

RESOLUTION NO. 11683

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ORANGE ESTABLISHING A LETTER OF UNDERSTANDING BETWEEN THE CITY OF ORANGE AND THE CITY OF ORANGE POLICE MANAGEMENT ASSOCIATION EFFECTIVE JULY 1, 2026 THROUGH AND INCLUDING JUNE 30, 2027

WHEREAS, the City of Orange, hereinafter referred to as “City”, and the City of Orange Police Management Association, hereinafter referred to as “Association”, collectively the “Parties”, have met and conferred in accordance with requirements of the Meyers-Milias-Brown Act; and

WHEREAS, the Parties have reached agreement on wages, hours, and other terms and conditions of employment effective July 1, 2026 through and including June 30, 2027 and the City Council desires to enter into a Letter of Understanding “LOU” setting forth specified terms and conditions of employment for the Association’s covered employees for the period of July 1, 2026 through and including June 30, 2027; and

WHEREAS, the Parties agree to incorporate the provisions of this LOU into a new Memorandum of Understanding “MOU” at a future date in 2027, and until then all specified terms and conditions of employment in Resolution No. 11493 remain operative; and

WHEREAS, all salary ranges for the classifications covered herein must be authorized by the City Council and published by the City in order for the salary range to be considered pension-reportable, pursuant to California Public Employees’ Retirement System law; and

WHEREAS, the City Council has consulted with the City Manager and Human Resources Director concerning the proposed employment terms contained in the attached LOU.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Orange that the attached LOU is approved and incorporated by reference as Exhibit A as though fully set forth herein and furthermore authorizes staff to adjust the departmental salary and benefit accounts in the FY27 budget to reflect the cost of the contract provisions.

ADOPTED this ____ day of _____, 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) ss.
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

EXHIBIT “A”

A LETTER OF UNDERSTANDING ENTERED INTO BY AND BETWEEN THE CITY OF ORANGE AND THE CITY OF ORANGE POLICE MANAGEMENT ASSOCIATION EFFECTIVE JULY 1, 2026 THROUGH AND INCLUDING JUNE 30, 2027

This Letter of Understanding “LOU” is entered into by and between the City of Orange (the “City”) and the City of Orange Police Management Association “Association”, collectively the “Parties”. The LOU contains agreed upon terms and conditions of employment of the Association, including salary and benefit adjustments, for the period of July 1, 2026, through and including June 30, 2027.

In February 2026, the City and the Association met and engaged in the Meet and Confer process to establish its next contract. These discussions resulted in this LOU between the City and the Association, who have agreed to the following terms:

Term of Agreement

July 1, 2026 through and including June 30, 2027

Salary Increases

A three percent (3%) cost of living adjustment effective June 28, 2026 for all covered classifications as incorporated in Appendix A.

Holidays

Amend Article XI(B) by increasing annual holiday pay hours to one hundred twenty (120) hours. Amend Article XI(E) by adding the third Monday in January as Martin Luther King Jr. Holiday to the list of observed holidays.

Amend Article XI(C) to reflect that, effective July 1, 2026, holiday pay hours shall not be reported to CalPERS as special compensation for New Members (PEPRA) and is not pensionable compensation for New Members (PEPRA) pursuant to CalPERS Regulations, Section 571.1(b)(4).

Amend Article XI(C) to reflect that, effective January 1, 2027, covered employees considered New Members (PEPRA) will no longer have the ability to cash out holiday pay hours and shall receive their holiday pay hours in equal bi-weekly payments, and holiday pay hours shall be reported to CalPERS as special compensation and is pensionable compensation for New Members (PEPRA) pursuant to CalPERS Regulations, Section 571.1(b)(4).

Vacation Conversion

Amend Article XII Section 3 Vacation Conversion to implement Constructive Receipt language pursuant to the Internal Revenue Code. Revised Article to read:

An employee may convert up to fifty percent (50%) of their current annual vacation accrual into cash in lieu of time off with pay on an annual basis. An employee requesting such a conversion may convert twice in a fiscal year, however, the total amount converted per fiscal year shall not

exceed fifty percent (50%) of the employee's annual accrual. Employees serving their initial hire probationary period shall not be eligible for vacation conversion.

On or before December 15, 2026, and every December 15th thereafter, a qualified employee who elects to cash out accrued vacation for the following year shall submit written request to the Human Resources Department stating their irrevocable election(s).

The City shall administer the cash out twice annually, starting in June 2027 and every June and December thereafter. The City shall make the cash outs in the second paycheck in June and December. Such cash outs shall be paid at the employee's net rate of pay.

Me-Too Parity Clause

In the event that the City of Orange Police Association negotiates and receives any other monetary compensation increase during the term of this Agreement, including but not limited to specialty pays, incentive pays, premium pays, stipends, educational incentives, certification pay, longevity pay adjustments, one-time payments, bonuses, uniform allowances, holiday pay, or any other form of compensation that increases total cash remuneration, such increase(s) shall likewise be provided to members of the City of Orange Police Management Association under the same effective date, percentage or monetary value, and equivalent terms and conditions, unless expressly excluded by mutual written agreement of the Parties.

For purposes of this provision, "monetary compensation increase" shall include any newly created pay category or enhancement to an existing pay category that results in additional compensation.

Memorandum of Understanding

The Parties agree to incorporate the provisions contained in this LOU into a successor Memorandum of Understanding "MOU" in 2027 and further agree that all terms within the existing MOU remain operative.

The Parties agree that except as specifically modified by this Amendment that this Amendment shall not modify any previously negotiated and agreed upon Memorandum of Understanding and that all such terms and conditions contained therein shall remain in full force and effect; notwithstanding the expiration of the term of any applicable MOU, the Association shall be entitled to the salary increases set forth in such LOU as provided in Appendix A.

Ratification and Execution

The Parties acknowledge that this LOU shall not be in full force and effect until ratified by the Association and adopted by the City Council of the City of Orange. Subject to the foregoing, this LOU is hereby executed by the authorized representative of the City and the Association and entered into on this _____ day of _____, 2026.

[Signatures on next page]

CITY OF ORANGE

**CITY OF ORANGE
POLICE MANAGEMENT ASSOCIATION**

Dated: _____

Dated: _____

By: _____
Monica Espinoza, Human Resources Director

By: _____
John Mancini, Police Lieutenant

APPROVED AS TO FORM:

Nathalie Adourian, City Attorney, City of Orange

APPENDIX A

POLICE MANAGEMENT ASSOCIATION ANNUAL SALARY RANGES

EFFECTIVE JUNE 28, 2026

3.0% Cost of Living Adjustment

CLASSIFICATION	A/1	B/2	C/3	D/4	E/5	F/6	G/7	H/8
POLICE CAPTAIN	\$198,118	\$208,241	\$218,834	\$230,007	\$241,737	\$254,060	\$264,220	
POLICE COMMUNICATIONS MANAGER	\$103,589	\$108,892	\$114,429	\$120,275	\$126,406	\$132,845	\$137,493	
POLICE LIEUTENANT	\$162,287	\$170,580	\$179,257	\$188,403	\$198,020	\$208,105	\$220,589	\$229,414
POLICE RECORDS MANAGER	\$103,082	\$108,348	\$113,860	\$119,670	\$125,775	\$132,178	\$136,813	
POLICE SERGEANT	\$131,609	\$138,345	\$145,378	\$152,794	\$160,606	\$168,776	\$178,899	\$186,055