

MEMORANDUM OF UNDERSTANDING

I. The Parties

The parties of this Memorandum of Understanding (“MOU”) are City of Bend, Oregon, and the Bend Police Association (“Association”), collectively referred to as the “Parties.”

II. Background

House Bill 2296, passed in 2023, allows retired PERS members—including police officers—to be reemployed by a participating public employer for an unlimited number of hours without a reduction in their pension benefits (without accruing any new pension benefits). This provision was made permanent through 2034, giving agencies more flexibility to rehire experienced officers without affecting their retirement status.

The Parties wish to convene a Police Department (the “Department”) Retire-Rehire program consistent with House Bill 2296, when operationally beneficial to the Department, in the best interest of the City’s business needs, to assist with Department staffing, and in the public’s interest. The Parties believe that the program will provide the following mutual benefits:

1. Retention of experienced and knowledgeable staff who will aid in:
 - a. Continued service by skilled personnel;
 - b. Transition of workload and specific projects;
 - c. Development of promotional and new hires;
 - d. Reduction in assumed risk.
2. Reduced disruption to public service via:
 - a. Advanced notice of impending retirements.
 - b. Increased time to fill promotions; and
 - c. Increased time to fill new hire positions.
3. Overall reduced total expenditures for Department positions.
4. Continued ability for the Department to acquire diverse talent and promote employees into leadership positions.

III. Terms of Agreement

The parties agree as follows:

- A. Effective upon execution, the City will implement a Retire- Rehire program in which a retiring employee may, upon permission by the Chief and in the sole discretion of the Chief, be rehired into a vacant budgeted FTE by the Department as a Retire-Rehire in those classifications listed under Section 1 (A) of the Collective Bargaining Agreement with the Bend Police Association (“CBA”).
- B. An employee who retires on or after execution of this MOU may apply to participate in the program. An employee must apply to the Retire-Rehire program by submitting a written memo to the Chief of Police, preferably 90 days in advance of retirement or as advanced as practical under the circumstances. The Chief retains sole and complete discretion to determine whether to rehire an employee into the program. The Retire-Rehire program is not intended to replace the Department’s existing promotional process.
- C. The duration of the employee’s participation in the Retire- Rehire program will be based on the Department’s need as determined by the Chief of Police. The duration of the appointment may be pre-determined to be any time up to six months. Extensions beyond six months may be granted as determined by the Chief of Police based on operational needs with City Manager approval. Initial approved durations and extensions may be approved on a month-by-month basis with prior written agreement of both parties, based on Department need and employee availability.
- D. A participating employee must commence the Retire-Rehire appointment the day after retirement; there can be no break in service. There will be no break in service for the purposes of medical, dental, and vision coverage under Section 30 or for the purposes of other benefits under the CBA. After providing the requisite notification, the employee may elect to take up to two weeks of leave immediately prior to retirement pursuant to the terms of the CBA.
- E. The Chief has discretion to rehire a retiree who has experienced a break in service based on operational requirements. If so, the Department may elect to conduct a background check for any retiree rehires with a break in service over a 12-month period.
- F. Upon rehiring into the program, the participating employee will be eligible for medical, dental, vision, City Paid Life & Disability, and Voluntary Life & AD&D benefits pursuant to the terms of the CBA.
- G. A participating employee may resign from City of Bend employment with advance written notice to the Bend Police Department, preferably 30 calendar days.
- H. Retire-Rehire appointments are considered “at-will” and serve at the pleasure of the Chief of Police. The Chief may terminate the Retire-Rehire appointment at any time, with or without notice, and with or without cause. The just cause standard does not apply to termination of Retire-Rehire appointments. If an employee requests it, a

meeting with the Chief will be scheduled before the employee's termination if possible, or as soon as possible after the termination. However, the meeting is informational only and is not required by or related to any requirements of *Loudermill v. Cleveland Board of Education* or any other aspects of procedural or substantive due process.

- I. A participating employee may maintain membership in the Association and will be subject to the terms of the CBA, but to the extent any provisions of this MOU conflict with any provisions of the CBA, the provisions of the MOU will control.
- J. A participating employee is subject to all City of Bend rules and policies, but to the extent any provisions of this MOU conflict with those rules or policies, the provisions of the MOU will control.
- K. Upon retirement from City of Bend employment on or after the participating employee's normal retirement age, the participating employee may begin drawing their pension consistent with applicable PERS pension rules and regulations. Upon rehire, the participating employee will not be eligible for any additional pension or employer retirement contributions under any PERS program or the Oregon Public Service Retirement plan (OPSRP).
- L. Participating employees may maintain their deferred compensation accounts with the City upon retirement and rehire into the program.
- M. Upon retirement, the participating employee may participate in the PERS Sick Leave Conversion Program under PERS ORS statutes.
- N. A participating employee will receive payout for their accrued vacation and compensatory time upon the employee's retirement immediately prior to rehiring into the program. Any accrued leave balances at resignation or termination from the Retire-Rehire program will be forfeited.
- O. Upon rehiring assignments of 6 months or greater, the participating employee will receive 42 hours of vacation leave for immediate use and will accrue vacation at the rate of 8 hours per month starting after six months. Assignments of fewer than 6 months will accrue 8 hours of vacation per month. Requests to use vacation accrual are at the sole discretion of the Chief of Police and must be submitted in writing in advance. Vacation accruals will be prorated for employees with less than 1.0 FTE.
- P. Upon rehire, the participating employee will receive sick at the accrual rate of 8 hours per month. Retire Rehires are not eligible for holiday, holiday bank, compensatory time, or any other leave other than what is provided in Section N and O. Sick accruals will be prorated for employees with less than 1.0 FTE.
- Q. A participating employee's seniority date will be the date of commencement of their Retire-Rehire position for purposes of vacation and shift bidding.

- R. A participating employee will only be eligible to be rehired in the classification they retired from or a lower-level classification for which the employee is deemed qualified by the Chief of Police.
- S. If the participating employee is rehired for the same position they are currently retiring from, they will be paid at the same step and wage grade. If the employee is rehired for a different position, they will be paid at a step to be determined by the Chief of Police or their authorized designee for the classification for which he or she is rehired.
- T. Retire-Rehires will be assigned to a classification directed by the Chief of Police. A participating employee is not eligible for promotion, transfer, or other reassignment, although the Chief has sole discretion to assign work and change employees' assignments at their discretion.
- U. A participating employee is eligible for all specialty assignments, including Detectives as they have previously held the specialty assignments. Any associated premium pay under the CBA would apply if applicable to the assignment. Although, the Chief has sole discretion to assign work and change employees' assignments at their discretion.
- V. This MOU is subject to ratification by the City and Bend Police Association.
- W. This MOU will automatically expire 36 months after the execution date below unless the parties agree to renew or extend the MOU prior to the expiration of 36 months. Prior to any renewal or extension, the parties will document the relative benefits, challenges, and drawbacks to the Department from the trial period, and will only renew or extend the MOU if the benefits to the Department substantially outweigh any challenges and drawbacks. Either party may terminate the MOU by giving the other party 60 days' written notice.
- X. Any disputes related to this MOU shall be subject to the grievance procedure as outlined in Section 28 of the CBA.

Executed this ____ day of 1/22/2026, 2026.

For the Association:

Signed by:

Greg Goller

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Name: Greg Goller

Title: President, BPA

For the City of Bend:

Signed by:

Brandi Leos

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Name: Brandi Leos

Title: Human Resources Director

For the Bend Police Department:

Signed by:

Mike Krantz, Chief of Police

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Name: Mike Krantz

Title: Police Chief