities.

The City will not require VPOA covered employees to use CTO prior to use of vacation. An employee wishing to use his or her accrued CTO shall make the request to the employee's supervisor by submitting a written request at least 72 hours in advance of the time requested. The supervisor will authorize or deny the request and notify the employee of the decision within 48 hours of the supervisor receiving the request. Requests to use CTO ~~may be denied if it would unduly disrupt City operations~~ **shall generally not cause overtime.** Once CTO usage is approved, the City may rescind the request only in the case of an emergency.

Section 11 - Clothing Allowance

~~Effective July 1, 2007, the~~ **The** annual clothing allowance shall be one-thousand ~~fifty dollars (\$1050)~~ **two hundred dollars (\$1,200)** for sworn employees and ~~nine hundred and one-thousand~~ **twenty five dollars (\$925)** **(\$1,025)** for non-sworn employees.

~~Effective July 1, 2008 and each July 1st thereafter for the term of this MOU, the amount will be increased by fifty dollars (\$50).~~

~~Effective July 1, 2008 for paydate July 15, 2008, c~~lothing allowance shall be paid on a pay period basis.

Section 17 - Longevity

Eliminate this section as no unit member qualifies for this benefit any longer.

Section 17 - Longevity Pay

~~Longevity pay is based on original hire date and the bargaining unit the employee was originally hired into. Employees hired prior to July 1, 1985 are eligible to receive longevity pay as described below:~~

~~Employees shall receive five percent (5%) over base pay after ten (10) years of service, ten percent (10%) after fifteen (15) years, and fifteen percent (15%) after twenty (20) years. Percentage amounts shall not be compounded.~~

~~Employees who voluntarily elect to receive Senior Officer Program Pay under the Agreement are ineligible to receive Longevity Pay under this Section.~~

Section 16 - Educational Incentive

~~Sworn personnel hired prior to July 1, 1985 holding an A.A. degree shall receive a five percent (5%) incentive raise on base salary. Sworn personnel with a B.A. degree shall receive a ten percent (10%) incentive raise on base salary. This provision shall be applicable only to degrees earned from accredited junior colleges, state colleges or universities. These payments shall not be compounded.~~

~~Effective July 1, 2001, sSworn personnel hired after July 1, 1985, possessing an A.A. Degree shall receive 2.5% of base rate as an incentive for that degree and sworn personnel with a B. A. Degree shall receive 5.0% of base rate. **This provision shall be applicable only to degrees earned from accredited junior colleges, state colleges or universities.** These payments shall not be compounded.~~

A police officer who is assigned to an academy or to field training, who holds one or both of the above-mentioned degrees, shall be eligible for educational incentive raises upon completing the basic academy and/or field training.

Section 12 - Retirement

12.1 All sworn employees shall receive the PERS Three Percent (3%) at Age 50 retirement benefits with nine percent (9%) Employee contribution paid by the employee and governed by IRC Code Section 414(h)2.

Sworn employees are covered under:

~~Section 20042 — One-Year Final Compensation
Section 20903 — Two Years Additional Service Credit
Section 21574 — Fourth Level of 1959 Survivor Benefits
Section 20965 — Credit for Unused Sick Leave
Section 21024 — Military Service Credit as Public Service
Section 21548 — Pre-Retirement Option 2W Death Benefit~~

**Section 20042 (One Year Final Compensation)
Section 20903 (Two Years Additional Service Credit)
Section 20965 (Credit for Unused Sick Leave)
Section 21024 (Military Service Credit as Public Service)
Section 21362.2 (3% @ 50 Formula for Local Safety Members)
Section 21548 (Pre-Retirement Option 2W Death Benefit)
Section 21574 (Fourth Level of 1959 Survivor Benefits)
Sections 21624, 21626, 21628 (Post Retirement Survivor Allowance) – effective July 1, 2011**

~~Effective July 1, 2010 sworn employees shall be covered under:~~

~~Sections 21624, 21626 and 21628 — Post Retirement Survivor Allowance~~

~~Effective July 1, 2010, the City shall implemented the Survivor Continuance benefit through PARS, instead of PERS, for one year (July 1, 2010 through June 30, 2011). During that one year time period, if due to financial reasons the City lays off any sworn member of the Police Department, the VPOA will have the option of replacing PARS with PERS implementation of the PERS Survivor Continuance upon the effective date of the layoff. The VPOA understands and acknowledges that implementing the Survivor Continuance through PERS rather than PARS prior to June 30, 2011 will most likely result in additional layoffs of sworn personnel of the Police Department.~~

~~If the VPOA elects to implement the Survivor Continuance through PERS prior to August 1, 2010 when the current actuarial remains valid, it will take the City 60 days to implement the Survivor Continuance benefit through PERS. If the VPOA elects to implement the Survivor Continuance through PERS after August 1, 2010, the City will need to obtain a new actuarial, in which case the City will implement the Survivor Continuance through PERS as soon as administratively possible.~~

12.2 All non-sworn miscellaneous employees shall receive the PERS Two percent (2%) at Age 55 retirement benefits with seven percent (7%) employee contribution paid by the Employee and governed by IRC Section 414(h)2.

Non-sworn employees are covered under:

~~Section 21427 — Improved Non-industrial Disability Allowance~~

~~Section 20042 — One-Year Final Compensation~~

~~Section 20903 — Two Years Additional Service Credit~~

~~Section 21574 — Fourth Level of 1959 Survivor Benefits~~

~~Section 20965 — Credit for Unused Sick Leave~~

~~Section 21024 — Military Service Credit as Public Service~~

~~Section 21548 — Pre-Retirement Option 2W Death Benefit~~

~~Section 21027 — Military Service Credit for Retired Persons~~

Section 20042 (One-Year Final Compensation)

Section 20903 (Two Years Additional Service Credit)

Section 20965 (Credit for Unused Sick Leave)

Section 21024 (Military Service Credit as Public Service)

Section 21027 (Military Service Credit for Retired Persons)

Section 21354 (2% @ 55 Formula for Local Miscellaneous Members)

Section 21427 (Improved Non Industrial Disability Allowance)

Section 21548 (Pre-Retirement Option 2W Death Benefit)

Section 21574 (Fourth Level of 1959 Survivor Benefits)

Non-sworn miscellaneous employees are covered by a supplemental retirement plan under the Public Agency Retirement System (PARS) with a 0.7% @ 55 Retirement Formula as detailed in the plan document. Non-sworn employees agree to participate and acknowledge that the employee contribution rate will be two percent (2%) and shall be paid by the employee.

Section 10 - Health Benefits

The City will include the May 21, 2009 Side Letter with the following cleanup language:

~~This side letter will confirm the agreements reached between the City and VPOA through the recent meet and confer process regarding Section 10 of the Memorandum of Understanding (Health Benefits). The City and VPOA agreed to reopen Section 10 – Health Benefits during Fiscal Year 2007/08 provided that all employee organizations also agreed to a reopener. This side letter of agreement was approved by Council on November 11, 2008.~~

~~The City and VPOA agree to modify the Memorandum of Understanding, Section 10 as follows:~~

Section 10 - Health Benefits

~~Effective for the duration of the Memorandum of Understanding, the City will contribute on behalf of each employee covered by this Memorandum of Understanding, a dollar amount sufficient to keep the health benefit amounts at a total that will cover the cost of the City dental plan (or comparable plan), the basic life insurance, the survivor's benefit, and a vision care program.~~

~~The City and VPOA agree to reopen this agreement with respect to Section 10 (health benefits) during Fiscal Year 07/08 provided that all employee organizations agree to such a reopener.~~

~~Beginning January 1, 2009 the City will contribute ninety-six percent (96%) of the current Kaiser rate towards an employee's medical plan premium cost for the selected plan level (employee only, employee plus one dependent or employee plus two or more dependents), with the balance to be paid by the employee on a pre-tax basis. An employee selecting a non-Kaiser plan shall receive the same City dollar contribution as an employee selecting a Kaiser plan, but in no event shall the contribution exceed 100% of the plan premium cost.~~

~~Beginning **As of** January 1, 2010 the City will contribute ninety-two percent (92%) of the current Kaiser rate towards an employee's medical plan premium cost for the selected plan level (employee only, employee plus one dependent or employee plus two or more dependents), with the balance to be paid by the employee on a pre-tax basis. An employee selecting a non-Kaiser plan shall receive the same City dollar contribution as an employee selecting a Kaiser plan, but in no event shall the contribution exceed 100% of the plan premium cost.~~

~~Beginning **As of** January 1, 2009 employees will contribute twenty-five dollars (\$25.00) per month per employee on a pre-tax basis towards the cost of Dental premiums. During the term of this MOU the City will contribute on behalf of each employee and their family, a dollar amount sufficient to cover the balance of the cost of the City's Dental Plan.~~

~~The City contributes a dollar amount sufficient to cover the cost of the City's fifty-one thousand two hundred thirty-three dollar (\$51,233) Basic Life Plan and the twenty thousand dollar (\$20,000) additional plan for the employee, however, the additional amount is optional.~~

~~***The City shall make available the opportunity for full-time employees to purchase additional term life insurance for themselves, their spouses and their dependents through a vendor specified by The City. Purchase of additional life insurance and/or spousal and dependent life insurance shall be voluntary. Election shall be allowed upon hire and during open enrollment once per year as determined by the City. Premiums shall be paid through payroll deduction.***~~

~~***The City does not currently participate in the State's Short Term Disability program (SDI). The City shall make available the opportunity for full-time employees to purchase Short***~~

Term Disability through a vendor specified by The City. Purchase of Short Term Disability insurance shall be voluntary. Elections shall be allowed upon hire and during open enrollment once per year as determined by the City. Premiums shall be paid through payroll deduction.

During the term of this MOU the City will contribute on behalf of each employee a dollar amount sufficient to cover the cost of either the employee or the employee plus family rate of the City's Vision Plan.

The City has implemented the ~~Effective no later than January 1, 2009 the City will implement the CalPERS Health Benefit Vesting program. The Vesting program is mandatory for all employees hired on or after **January 1, 2009** the date the CalPERS Health Benefit Vesting program is implemented, and current employees may voluntarily elect to participate in the Vesting program during an annual election process.~~

An employee demonstrating other medical coverage may "opt out" of the City's/CalPERS medical plan and, in consideration, will receive a \$250 monthly City contribution to his/her deferred compensation account. The "opt-out" program will be established no later than January 1, 2009.

The City ~~will established~~ a Trust **with CalPERS** for purposes of funding Citywide retiree health care costs. The trust ~~shall be~~ **was** funded with an initial deposit by the City of approximately \$3,000,000. Employee premium share of the health plans and dental plan contributions will be deposited by the City into the Trust.

Employee contributions (premium share and dental plan contribution) shall be discontinued upon full funding of the City's actuarial liability for retiree medical costs.

The City will implement and maintain for the duration of this MOU, a plan whereby employees may elect to voluntarily contribute to a dependent care assistance program (as prescribed by and within the meaning of Section 125 of the Internal Revenue Code) or an employee welfare benefit plan that provides for health benefits (which are "qualified benefits" within the meaning of Section 125 (e) of the Internal Revenue Code). Such contributions shall be made solely from pre-tax payroll deductions, with no contribution from the City.

~~The City and VPOA shall reopen Section 10 with respect to medical insurance and health care in July 2010. The City will complete an updated actuarial study by June 2010, and share this information with VPOA. The City and VPOA will also review the movement of existing employees to the CalPERS Health Benefit Vesting program to determine if the assumption that 75% of employees will move to the CalPERS Health Benefit Vesting program has been achieved.~~

City reserves the right to negotiate changes in Layoff and Reemployment

City reserves the right to negotiate changes on Take Home Vehicles
All side letters, not modified by the City's final offer, shall remain in full effect.

RESOLUTION NO. 2011-114

**RESOLUTION TO IMPLEMENT THE CITY OF VACAVILLE'S
LAST, BEST, AND FINAL OFFER FOR
TERMS AND CONDITIONS OF EMPLOYMENT FOR THE
VACAVILLE POLICE OFFICERS ASSOCIATION**

WHEREAS, the Vacaville Police Officers Association (VPOA) Memorandum of Understanding (MOU) expired June 30, 2011(as adopted March 25, 2008); and

WHEREAS, the VPOA Concessions expired June 30, 2011 (as described in Resolution 2009-57); and

WHEREAS, the City and the VPOA bargained in good faith to try and reach agreement on a Successor MOU; and

WHEREAS, the VPOA declared Impasse on May 17, 2011, the parties agreed to mediation, and were unable to reach agreement; and

WHEREAS, on August 9, 2011, the City Council approved to impose the City's Last Best and Final (as described in Resolution 2011-91); and

WHEREAS, on September 13, 2011, the City Council rescinded the imposed terms and directed staff back to the table to try and reach agreement (as described in Resolution 2011 - 100); and

WHEREAS, the City attempted to reach agreement with the VPOA, but is at impasse once again; and

WHEREAS, pursuant to California Government Code Section 3505.4, if after meeting and conferring in good faith an impasse has been reached, and applicable impasse procedures have been exhausted, the City may implement its Last, Best, Final Offer, but may not implement a memorandum of understanding; and

NOW, THEREFORE BE IT RESOLVED that the City Council hereby adopts Terms and Conditions of Employment for the VPOA beginning July 1, 2011 through June 30, 2012 as set forth in Exhibit A attached hereto and incorporated herein.

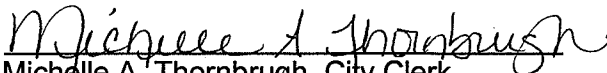
I HEREBY CERTIFY that the foregoing resolution was introduced and passed at a regular meeting of the City Council of the City of Vacaville held on the 25th day of October 2011, by the following vote:

AYES: Council members, Harris, Hunt, Mashburn, and Mayor Hardy

NOES: Vice-Mayor Rowlett

ABSENT: None

ATTEST:

By: 
Michelle A. Thornbrugh, City Clerk