

Memorandum of Understanding
between
City of Independence, Missouri
and
FOP No. 1
Regarding a Police Retention Program

WHEREAS, the Fraternal Order of Police, Lodge No. 1 (hereinafter referred to as the “Union”), and the City of Independence, Missouri (hereinafter referred to as the “City”), collectively referred to as the “Parties,” hereby execute this Memorandum of Understanding as it relates to the implementation of a police retention program; and

WHEREAS, the Parties are currently parties to a collective bargaining agreement which expires on June 30, 2024; and

WHEREAS, the Parties mutually acknowledge that recent national and local events have created unique challenges to hire and retain qualified police department personnel; and

WHEREAS, current and projected vacancies in the City’s police department over the next three years have made it necessary to take immediate steps to retain police department personnel; and

WHEREAS, the Parties desire to have a well qualified police force to serve the community and be positioned to provide effective public safety services now and in the future; and

WHEREAS, the Parties agree that sufficient resources are not currently available in the City’s General Fund to provide a permanent wage increase, but desire to provide a short-term solution to retain the current workforce; and

WHEREAS, the American Recovery Plan Act provides one-time resources which can be used for a one-time retention payment.

NOW THEREFORE, the Parties hereby agree to the implementation of a Police Retention Program to aid in the retention of Police Officers and Sergeants who are employed with the City as of September 8, 2021, and remain employed with the City until September 30, 2024. The terms of the Police Retention Program are outlined in **Exhibit A**, and the agreement each eligible employee will be required to execute is attached as **Exhibit B**.

City of Independence, Missouri

Fraternal Order of Police, Lodge No. 1

By: _____

By: _____

Date: _____

Date: _____

EXHIBIT A

POLICE RETENTION PROGRAM

- **Eligibility:** All active Police Officers and Sergeants as of September 8, 2021, without two or more 12+ hour suspensions (excluding at-fault traffic accident suspensions) within the previous 36 months (as of September 1, 2021), and who remain employed with the City until September 30, 2024.
 - Payments to personnel currently under investigation which may result in a suspension and disqualification from the program will be withheld until the outcome of the investigation is completed.

- **Retention Payments:**
 - \$8,000 payment (first pay period in October).
 - Employees wishing to participate in the program must submit a completed agreement by September 24, 2021. Any personnel submitting an agreement after this date will not be eligible for the program.

- **Program Guidelines:**
 - Can be included in paycheck as lump sum or deposited into 457, or HSA (subject to IRS restrictions).
 - Employee can choose deposit structure for payment(s). Employee will provide prioritized list for deposit structure.
 - Clawbacks:
 - Employee must enter into agreement with City outlining the requirements and terms of the program, including remaining employed with the City until September 30, 2024.
 - Any clawbacks will be withheld from final paycheck and accrued leave payouts; if insufficient funds are available, employee will be required to enter into repayment plan.
 - 36-month amortization if separated from service voluntarily (with exception of duty disability).
 - 36-month amortization if separated from service due to retirement (based on LAGERS eligibility).
 - Retention payments can be adjusted for those already in process to retire or plan to retire within 36 months to avoid repayment upon separation of service.

EXHIBIT B

Retention Payment Agreement

[Date]

[Employee name]

[Address]

Dear [Employee name]:

This Retention Payment Agreement establishes the terms of your participation in the Police Retention Program, approved by the Mayor and City Council on September 7, 2021.

Retention Payment

You are eligible to receive a retention payment in the amount of of \$8,000, subject to the terms described below and contingent upon return of this signed Agreement.

The City will withhold all required federal and state tax deductions from all retention payments and reported to the IRS as income on your Form W-2. By indicating when signing this Agreement, you may choose to receive the payment as lump sum(s) or have it deposited into your 457, or HSA account, subject to any applicable IRS restrictions.

Commitment to Continue Employment and Pro-Rata Repayment Upon Early Separation

In accepting this retention payment, you are committing to continue your employment with the City through September 30, 2024. If you voluntarily end your employment with the City (e.g., quit, resign, or retire) before September 30, 2024, you agree that the City will use a 36-month amortization schedule to calculate the required repayment of the retention payment (duty disability is excluded). You agree that any repayment amount will be withheld from your final paycheck and accrued leave payouts. If there are insufficient funds available, you agree to enter a repayment plan with the City, which shall last no longer than six months; if you do not, then you understand that the City will pursue all available legal remedies to collect any amount due.

Governing Law

The validity, interpretation, and performance of this Agreement shall, in all respects, be governed by the laws of the State of Missouri.

Modification

No provision of this Agreement may be modified, altered, or amended, except by collective agreement between the City of Independence, you, and Fraternal Order of Police Lodge No. 1, in writing.

Arbitration

By signing this Agreement, you agree that any claims or disputes covered by this Agreement or resulting from your employment during the term of the Agreement must be submitted to binding arbitration and that this arbitration will be the only remedy for resolution of any such claim or dispute. This promise to resolve claims by arbitration is equally binding upon both you, the City of Independence, and Fraternal Order of Police Lodge No. 1. Any arbitration will be administered by the City and the Fraternal Order of Police, pursuant to the rules then existing in the collective bargaining agreement between the City and the Lodge.

If you accept the terms of this Agreement, please sign below in the space provided.

Printed name: _____

Signature: _____

Date: _____

I choose to receive my retention payment in the following manner:

_____ Lump sum(s)

_____ Deposit to my 457 account*

_____ Deposit to my HSA account*

*These deposits are subject to IRS restrictions and deduction limits. Please refer to the IRS website and/or your tax advisor for more information.

City of Independence, Missouri

Fraternal Order of Police, Lodge No. 1

By: _____

By: _____

Date: _____

Date: _____