

**RESOLUTION NO. 11657**

**A RESOLUTION OF THE CITY COUNCIL OF  
THE CITY OF ORANGE ESTABLISHING SIDE  
LETTER AGREEMENT BETWEEN THE CITY OF  
ORANGE AND THE CITY OF ORANGE POLICE  
ASSOCIATION, EFFECTIVE JANUARY 1, 2021  
THROUGH AND INCLUDING JUNE 30, 2026**

**WHEREAS**, the City of Orange, hereinafter “City”, and the City of Orange Police Association, hereinafter “Association”, are covered by the terms of a Memorandum of Understanding (MOU), adopted via Resolution No. 11516; and

**WHEREAS**, the City recently became aware that the California Public Employees' Retirement System (CalPERS) reviewed the MOU for the Association as part of a compensation review for a City of Orange retiree; and

**WHEREAS**, as part of this review, CalPERS determined that the Association’s Holidays provision language and application is not compliant with the California Public Employees’ Retirement Law (PERL) and the California Code of Regulations (CCR).

**WHEREAS**, in order to rectify this matter, a Side Letter Agreement is required by CalPERS.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Orange that the attached Side Letter Agreement is approved and incorporated by reference as Exhibit A.

**ADOPTED** this 10<sup>th</sup> day of February 2026.

\_\_\_\_\_  
Daniel R. Slater, Mayor, City of Orange

**ATTEST:**

\_\_\_\_\_  
Pamela Coleman, City Clerk, City of Orange

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Nathalie Adourian, City Attorney, City of Orange

STATE OF CALIFORNIA )  
COUNTY OF ORANGE )  
CITY OF ORANGE )

I, PAMELA COLEMAN, City Clerk of the City of Orange, California, do hereby certify that the foregoing Resolution was duly and regularly adopted by the City Council of the City of Orange at a regular meeting thereof held on the \_\_\_\_ day of \_\_\_\_\_, 2026 by the following vote:

AYES: COUNCILMEMBERS:  
NOES: COUNCILMEMBERS:  
ABSENT: COUNCILMEMBERS:

\_\_\_\_\_  
Pamela Coleman, City Clerk, City of Orange

Attachment: Exhibit A

## **EXHIBIT A**

### **A SIDE LETTER AGREEMENT BETWEEN THE CITY OF ORANGE AND THE CITY OF ORANGE POLICE ASSOCIATION EFFECTIVE JANUARY 1, 2021 THROUGH AND INCLUDING JUNE 30, 2026**

This Side Letter Agreement is entered into by and between the City of Orange and the City of Orange Police Association.

#### **Recitals**

A. The City of Orange, hereinafter “City”, and the City of Orange Police Association, hereinafter “Association”, hereby enter into this Side Letter Agreement with an effective date of January 1, 2021.

B. All references to the “MOU” in this Side Letter Agreement shall be to that Memorandum of Understanding by and between the City and the Association adopted by City Council Resolution No. 11516, or as amended. Except as to those provisions which expressly addressed by this Side Letter Agreement, the terms and conditions of the MOU remain operative.

#### **Agreement**

The Holidays provision (MOU Article XIII) is hereby modified in its entirety as follows:

#### **SECTION 1.**

- A. All classifications in this Association (sworn and non-sworn) work without regard to holidays and all three (3) sections of this Article apply to all classifications (sworn and non-sworn).
- B. Each January 1<sup>st</sup>, all employees in this Association shall receive 105 hours of holiday pay. New employees shall receive a prorated amount of holiday pay hours at the rate of one-twelfth (1/12) of the hours per month employment begins and the remaining months in the calendar year. For example, an employee who is new to the Association on August 27<sup>th</sup> shall receive five-twelfths (5/12) of 105 hours upon hire.
- C. Sworn PEPRA CalPERS Members:
  - a. These employees shall receive their hours of holiday pay as time off or convert it to cash within the calendar year it is earned. Unused holiday pay hours may be cashed out at any time, upon request by the employee. Holiday pay hours not used or cashed out shall automatically be paid out in the final paycheck in December.

- b. Holiday pay hours taken as time off shall be taken at the convenience of the City with the approval of the Police Chief or a duly authorized designee.
- c. Holiday pay hours shall not be reported to CalPERS as special compensation and is not compensation earnable for Classic Members pursuant to CalPERS Regulations, Section 571.1(b)(3).
- d. Effective January 1, 2026, these employees shall only receive their hours of holiday pay in equal bi-weekly payments.
- e. Effective January 1, 2026, holiday pay hours shall be reported to CalPERS as special compensation and is pensionable compensation for New Members pursuant to CalPERS Regulations, Section 571.1(b)(3).

D. Sworn Classic CalPERS Members:

- a. These employees shall receive their hours of holiday pay as time off or convert it to cash within the calendar year it is earned. Unused holiday pay hours may be cashed out within the calendar year it is accrued, upon request by the employee. Holiday pay hours not used or cashed out shall automatically be paid out in the final paycheck in December.
- b. Holiday pay hours taken as time off shall be taken at the convenience of the City with the approval of the Police Chief or a duly authorized designee.
- c. Holiday pay hours shall be reported to CalPERS as special compensation and is compensation earnable for Classic Members pursuant to CalPERS Regulations, Section 571(a)(5).

E. Non-sworn PEPR CalPERS Members:

- a. These employees shall receive their hours of holiday pay as time off or convert it to cash within the calendar year it is earned. Unused holiday pay hours may be cashed out at any time, upon request by the employee. Holiday pay hours not used or cashed out shall automatically be paid out in the final paycheck in December.
- b. Holiday pay hours taken as time off shall be taken at the convenience of the City with the approval of the Police Chief or a duly authorized designee.
- c. Holiday pay hours shall not be reported CalPERS as special compensation and is not pensionable compensation for New Members pursuant to CalPERS Regulations, Section 571.1(b)(3).

F. Non-sworn Classic CalPERS Members:

- a. These employees shall receive their hours of holiday pay as time off or convert it to cash within the calendar year it is earned. Unused holiday pay hours may be

cashed out at any time, upon request by the employee. Holiday pay hours not used or cashed out shall automatically be paid out in the final paycheck in December.

- b. Holiday pay hours taken as time off shall be taken at the convenience of the City with the approval of the Police Chief or a duly authorized designee.
- c. Holiday pay hours shall be reported to CalPERS as special compensation and is compensation earnable for Classic Members pursuant to CalPERS Regulations, Section 571(a)(5).

**SECTION 2.** The 105 holiday pay hours all employees in this Association receive each January 1<sup>st</sup> are for the designated holidays below. Employees working on holidays designated below shall receive their regular straight time hourly pay for hours worked within their regular schedule. Hours worked on a holiday in excess of an employee's regularly scheduled hours shall be paid in accordance with the applicable Overtime provision within this MOU.

- 1) January 1<sup>st</sup> (New Year's Day)
- 2) The third Monday in February (Presidents' Day)
- 3) Last Monday in May (Memorial Day)
- 4) July 4<sup>th</sup> (Independence Day)
- 5) First Monday in September (Labor Day)
- 6) November 11<sup>th</sup> (Veterans Day)
- 7) Fourth Thursday in November (Thanksgiving Day)
- 8) Fourth Friday in November (Day after Thanksgiving)
- 9) December 25<sup>th</sup> (Christmas Day)

**SECTION 3.** Upon separation from the City, an employee covered by this MOU shall receive all remaining holiday pay in cash.

**CITY OF ORANGE**

**CITY OF ORANGE POLICE ASSOCIATION**

Dated: \_\_\_\_\_

Dated: \_\_\_\_\_

By: \_\_\_\_\_  
Monica Espinoza, Human Resources Director

By: \_\_\_\_\_  
Yash Patel, President

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Nathalie Adourian, City Attorney