

MEMORANDUM OF UNDERSTANDING
BETWEEN
CITY OF HEMET
AND
THE NON-SAFETY UNIT (GENERAL EMPLOYERS) OF
SERVICE EMPLOYEES
INTERNATIONAL UNION LOCAL 721, INC.

This Memorandum of Understanding (hereinafter "MOU") is entered into between the City of Hemet (City) and the Service Employees International Union Local 721, Inc. (hereinafter "Union"), pursuant to the provisions of the Meyers-Milias-Brown Act. This MOU shall be effective for the period from July 1, 2008 up to and including June 30, 2010; and thereafter shall continue in effect year-by-year unless one of the parties notifies the other in writing no later than March 15, 2010 of the request to modify, amend, or terminate the agreement.

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ARTICLE 1

RECOGNITION

1.1 The City recognizes the Union as the bargaining agent for those classifications listed in Appendix “A.”

ARTICLE 2

MANAGEMENT RIGHTS

2.1 It is understood and agreed that the City retains all of its powers and authority to direct, manage and control to the full extent of the law. Included in, but not limited to, those duties and powers are the exclusive right to:

Determine its organization; direct the work of its employees; assign related work not expressly covered by job description; determine the times and hours of operation; determine normal working hours and to schedule shifts accordingly; determine the kinds and levels of services to be provided and the methods and means of providing them; establish its municipal policies, goals and objectives; make technological improvements; determine staffing patterns; determine the number and kinds of personnel required; maintain the efficiency of City operations; build, move or modify facilities; establish budget procedures and determine budgetary allocation; determine the methods of raising revenue; contract out work in accordance with law, provided that before the City contracts the services of an entire division of City government, it shall meet and confer with Union regarding the effects of said contracting on affected employees; and to take any action necessary to meet conditions of any emergency nature, provided that Union shall be afforded the opportunity to meet and confer concerning the necessity of any such action if inconsistent with this MOU. In addition, the City retains the right to hire, classify, assign, evaluate, promote, terminate, transfer and discipline employees.

2.2 The City Manager may lay off a unit member because of shortage of work, lack of funds, material change in duties or organization, or for other valid reasons.

2.3 The exercise of the foregoing powers, rights, authority, duties and responsibilities by the City, the adoption of policies, rules, regulations and practices in furtherance thereof, and the use of judgment and discretion in connection therewith, shall be limited only by the specific and express terms of this MOU, and then only to the extent such specific and express terms are in conformance with law.

2.4 Labor-Management Discussion Committee:

a. Unit members will, from time to time, designate four representatives who will meet with management representatives on a quarterly basis, or upon more frequent basis as the Committee may desire, to discuss matters pertinent to the welfare of the unit member. Topics discussed may include, but not be limited to, equipment, health and safety, job classifications, training and operating procedures. The members of the Committee will be granted sufficient time to accomplish the purposes of this section.

b. The formation of this Committee shall not serve as the basis for reopening the meet and confer process to modify this MOU. Discussions held during Committee meetings shall not be considered meet and confer despite the issues being discussed.

ARTICLE 3

UNION RIGHTS

3.1 New Employees: The City agrees to furnish each new employee in the bargaining unit with a copy of the collective bargaining Agreement at the commencement of employment of each employee. Further, City will notify Union, within fourteen (14) days of a new employee's hire date, of the new employee's name, home, address, and the department/section to which the employee is assigned.

3.2 Visits by Union Representatives: Accredited representatives of the Union, whether local Union representatives, or International representatives, will be granted reasonable access to City facilities and employees for purposes of investigation of grievances and official Union business, provided Union representatives shall provide twenty-four (24) hours advance notice to the supervisor in charge of the work area that is being visited. Such visits shall not interfere with normal operation of the department. In case of an emergency, the twenty-four (24) hour advance notice will not be required, provided the Union representative provides advance notice to the supervisor in charge as soon as reasonably possible.

3.3 Contract Negotiations: The negotiating team for the Union, to be comprised of no more than four (4) employees, not more than two (2) from any department, shall be permitted to attend negotiating sessions during work hours with pay. There shall be no compensation for meetings held outside scheduled work hours of members of the bargaining team.

3.4 Bulletin Boards: The Union will be allowed to use space designated by the City on existing bulletin boards to post notices regarding Union business. Offensive or personally disparaging postings will not be permitted.

3.5 Unpaid Leave To Perform Union Business: Upon approval of the employee's supervisor, Union representatives selected by the Union to conduct "Union business" away from work, shall be granted leave without pay for a reasonable period of time, upon giving seven (7) days advance notice. Union business does not involve "work" performed for the benefit or at the direction of the City.

3.6 Paid Leave To Perform Union Business: With the express written consent of the City Manager, one regular full-time employee at a time may be granted a leave of absence for up to six (6) months to participate in "Union business." Such Union business does not involve "work" performed for the benefit or at the direction of the City. Requests for such leave must be made in writing and submitted to the City Manager as soon as possible, and no later than fourteen (14) days before the leave is to commence. The City Manager in his/her sole discretion may authorize or deny the request for the leave based on the needs of the City's operations.

An employee who is granted a paid leave to perform Union business will remain on the City's payroll during the entire leave and shall receive compensation at the salary level the employee was receiving prior to going on leave. During the duration of the leave, the employee will continue to be eligible for the following benefits: health insurance, retirement benefits, long term disability, life insurance, and survivor's benefits. The City will bill the Union for the employee's compensation and for the benefits provided to an employee during the leave. The Union will indemnify the City for any injury incurred by the employee in the course of scope of performing duties for the Union during this time. The Union will reimburse the City within fourteen (14) days of receiving an invoice for such expenses.

An employee who is granted a paid leave to perform Union business will not accrue or be eligible to use the following benefits during the time the employee is on leave: vacation, sick leave, bereavement leave and paid holiday benefits. The employee will retain his/her level of seniority during the time he/she is on paid leave and upon returning to City service.

3.7 Time Off for Union Board Members: Current Union Board Members will each be given a maximum of two (2) paid hours per month for Union business.

3.8 Maintenance of Membership

a. All unit members who, on the 15th day following the signing of this MOU, are members of Union in good standing and shall maintain their membership in Union for the duration of this MOU.

b. Any dispute as to dues deduction under this Article shall be between unit members and Union. Union shall defend and hold the City harmless against any and all claims by unit members, including all legal fees and other expenses arising from dues deductions under this Article.

3.9 Contract Bar: Approval of this MOU by the Hemet City Council shall constitute a temporary bar to implementation of the provisions of Section 13 (B) 5 of the Employee-Employer Relations Resolution of the City of Hemet. The procedure for decertification of a recognized bargaining agent may be instituted and filed only during the period commencing one

hundred and eighty (180) days from implementation and ending one hundred and fifty (150) days prior to the termination of this Memorandum of Understanding.

ARTICLE 4

AGENCY SHOP

4.1 Authority: City and Union mutually understand and agree that as a result of the State of California's adoption of Government Code Section 3502.5, all employees represented by the Union have the right to join or not join the Union. However, the enactment of a local Agency Shop arrangement, pursuant to an election under Government Code Section 3502.5(b), requires that as a condition of continuing employment, employees in the affected bargaining unit must either join the Union, pay to the Union a service fee in lieu thereof, or establish a religious exemption therefrom. Such service fee shall be established by the Union, and shall not exceed the standard initiation fee, periodic dues and general assessments of the Union.

4.2 Union Dues/Service Fees:

a. The Human Resources Department shall provide all current employees represented by the Union, and any employees hired into Union represented positions thereafter, with an authorization notice, attached hereto as Appendix "B," advising them of the following information: (1) an agency shop arrangement for the Union has been enacted pursuant to state law and (2) all employees subject to the agency shop arrangement must either join the Union, pay a service fee to the Union, or execute a written declaration claiming a religious exemption from this requirement. Such notice shall include a form for the employee's signature authorizing a payroll deduction of Union dues, a service fee or a charitable contribution equal to the service fee. Said employees shall have thirty (30) calendar days from the date they receive the form to fully execute it and return it to the Human Resources Department.

b. When the form is completed properly authorizing the deduction of Union dues or the service fee, and returned during the stated time period, the City shall begin the applicable deduction of Union dues or the service fee no later than the beginning of the first pay period commencing after receipt of the authorization form by the Human Resources Department. If the form is not completed properly and/or not returned within the stated time period, the City shall begin the deduction of the service fee no later than the beginning of the first pay period commencing after the expiration of the stated time period. If the authorization form is properly completed claiming the religious exemption and returned during the stated period, the procedure provided in Paragraph 3(b) of the Letter of Agreement shall be followed.

c. No dues, fee, or contribution deduction shall be made during any pay period when an employee's earnings are insufficient, after all other deductions are made, to cover the full amount of the dues, fee, or contribution. When an employee is in a non-pay status for an entire pay period, no deduction will be made to cover the pay period from future earnings. In the case of an employee in a non-pay status only during part of a pay period, whose earnings, after deductions, are not sufficient to cover the full amount of the dues, fee, or contribution, no deduction shall be made in the pay period or from future earnings to cover the pay period.

d. The Union shall advise the City, in writing, of the dues and service fee amounts to be deducted. Any change in the amounts will be submitted to the City, in writing, at least thirty (30) days prior to the effective date of such change.

e. All deducted dues and service fees shall be remitted to the Union no later than fourteen (14) calendar days after deduction. The City shall also provide an itemized statement detailing each employee's name, social security number, amount of deduction, and category of deduction.

4.3 Religious Exemption:

a. Any employee who is a member of a bona fide religion, body, or sect that has historically held conscientious objections to joining or financially supporting public employee organizations shall, upon presentation of active membership in such religion, body, or sect, not be required to financially support any public employee organization as a condition of employment. The employee may be required, in lieu of a service fee, to pay sums equal to the service fee to a non-religious, non-labor charitable fund exempt from taxation under Section 501(c)(3) of the Internal Revenue Code, chosen by the employee from a list of at least three of these funds, designated in Section 4.3.c of this Memorandum of Understanding between the City and the Union, or if the Memorandum of Understanding fails to designate the funds, then to any such fund chosen by the employee.

b. Written declarations of or applications for religious exemption and any supporting documentation may be submitted to the Human Resources Department and the Union. After receipt of such a request, the City shall begin a deduction of the charitable contribution no later than the beginning of the first pay period commencing after the receipt of the request by the Human Resources Department. The charitable deduction shall be held in escrow pending receipt of the Union's written determination on the request for a religious exemption. Upon approval of the religious exemption by the Union and upon identification of an appropriate charity by the employee, the City shall remit the escrowed amount to the designated charity and thereafter remit the charitable deductions to the designated charity. Upon denial of the religious exemption by the Union, the City shall convert the charitable contribution deduction to a service fee deduction and remit the escrowed amount to the Union as service fees. Charitable contributions shall be made by regular payroll deductions only. Failure of the Union to provide, within thirty (30) calendar days of the City's receipt of the request, the City with a written approval or disapproval of a request for religious exemption shall constitute an approval of the religious exemption.

c. The City and the Union have agreed to include the following list of designated non-religious, non-labor charitable funds for receipt of religious exemption deductions in the Memorandum of Understanding between the parties:

- (1) United Way
- (2) American Cancer Society.
- (3) American Society for the Prevention of Cruelty of Animals

4.4 SEIU Local 721 COPE Contributions:

a. The Union shall be responsible for informing employees of the SEIU Local 721 Committee on Political Education (“COPE”) and for providing employees with an authorization notice, attached hereto as Appendix “C”. Such notice shall include a form for the employee’s signature authorizing a payroll deduction of COPE contributions and the amount of COPE contributions to be deducted each pay period. Any change in the amount to be deducted will be submitted to the Human Resources Department by the employee, in writing, at least thirty (30) calendar days prior to the effective date of such change.

b. When the authorization notice is completed properly, authorizing the deduction of the COPE contributions and is submitted to the Human Resources Department, the City shall begin the applicable deduction of COPE contributions no later than the beginning of the first pay period commencing after receipt of the authorization form by the Human Resources Department. If the form is not completed properly, the City will not begin the deduction of the COPE contributions until the authorization notice is properly completed.

c. No COPE contributions shall be made during any pay period when an employee’s earnings are insufficient; after all other deductions are made, to cover the full amount of the COPE contributions. When an employee is in a non-pay status for an entire pay period, no COPE contributions will be made to cover the pay period from future earnings. In the case of an employee in a non-pay status only during part of a pay period, whose earnings, after deductions, are not sufficient to cover the full amount of the COPE contribution, no deduction shall be made in the pay period or from future earnings to cover the pay period.

d. All deducted COPE contributions shall be remitted to the Union no later than fourteen (14) calendar days after deduction.

4.5 Records: The Union shall keep an adequate itemized record of its financial transactions and shall make available annually, to the City, and to the employees who are members of the organization, within 60 days after the end of its fiscal year, a detailed written financial report thereof in the form of a balance sheet and an operating statement, certified as to accuracy by its president and treasurer or corresponding principal officer, or by a certified public accountant. A copy of financial reports required under the Labor Management Disclosure Act of 1959 or Government Code section 3456.5 shall satisfy this requirement.

4.6 Indemnification: The Union shall indemnify, defend, and hold the City harmless against any liability arising from any claims, demands, or other action relating to the City’s compliance with the agency fee obligation and SEIU Local 721 COPE deductions.

ARTICLE 5

SALARIES

5.1 Employees below the Top Step of a Range will be eligible for merit pay increases in accordance with existing City policy, and employees at Top Step of a Range or the first longevity step will be eligible for longevity increases in accordance with the provisions of the MOU.

5.2 Whenever the needs of the City require an employee to temporarily perform the duties of a higher classification than that in which the employee is currently employed for a period of more than sixteen (16) continuous working hours, the employee shall receive the salary rate of a higher class in which he/she is performing the required duties. In such cases, the employee shall be paid at an appropriate step of the salary schedule of the higher classification which will assure an increase of not less than five percent (5%) greater than the salary of his/her current position, but in no case shall such salary exceed the top salary step of the higher classification.

The higher salary rate payable shall commence on the seventeenth (17th) continuous hour following the temporary reassignment to the performance of duties of the higher classification and shall continue for all hours worked in the higher classification during the pay period in which the employee qualified for higher classification pay. Written notice will be provided by a Department Head when an employee served in an acting capacity.

A person appointed in an acting capacity shall be eligible to receive merit increases in his/her permanent position during the acting appointment but shall not be entitled to merit increases in the position which he/she holds in an acting capacity.

An employee shall not lose any time that has been worked toward their longevity increase and earning step increase.

ARTICLE 6

WORKWEEK/OVERTIME

6.1 Workweek: The workweek is the period of time on which overtime requirements for non-exempt employees, under the FLSA are based. The standard workweek for each employee is a fixed and regularly recurring period of one hundred sixty eight (168) hours, composed of seven (7) consecutive twenty-four (24) hour periods. Although the workweek is intended to be fixed, it may be changed by City in emergency situations. Any schedule changes outside of emergency situations will be agreed upon by the Union and City (Refer to Appendix "D").

a. The workweek for all employees who work a standard Monday through Sunday workweek shall commence at 12:01 a.m. on Monday of each week and end at midnight on the following Sunday.

b. All employees working a "9/80" alternative work schedule, shall work eight (8), nine (9) hour days and one (1), eight (8) hour day, and have one (1) day off every two (2) weeks. The FLSA workweek and employees schedules will be determined at a later time. The City will notify the union no later than 30 days after the MOU is signed. No changes on the 9/80 work schedule shall be made unless mutual agreement is met between the City and Union.

b.1. The City working in conjunction with Union, will evaluate within 60 days of July 1, 2008 whether it is operationally feasible for the Refuse Division to have an alternative work schedule.

6.2 Overtime: It is the policy of the City to avoid the necessity for overtime work whenever possible. In cases of emergency or whenever public interest or necessity requires, any employee may be directed by proper authority, and is expected to perform, overtime work. Time worked by a non-exempt employee in excess of forty (40) hours in the seven (7) day workweek shall constitute overtime. The workweek is defined and set forth in section 6.1 above. A non-exempt employee will be paid one and one-half (1 ½) times the employee's regular rate of pay for all hours worked over forty (40) in the seven (7) day workweek. All work, outside an employee's regularly scheduled shift, must have the approval of the employee's supervisor prior to actual performance of the work. Failure to obtain such approval in advance subjects an employee to discipline.

6.3 Hours Worked: Only those hours that are actually worked by non-exempt employees shall constitute "hours worked" for purposes of determining entitlement to overtime pay. Time taken as paid leave, including, but not limited to, holidays, vacations, sick leave, compensatory time off, bereavement leave and other similar periods when no work is performed shall not constitute "hours worked."

Time worked for which employees receive additional compensation pursuant to this Memorandum of Understanding, including but not limited to call back pay, shall constitute hours worked to the extent that it represents time actually worked.

ARTICLE 7

CALL-BACK/STAND-BY

7.1 Call-Back Pay:

(1) City shall provide unit members with a minimum of two (2) hours' pay at the premium rate of one and one-half (1 ½) times the employee's regular hourly rate of pay, or at one and one-half (1 ½) times the employee's regular hourly rate of pay for the actual hours worked, whichever is greater, when an employee leaves the work premises and the employee is called back to work after the employee's regular scheduled working hours.

(2) There shall not be any duplication or pyramiding of rates under this section. An employee shall be credited with not more than one (1) minimum two-hour (2-hour) guarantee for work performed during any two (2) consecutive hour period. An employee credited with two (2) hours pursuant to this section may be assigned other work until the guaranteed time has elapsed. Call-back shall apply only when an employee is required to physically return to a work site (e.g. leave home or other off-duty location) in order to perform required duties.

7.2 Stand-by Pay:

(1) When a regular or probationary employee is assigned to Public Works stand-by (after hours) duty by the City, the employee shall receive one hundred fifty dollars (\$150.00) per week for the entire period of such assignment.

(2) Stand-by duty requires the employee to: (1) be reachable by telephone or other communication device; (2) be able to respond to work at the City Yard or other work site within twenty (20) minutes; (3) refrain from activities which might impair their ability to perform assigned duties; and (4) comply with other operational policies and directives as promulgated by management.

ARTICLE 8

COMPENSATORY TIME OFF

8.1 Compensatory Time Off:

a. All employees who earn overtime compensation, as defined in section 6.2 of Article 6, may elect, to convert earned overtime to compensatory time off ("CTO") at the rate of one and one-half (1½) hours for each hour actually worked. Additionally, hours that are not actually worked during call back pay cannot be converted to CTO. An employee who has accrued hours of CTO is required to receive monetary compensation for all additional overtime worked.

b. Unit members shall be entitled to convert a maximum of thirty three and thirty three hundredths (33.33) hours of overtime into fifty (50) hours of CTO.

c. Employees shall be permitted to use CTO within a reasonable period of time after the employee makes a request, provided that it does not unduly disrupt the City's operations. Unduly disrupt shall mean that it would impose an unreasonable burden on the City's ability to provide services of acceptable quality and quantity for the public during the time the employee requested off. An employee who wishes to take CTO must submit a request to his/her immediate supervisor in advance of the intended use of the CTO.

d. At any time, an employee may request that all or some of his/her accrued CTO be cashed out. CTO is cashed out at the employee's then current regular rate of pay. An employee wishing to cash out his/her CTO shall submit his/her request to his/her Department Head in writing. CTO may be cashed out in increments of not less than eight (8) hours unless the balance of the employee's compensatory bank is less than eight (8) hours.

e. Any unused CTO as of December 31st of any year shall be carried over to the next calendar year.

f. An employee whose employment is terminated for any reason shall be paid for all unused CTO at a rate of the higher of (1) the average regular rate the employee earned during the last three (3) years of employment; or (2) the final regular rate earned by the employee.

ARTICLE 9

BILINGUAL PAY

9.1 Bilingual Pay: Employees regularly required by their supervisor to provide foreign language translation services in the course and scope of their employment shall receive thirty-five dollars (\$35.00) per month. In order to qualify for bilingual pay, the employee must pass a test established by the City.

ARTICLE 10

HOLIDAYS

10.1 Authorized Holidays:

a. The following paid holidays shall be observed and valued at eight (8) hours:

- (1) January 1 (New Year's Day)
- (2) Third Monday in February (Washington's Birthday)
- (3) The last Monday in May (Memorial Day)
- (4) July 4 (Independence Day)
- (5) The first Monday in September (Labor Day)
- (6) The second Monday in October (Columbus Day)
- (7) November 11 (Veterans Day)
- (8) Thanksgiving Day
- (9) Friday after Thanksgiving
- (10) December 25 (Christmas Day)
- (11) One floating holiday.
- (12) One additional floating holiday for full-time employees only.

b. The following paid holidays shall be observed and employees shall not be required to work the last four (4) hours of their scheduled shift, that each employee would have worked were the holiday not observed:

- (1) December 24 (Christmas Eve)
- (2) December 31 (New Year's Eve)

10.2 Procedure if Holiday Falls on Saturday or Sunday: For those employees whose normal workweek is Monday through Friday, when a holiday falls on Saturday, the preceding Friday shall be observed as a holiday. When a holiday falls on a Sunday, the following Monday shall be observed as a holiday.

10.3 Procedure if Holiday Falls on Regular Day Off: If holiday occurs on a day which is the full-time employee's regular day off; he/she shall be entitled to holiday pay in the amount of eight (8) hours at straight time. Regular part-time employees shall be paid on a prorata basis.

10.4 Employees Required to Work on Holiday: Any employee whose work schedule and assignment of duties requires him/her to work on an authorized holiday shall receive holiday pay for such work at the same rate of pay at which he/she is employed, in addition to his/her normal pay for the time worked. Normal pay shall include overtime if qualified pursuant to Article 6, Section 6.2.

10.5 Holidays for Refuse Employees: Refuse collection personnel shall be required to work on all normally scheduled holidays with the following exceptions:

- (1) January 1 (New Year's Day)
- (2) July 4 (Independence Day)
- (3) Thanksgiving Day
- (4) December 25 (Christmas Day)

ARTICLE 11

HEALTH INSURANCE

11.1 Health Insurance: City currently makes available to all eligible employees and their dependents the following health plans:

Aetna HMO - Patriot V
Aetna Managed Choice
Kaiser
Self-Funded Dental and Vision Plan

The City may change the health plans set forth above, and designate a different plan and providers with the concurrence of the Benefits Committee, which is comprised of representatives from each bargaining unit in the City.

The employees shall have their choice of the aforementioned plans provided they comply with applicable provider rules, such as open enrollment, etc. Effective July 1, 2008, City shall contribute up to eight hundred and five dollars (\$805.00) per month, per employee.

The "Maximum Benefit per family per Calendar Year" as set forth in the "Schedule of Vision Benefits" shall be four hundred and fifty dollars (\$450.00) per year.

In the event any of the plans offered herein above should be terminated by the provider at no fault of City, City agrees to meet and confer with Union regarding the affected health insurance issue. City agrees to notify Union if it changes insurance broker.

An Advisory Committee shall be established to study health insurance benefits. The Committee shall consist of two (2) members appointed by City management and two (2) members appointed by Union. The Committee's role shall be strictly advisory and it shall have no authority to make decisions or otherwise bind the City with respect to health insurance matters. The Committee shall hold its first meeting no later than ninety (90) days after the effective date of this MOU.

a. Payroll Deductions: Every employee who wishes to receive medical benefits pursuant to this section must complete the authorization form. Such form provides the City with written authorization to make automatic payroll deductions for any employee contributions, which may be required pursuant to this section. In the event any employee does not provide the City with written authorization to such automatic withholding, the City shall not be obligated to provide any medical benefit for such employee.

b. New Employee Health Insurance: New employees who are eligible for health insurance benefits will be covered as soon as practical, or thirty (30) days from the date of eligibility, whichever occurs first.

11.2 Retiree Health Benefits.

a. The Union acknowledges the City has met and conferred in good faith with the Union prior to the City Council's adoption of Resolution Bill No. 07-095 on November 27, 2007, which amends and clarifies, in portion, (1) the Retirement Benefits policy previously adopted by the City Council which was placed into effect July 24, 1990, and (2) Resolution No. 3349, adopted by the City Council on April 14, 1998, which amended the Retirement Benefits Policy.

b. The City agrees to provide employees and retirees with a summary description of the available health insurance options provided by the City by no later than March 31, 2008.

ARTICLE 12

UNIFORMS

12.1 Uniforms: The City shall continue to provide uniforms for all unit members required to wear them during duty hours. Time spent donning and doffing uniforms shall not be

considered hours worked. City-issued wearing apparel shall not be worn in a manner or circumstances that would bring disrespect or disrepute to the City or employee.

City shall provide shirt patches for Leadworker classes indicating the Leadworker position.

ARTICLE 13

RETIREMENT

13.1 Retirement: During the term of this MOU, City will maintain its current retirement plan with the Public Employees Retirement System (PERS). Such plan shall continue to include the 2.7% at 55 PERS plan and the “highest year” amendment. City shall contribute the employee’s contributive share of the retirement system at the rate of seven percent (7%) and the employee shall pay one percent (1%) of the employee’s contributive share of the retirement system. City shall continue its contract with PERS to allow employees to purchase, at their own expense, up to four (4) years of military service credit in accordance with applicable PERS law.

City has further implemented the provisions of Government Code Section 20636(c)(4) pursuant to Section 20691 by means of Resolution No. 3099, adopted June 14, 1994. City shall report to the Public Employees Retirement System (PERS) as special compensation the value of employer-paid member contributions. The special compensation shall be calculated on the base pay rate and reported as nontaxable to PERS.

Entitlement to the Public Employees Retirement System for part-time employees shall be determined in accordance with applicable State law.

ARTICLE 14

LONG TERM DISABILITY

14.1 a. Long Term Disability: The City shall provide, on behalf of each unit member, a long-term disability plan with not more than a thirty (30) day waiting period. Employees shall be eligible for long-term disability after being off for thirty (30) days.

b. Employees with more than one (1) year service, but less than five (5) years’ service with the City, may borrow not more than eighty (80) hours sick leave to cover any time they may be deficient in covering the 30-day waiting period for the City’s Long-Term Disability Plan to commence.. All such borrowed sick leave must be repaid as vacation or sick leave as thereafter accrued, unless other arrangements are approved by the City Manager. Any balance due City upon termination of employment from the City shall be deducted from the employee’s final check.

ARTICLE 15

LIFE INSURANCE

15.1 Life Insurance: The City shall provide to each full-time employee covered by this Memorandum of Understanding a fifty thousand dollars (\$50,000.00) group term life insurance.

Each employee may increase, at their own cost, the limit of their subject life insurance policy by an amount not to exceed an additional fifty thousand dollars (\$50,000.00) one hundred thousand dollars (\$100,000.00) total coverage, provided arrangements can be made with the insurance carrier and subject to carrier approval of the additional insurance.

ARTICLE 16

SURVIVORS BENEFIT

16.1 Survivors Benefit: The City shall contribute on behalf of each unit member two dollars (\$2.00) per month toward Level IV of the 1959 Widow's Survivors Benefit.

ARTICLE 17

TOOL/GLOVE POLICY

17.1 Tool Replacement Policy: It is the City's policy to replace broken or stolen tools owned by the equipment maintenance employees and required for their City job. The following sets out the procedures for tool replacement:

The City shall not replace tools that are lost or stolen from places other than authorized workstations. An inventory shall be made of each employee's toolbox at time of hire and updated yearly. A brief written explanation and replacement request for a lost or stolen tool must be submitted to the supervisor within twenty-four (24) hours of discovery of loss. Any theft or loss of two hundred fifty dollars (\$250.00) or more shall be reported to the Hemet Police. City shall replace or order an affected tool of equal or better quality within ten (10) working days. New specialty tools shall be purchased by the City on an as-needed basis with supervisor's approval. The City shall have available an open purchase order with a local mobile tool distributor, such as Snap On or Mac Tools.

17.2 Gloves Policy: It is the City's policy to provide employees with gloves, if gloves are required for safety and/or health reasons. The Supervisors, Assistant Supervisors, and Leadworkers shall be responsible for issuing gloves to employees.

a. One pair of gloves shall be issued to a new employee who is required, for safety and/or health reasons, to wear gloves. It is the City's policy not to replace gloves more than every two (2) months.

b. Replacement gloves shall be issued to an employee who turns in gloves that have been worn out or damaged.

c. Lost or misplaced gloves shall be replaced by the City.

17.3 Safe Shoe/Boot Policy: City shall supply safety shoes/boots to all eligible employees. The use of City-provided safety shoes/boots shall be mandatory unless excused by the policy of the City's Safety Committee, or a licensed physician. City, not later than October 1 of each year, shall provide a list of all employees and/or classifications that are eligible for this program. Additionally, City shall provide within such period a list of situations, if any, wherein

the use of safety shoes/boots is excused. Any affected employee may appeal the determination of the City on either of the foregoing lists to the City's Safety Committee. The decision of the Safety Committee shall be final and binding on the parties.

In keeping with the foregoing policy, the City shall provide a reasonable method by which all affected employees are provided with required safety shoes or safety boots.

ARTICLE 18

LONGEVITY/MERIT SALARY

18.1 Longevity/Merit Salary Increase: An employee may be entitled to receive a two and one-half percent (2.5%) salary increase after three (3) years at the top step of the same classification. Such employee may be eligible for an additional two and one-half percent (2.5%) salary increase after three (3) additional years of continuous service at the same classification. The term "classification" as used in this paragraph shall mean a continuance of job responsibilities that remain substantially unchanged, notwithstanding periodic changes of name or pay range. Eligibility is based on merit and an annual evaluation that is satisfactory or better. In the event an employee receives such evaluation after the date on which it was due, increases shall be retroactive to the due date, if the evaluation would have been satisfactory on such due date. Employees who have been denied longevity/merit salary increases due to an unsatisfactory evaluation may receive the longevity/merit increase as soon as their performance warrants, and they are given a satisfactory evaluation.

All increases under this section shall be at the discretion of the City Manager, upon recommendation of the pertinent Department Head. Satisfactory evaluations, approved by the Department Head, shall be forwarded to the City Manager with his/her recommendation regarding the longevity increase.

In the event of a classification change, as described hereinabove, the longevity/merit increase shall cease until the employee qualifies in the new classification.

ARTICLE 19

REGULAR PART-TIME BENEFIT PLAN

19.1 Regular Part-Time Employee Benefit Plan: Regular part-time employees are entitled to step increases; salary adjustments for their classification; deferred compensation (3.75% City and employee contribution) or PERS retirement benefits for employees exceeding the one thousand (1,000) hour per year minimum eligibility requirement; workers compensation insurance; holiday pay at four (4) hours per holiday; vacation and sick leave based upon a prorated share in which the employee's average work week bears to a forty (40)-hour week; and monthly medical, dental, and vision premium contribution up to \$402.50.

On benefits, which require a monetary contribution by City, the employee may elect to receive such benefit by payment to City of his/her portion of the prorated share. Part-time employees shall further be evaluated by their supervisors in the same manner in which permanent, full-time

employees are evaluated. Benefits provided shall be limited to those that the City selected carriers and providers make available to part-time employees.

ARTICLE 20

DISCLAIMER

20.1 Disclaimer: Nothing contained in this MOU concerning benefits shall be deemed a representation by City concerning the taxable status of any benefit. In the event any benefit provided herein shall be deemed as taxable for any purpose, the payment of such tax shall be the sole responsibility of the employee.

ARTICLE 21

PHYSICAL EXAMINATIONS

21.1 City-Paid Physical Examinations: Nondiscretionary physical examinations required by the City shall likewise be paid by City with reasonable time off from work to accomplish that purpose. Each employee shall be responsible for the payment of elective physical examinations; however, reasonable use of sick leave shall be authorized by the employee's supervisor for that purpose.

ARTICLE 22

OPERATOR'S LICENSES/MEDICAL EXAMS

22.1 City-Paid Special Operator's Licenses and Medical Exams: In the event an employee, as a condition of his/her job classification, is required to carry a special operator's license from a governmental agency and/or required to meet certain physical standards, the City shall pay the additional cost, if any, of such license and the cost of needed physical examinations. City shall also give reasonable time off for such purposes.

ARTICLE 23

MISCELLANEOUS BENEFITS

23.1 Miscellaneous Benefits: The parties recognize that City currently provides full-time employees with the following miscellaneous benefits: Employee Assistance Program (EAP), access to a minimum of two fitness centers at City designated facilities and the ability to participate in the no-interest computer loan program in accordance with the guidelines established for such program. Part-time employees will only be eligible for the fitness centers benefit in this section. The City in its sole authority shall select providers for the benefits under this section without "meeting and conferring" with the Union. In the event City desires to terminate these miscellaneous benefits, it shall first meet and confer with Union.

ARTICLE 24

SICK LEAVE

24.1 Sick Leave:

a. Accrual of Sick Leave: Every probationary and regular employee shall accrue sick leave at the rate of eight (8) hours per month, beginning with the first day of employment. Employees hired between the first and fifteenth day of the month shall be credited with one (1) full day of sick leave for the month of hire. Employees hired between the sixteenth and the last day of the month shall accrue four (4) hours of sick leave for the month. An employee shall not receive payment for unused sick leave accumulated to his/her credit upon termination for cause, disability, retirement or voluntary resignation other than as provided in Section 24.1.i. The right to accrue sick leave is unlimited.

b. Charge for Sick Leave: If an employee performs his/her duties for part of a working day, he/she shall be credited with those hours worked, and charged sick leave only for those hours not worked by reason of illness or injury. Sick leave shall be charged to the nearest one-quarter hour.

c. Notification of Use of Sick Leave to Supervisor: An employee using sick leave must notify his/her immediate supervisor within one (1) hour before the time set for the beginning of his/her work day or as may be specified by the Department Head.

d. Proof of Illness: The Department Head may request a certificate issued by a licensed medical provider or other satisfactory proof of illness before sick leave is granted. Violation of sick leave privileges may result in disciplinary action and/or loss of pay when, the employee has abused such privileges. This section shall not apply to personal use time as set forth in 24.1.j. If the sick leave request equals five (5) or more working days, the Department Head may also require the employee to report to a City-selected medical practitioner, at City expense, to verify the employee's physical and/or mental ability to perform the essential functions of his/her position.

e. Sick Leave Request Forms: A sick leave request form shall be completed at the department level on a form to be provided from time to time by the City. This form shall also cover other absences in addition to sick leave.

f. Illness or Injury While on Vacation: Sick leave shall be granted to all classified employees who become ill or injured while on authorized vacation leave, provided that such illness would otherwise warrant use of sick leave, and provided further, that an attending physician's statement is furnished which states that the employee was incapacitated to a degree that would prohibit his/her performance of his/her normal duties.

g. Illness or Injury While on Normal Time Off: Sick leave shall not be granted to employees who become ill or injured while absent from duty during normal days off or holidays. Should the injury or illness extend beyond such authorized time off duty, sick leave may be authorized in accordance with the conditions of this section.

h. Extension of Sick Leave: After an employee's sick leave has been exhausted, he/she may be granted permission by the City Manager to take any earned vacation he/she may have accrued.

i. Sick Leave Distribution: The City agrees to provide unit members with the following payoff provision for accumulated sick leave upon the unit member's retirement or disability, or upon death of the unit member while employed by the City. In the case of death, accumulated sick leave benefits shall be paid to a beneficiary designated by the unit member.

(1) Twenty-five percent (25%) of all accumulated sick leave after five (5) years of service with the City; payoff shall be prorated upon last five (5) years of service.

(2) Fifty percent (50%) of all accumulated sick leave after ten (10) years of service with the City; payoff shall be prorated upon last five (5) years of service.

(3) Seventy-five percent (75%) of all accumulated sick leave after twenty (20) years of service with the City; payoff shall be prorated upon last five (5) years of service.

j. Personal Use Time: An employee may be permitted to utilize up to a maximum of eight (8) hours of sick leave as a personal use time during any calendar year, provided that the employee shall obtain the permission of the Department Head before utilizing said leave. Permission for utilization of personal use time shall not be unreasonably withheld. However, the Department Head may withhold permission to take personal use time based upon operational, staffing and service needs. Should a Department Head refuse to grant time off for personal use time, the Department Head and the employee shall reschedule personal use time as soon thereafter as practicable based upon the operational, staffing and service needs of the department. Personal use time shall not be cumulative from year to year.

An employee shall only be entitled to eight (8) hours of personal use time in any one (1) fiscal year. An employee may request personal use time at not less than two (2)-hour increments.

ARTICLE 25

VACATIONS

25.1 Vacations: Accrued vacation leave with pay shall be granted subject to the convenience of the service as hereinafter provided:

a. Eligibility for Use of Vacation: Every probationary and regular employee shall be entitled to a paid vacation leave following six (6) months of full-time and part-time, continuous service with the City. Accrual of vacation begins from the date of hire and is to be apportioned on the first and second pay periods of each month.

b. Vacation Accrual (probationary and regular full-time employee): Every probationary and regular full-time employee shall accumulate vacation leave in accordance with the following schedule:

(1) During the first three (3) years of service, employees shall accrue twelve (12) vacation days per year.

(2) After three (3) full years of service, employees shall accrue fifteen (15) vacation days per year.

(3) After six (6) full years of service, employees shall accrue eighteen (18) vacation days per year.

(4) After nine (9) full years of service, employees shall accrue twenty (20) vacation days per year.

(5) After twelve (12) full years of service, employees shall accrue twenty-one (21) vacation days per year.

c. Vacation Accrual (Permanent Part-Time): Permanent part-time employees shall accrue vacation in accordance with section 25.1 b above and on a prorated basis, based on the number of hours worked.

d. Vacation Carryover: Vacation accumulation beyond the amount accrued by an employee for a twenty-four (24) month period of employment may not be carried forward for more than one (1) year. Any accumulated vacation shall be granted at the discretion of the appointing authority.

e. Scheduling Vacations: The times during which an employee may take annual vacation leave shall be determined by his/her Department Head, respecting the wishes of the employee so far as such is compatible with the needs of the service.

f. Holidays During Vacation Leave: In the event that one or more municipal holidays fall during a period when an employee is on vacation leave, such holidays shall not be charged as vacation leave.

g. Pay for Accumulated Vacation: Each City employee who leaves the employment of the City shall be granted all accumulated vacation or shall be paid therefore at his/her rate of compensation applicable at the time he/she leaves the employment of the City. Due to the fact that employees seldom terminate on the final day of a month, the following method shall provide for equitable payment for vacation earned during the month of termination. If an employee terminates on a day falling on the first through the fifteenth of a month, the employee shall receive credit for one-half (1/2) of the month's vacation accrual; if an employee terminates on a day falling on the sixteenth through thirty-first day of a month, the employee shall receive full credit for the vacation accrual for the month.

No leave credit shall be earned on terminal leave payments. When separation is caused by the death of any employee, payment shall be made to the estate of such employee or, in applicable cases, as provided by the Probate Code of the State.

h. Vacation Sale: Unit members with more than two (2) years service may sell unused vacation time in an amount not to exceed fifty (50) percent of that earned in the

preceding twelve (12) month period. The sum of the calculation shall be based on the employee's salary at the time of the sale.

ARTICLE 26

MILITARY LEAVE

26.1 Military Leave: Military leave with pay shall be granted in accordance with provisions of the Military and Veterans Code of the State and applicable federal law. An employee entitled to military leave shall give his/her Department Head an opportunity within the limits of military regulations to determine when such leave shall be taken. Prior to taking such leave, an employee shall present a copy of his/her military orders to his/her Department Head. The Department Head shall advise the Human Resources Director of such military orders immediately. Sick leave and annual vacation leave shall accrue to the employee during the period the employee is on military leave.

This provision shall not be construed to grant any benefits to employees who voluntarily join the armed services or who are called to full-time active duty in the armed services.

ARTICLE 27

JURY DUTY

27.1 Jury Duty: An employee on jury duty shall receive full pay and benefits for a maximum of two (2) weeks per calendar year. Any compensation for such jury duty, except travel pay, shall be returned to the City. City shall continue jury duty pay for those employees whose jury assignment, though originally estimated to be two (2) weeks or less, but is continued beyond the estimated time. Employees must return to work within a reasonable time if excused from jury duty during the employee's regular working hours.

ARTICLE 28

LEAVE OF ABSENCE/WITHOUT PAY

28.1 Leave of Absence Without Pay:

a. General Policy: Any employee may be granted a leave of absence without pay upon the approval of the City Manager pursuant to the recommendation of his/her Department Head and the Human Resources Director. A leave without pay may be granted for any of the following reasons:

- (1) Illness or disability.
- (2) To take a course of study which shall increase the employee's usefulness on return to his/her position in the City service.
- (3) For personal reasons acceptable to the City Manager and Department Head.

An employee shall utilize all his/her vacation and/or compensatory time off prior to taking an authorized leave of absence without pay. If such leave is due to illness or disability, employee shall use accrued sick leave prior to using accrued vacation and/or compensatory time. During a leave of absence without pay, other than granted pursuant to Family Medical Leave Act or California Family Rights Act, the City shall not contribute any payments toward any of the benefit plans (medical, dental, life, disability, retirement, etc.). To remain on the City's medical or life benefit plans, the employee may pay the entire premium prior to the first of each month. Failure to pay these premiums shall terminate coverage. During a leave of absence without pay, no credit for benefits including retirement, sick leave, vacation, holidays, seniority, etc., shall accrue.

The granting of any leave of absence without pay exceeding fifteen (15) consecutive calendar days shall cause the employee's salary anniversary date to be postponed by the number of calendar days for which such leave of absence has been granted, less the first fifteen (15) calendar days of such leave. The employee shall be assigned a new salary anniversary date which shall be the date to which his/her previous salary anniversary date has been postponed.

b. Authorization Procedure: Requests for leave of absence without pay shall be made upon forms prescribed by the City Manager and shall state specifically the reason for the request, the date when it is desired to begin the leave and the probable date of return. The request shall normally be initiated by the employee but may be initiated by his/her Department Head and upon written recommendation of the Department Head that it be granted, modified or denied, shall be promptly transmitted to the City Manager. The City Manager shall then make his/her recommendation in writing and return the response to the Department Head. A copy of any approved request for leave of absence without pay shall be delivered promptly to the Finance Director. Unless otherwise stated as a condition of approval of the leave, an employee shall return to his/her previous classification and step level and retain seniority earned at commencement of leave.

If the City Manager modifies or does not approve a request for Leave, the employee may, within fifteen (15) calendar days of said action, file a request with the Human Resources Director for review by the City Council. Upon such request, the Human Resources Director shall forward a copy of the request for Leave to the City Council for final determination. The employee shall notify the Human Resources Director whether he/she shall submit his/her position in a written statement or wishes to appear before the Council. The City may present its position in the same manner as the employee. The City Council, at its discretion, may designate one (1) or more Council members to meet with the employee and decide such appeals. The decision on such appeal shall be final.

c. Length of Leave and Extension: A leave of absence without pay may be made for a period not to exceed one (1) year. The City Manager may extend such leave for an additional period not to exceed one (1) year. Procedure in granting extensions shall be the same as that in granting the original leave provided that the request for extension is made in writing no later than fourteen (14) calendar days prior to the expiration of the original leave.

d. Return from Leave: When an employee intends to return from an authorized leave of absence without pay either before or upon the expiration of such leave,

he/she shall contact his/her Department Head at least fourteen (14) calendar days prior to the day he/she plans to return. The Department Head shall promptly notify the City Manager of the employee's intention.

e. Leave Without Pay: An employee shall utilize all his/her vacation and/or compensatory time off prior to taking an authorized leave of absence without pay.

ARTICLE 29

BEREAVEMENT LEAVE

29.1 Bereavement Leave: Whenever any employee is compelled to be absent from duty by reason of death in the employee's immediate family (biological, foster, or adoptive parent; step-parent; parent-in-law; legal guardian, brother, sister, step-brother; step-sister; brother-in-law; sister-in-law; spouse, domestic partner; biological, foster, or adopted child; step-child, legal ward; child of domestic partner; child of an employee standing in loco parentis; grandparent; grandparent-in-law, or grandchildren), such person shall be entitled to a leave of absence with pay for up to three (3) working days. The first two (2) days shall be City paid as bereavement leave and the third day shall be charged against sick leave. If an employee does not have any accrued and unused sick leave, he/she may use accrued vacation or CTO leave for the third day of Bereavement.

In the event the circumstances described in this section require the employee's attendance at a distance greater than three hundred (300) miles, the employee shall be entitled to a leave of absence with pay for up to five (5) working days. The first two (2) days shall be City paid as bereavement leave and the third, fourth, and fifth day shall be charged against sick leave. If an employee does not have any accrued and unused sick leave, he/she may use accrued vacation or CTO leave for the third, fourth and fifth day of Bereavement.

The employee shall furnish satisfactory evidence of such death to his/her Department Head.

ARTICLE 30

FAMILY SICK LEAVE

30.1 Family Sick Leave: Employees may use up to forty-eight (48) hours of sick leave for family sick leave in each calendar year. Family sick leave may be used when a member of the employee's immediate family (biological, foster, or adoptive parent; step-parent; legal guardian brother, sister, spouse; domestic partner biological, foster, or adoptive child, step-child; legal ward; child of domestic partner; or child of an employee standing in loco parentis; parent-in-law; grandparent; or grandchildren), requires the immediate attention and care of the employee. Employees may be required to provide satisfactory proof showing the nature and extent of the illness or injury to justify the absence.

ARTICLE 31

NON-OCCUPATIONAL DISABILITY LEAVE

31.1 Non-occupational Disability Leave:

a. Upon submission of an appropriate certificate from a licensed medical provider, an employee may be granted non-occupational disability leave. The employee utilizing non-occupational disability leave shall utilize all sick leave accredited to him/her and upon the expiration of sick leave shall utilize any accredited annual vacation leave and compensatory time. When sick leave, annual vacation leave, and compensatory time are exhausted, the remainder of the absence required shall be on the basis of leave without pay. The leave without pay shall constitute a break in continuous service with the City.

Non-occupational disability leave shall not extend beyond a maximum period of six (6) months. If additional leave is desired the employee may request additional leave in accordance with Leave of Absence Without Pay, Article 28, above.

b. An employee shall not be entitled to more than one (1) such leave pursuant to this Section per twelve (12) month period.

ARTICLE 32

WORKERS' COMPENSATION LEAVE

32.1 Workers' Compensation Leave:

a. The first three (3) workdays of industrial accident leave shall be charged to employee's accumulated sick leave. If the industrial leave exceeds three (3) days, the sick leave used shall be recredited to the employee.

b. Industrial injury temporary disability leave shall be paid at the current State Labor Code rate. An employee may use accrued sick leave, compensatory time, and vacation time, in that order, to supplement temporary disability payments up to that employee's last full paycheck net amount within twenty dollars (\$20.00). The employee shall not accrue sick leave or vacation credit during the period in which the employee receives Workers' Compensation temporary disability benefits.

The merit increase eligibility date and probation period of any employee who receives Workers' Compensation benefits shall be extended by the length of time the employee receives such benefits, except the first fifteen (15) consecutive calendar days from the date of injury shall be continuous City service for merit increase eligibility or completion of probation.

ARTICLE 33

LAYOFF/CLASSIFICATION REVIEW

33.1 Order of Layoff: The following order of layoff shall first be instituted within an affected classification in a department:

- a. Temporary part-time employees
- b. Temporary full-time employees
- c. Initial probationary employees
- d. Trainee part-time employees
- e. Trainee full-time employees
- f. Contract employees

33.2 Seniority: When the City orders a reduction in the work force, the layoff of regular status employees shall be first based upon seniority within a classification and secondly, based upon seniority in total service with the City.

33.3 Ties in Seniority: Regular status employees in the same division with equal time in a classification and total service in the City shall be laid off based upon past performance ratings and relative ability as determined by the City.

33.4 Bumping Rights: In order to exercise bumping rights, a regular status employee must have previously served in the lower classification and must have seniority in that classification over the regular status employee being displaced.

33.5 Voluntary Demotion: A regular status employee who is subject to layoff may, in lieu of layoff, choose a demotion to a lower classification in the same division, provided he/she gives written notice to his/her Department Head ten (10) calendar days after receiving notice of layoff. Regular employees who elect to demote under this provision shall be placed on the step nearest their present salary within the range of classification to which they are demoting, provided such step shall not exceed present salary.

33.6 Notice: The City shall give, or send by regular and certified U.S. mail to the last known address of affected employees, written notice at least fourteen (14) calendar days prior to the effective date of the layoff. Notice is not affected by failure of employee to return receipt for certified mail. Under emergency circumstances, the notice period may be shortened. The recognized employee organization shall be in receipt of the layoff notice twenty-four (24) hours prior to the time affected employees are notified, provided such notice shall be kept in strict confidence by the employee organization. The notice shall include:

- (1) The reason for layoff
- (2) The effective date of the action
- (3) If laid off out of seniority

33.7 Reemployment: Regular status employees laid off or taking voluntary demotion in service shall be reemployed in the inverse order of their layoff or demotion. Regular status employees laid off or taking a voluntary demotion in rank shall be maintained on the reemployment list until such employee once refuses to accept reinstatement or for two (2) years, whichever occurs first. The seniority date of a returning employee, after resignation or termination, shall be the first working day after the break in service. Seniority date of laid off employee's remains the same for the two (2) year reinstatement period.

33.8 Classification review procedure: The Human Resources Director is primarily responsible for the initiation of classification review studies and the recommendation of changes to the classification plan. An employee may initiate a review of his/her classification by submitting a written request, which includes the reasons for the request to their Department Head. If the Department Head has twice refused to refer the request to the Human Resources Director, the employee may send the request to Union. Union may refer such written requests to the Human Resources Director. The Human Resources Director shall take one of the following actions:

- (1) Accept the request for study, or
- (2) Return the request to Union with an explanation for non-action.

Requests referred to the Human Resources Director are subject to the same discretionary judgments regarding priority as other requests.

ARTICLE 34

GRIEVANCE AND DISCIPLINARY APPEALS PROCEDURE

34.1 Grievance: A "grievance" shall mean a written allegation by an employee(s) or the Union concerning a dispute arising out of the interpretation or application of the specific terms of this MOU and/or written employment policy, rules and regulations which affect terms and conditions of employment. An authorized Union representative may file a "grievance" on behalf of all employees to avoid a multiplicity of grievances over the same dispute.

34.2 Scope of Grievances: A grievance may be filed if a management interpretation or application of the provisions of this MOU adversely affects an employee's wages, hours or conditions of employment.

Specifically excluded from the scope of grievances are:

- (1) Subjects involving the amendment or change of City Council resolutions or ordinances which do not incorporate the provisions of this MOU;

- (2) Matters which have other means of appeal;
- (3) Position classifications;
- (4) Standard or better Performance Evaluations.

34.3 Representatives: An employee may represent himself/herself or may be represented by Union during any step of this procedure.

34.4 Procedural Due Process: The grievance procedure contained herein shall not act as a substitute for procedural due process rights for individual employees, with respect to pre-disciplinary/discharge matters.

34.5 In resolving disciplinary matters other than reprimands, the City and Union agree to proceed immediately to the first two (2) steps of the grievance procedure as provided herein. In the event a disciplinary matter is not resolved in Step 2, the aggrieved employee may appeal as provided herein. The parties may, by mutual consent, waive their right to proceed with any of the steps of the grievance procedure.

34.6 Days: Reference to days in this procedure shall mean calendar days.

34.7 Time Limitation and Waiver: A grievance shall not be valid unless it is submitted to the City's designee, in writing, setting forth the facts and the specific provisions of the MOU allegedly violated and the particular relief sought within ten (10) days after the date the grievant knew or in the exercise of reasonable diligence, should have known, of the event giving rise to the grievance occurred. Failure to file or process any grievance within the prescribed time limitation may constitute a bar of such grievance.

Failure by the City's representative to issue a decision within the time periods provided herein shall constitute a denial of the grievance and the grievant may appeal to the next level. The City's representative, prior to issuing a decision at Step 1 or Step 2, shall meet with the grievant and his representative, if any. Any issue or dispute concerning the procedures of this grievance procedure, including the timeliness of the filing or processing of a grievance, shall be subject to determination by the hearing officer.

34.8 Informal Conference: Prior to filing a formal grievance, an employee should discuss his grievance with his immediate supervisor in an effort to adjust the alleged grievance informally.

34.9 Step 1: If the grievance is not resolved through the informal conference with the immediate supervisor, the employee may file a written grievance with the Department Head within the time prescribed in paragraph 34.7. Within five (5) days after receipt of the written grievance, the Department Head and/or other representatives as may be designated by the City shall meet with the grievant. A written decision shall be given to the grievant within ten (10) days thereafter.

34.10 Step 2: If the grievance is not resolved at Step 1, the grievant shall have ten (10) days after receipt of the Step 1 decision to file a written appeal to the City Manager. Within

seven (7) days after receipt of the written grievance, the City Manager and/or other representatives as may be designated by the City shall meet with the grievant.

A written decision shall be given to the grievant within ten (10) days thereafter.

34.11 Step 3: In the event the grievance is not resolved in Step 2, the grievant may appeal within fifteen (15) days by filing written notice with the City Manager.

If, within the fifteen (15) day appeal period, the employee involved does not file said appeal, the action of the City shall be considered conclusive and shall take effect as prescribed.

If, within the fifteen (15) day appeal period, the employee involved files such notice of appeal by giving written notice of appeal to the City Manager, a time for an appeal hearing before a hearing officer mutually selected by the parties (employee and/or Union or City) shall be established. The date for a hearing shall not be less than ten (10) days, nor more than thirty (30) days, unless agreed otherwise, from the date of the filing of the appeal. All interested parties shall be notified in writing of the date, time and place of the hearing at least seven (7) calendar days prior to the hearing.

The decision of the City Manager shall be final and binding and shall not be referable to a hearing officer in grievances concerning:

- a. Sub-standard Performance Evaluation;
- b. Deferral or denial of a merit increase; or
- c. A three (3) day suspension or any lesser action.

34.12 Conduct of Hearings: All hearings shall be open to the public, provided, however, that the hearing officer shall, at the request of the employee, exclude the public from all or any portion of such hearings.

The hearing need not be conducted in accordance with technical rules relating to evidence and witnesses but hearings shall be conducted in a manner most conducive to determination of the truth.

The hearing officer shall determine relevancy, weight, and credibility of testimony and evidence. He shall base his findings on the preponderance of evidence.

Decisions made by the hearing officer shall not be invalidated by any informality in the proceedings.

The hearing officer shall not have the authority to add to, modify, or subtract from this Agreement or to take testimony from one party outside the presence of the other. The hearing officer shall not have the authority or power to render a binding decision that requires the City to expend additional funds, to hire additional personnel, to buy additional equipment or supplies, or to pay wages or benefits not specifically provided for in this Agreement or to take any action which would be in violation of Federal or State laws.

In disciplinary matters, the hearing officer may sustain or reject any or all of the charges filed against the employee. He may sustain, reject or modify the disciplinary action invoked against the employee. He may not provide for discipline more stringent than that invoked by the appointing authority.

34.13 Hearing Officer's Decision: The hearing officer shall render his decision as soon after the conclusion of the hearing as possible and in no event later than thirty (30) working days after conducting the hearing. His decision shall set forth which charges, if any, are sustained and the reasons therefore.

The hearing officer's written findings and conclusions, which support his/her decision, shall be filed with the City, the charged employee and his/her representative, if any. Except as provided hereinafter, the decision of the hearing officer is final and binding and shall be implemented by the City Manager. The cost of the hearing and the hearing officer's fees shall be borne equally by the parties.

Notwithstanding the foregoing, in the case of an appeal over an employee termination, the decision of the hearing officer shall be subject to review by the City Council. The City Council, by a minimum of four-fifths (4/5) affirmative votes, may sustain, reject or modify the decision of the hearing officer. Upon request, the affected employee or his/her representative shall be permitted to address the City Council in closed session prior to the City Council taking action on the appeal. The decision of the City Council shall be final and binding.

ARTICLE 35

SHOP STEWARD

35.1 Shop Steward shall be a City employee as selected by the Union. A list of Shop Stewards shall be kept current and sent by the Union to each Department Head and to the Human Resources Director. Up to three (3) Stewards in the unit, designated-by the Union, shall be allowed paid release time for Union business, up to two (2) hours per Steward per month, and shall be entitled to additional paid release time for grievance meetings with management. Stewards shall not leave their work assignment, nor interfere with the work of another employee, without first obtaining permission from the supervisors of the Steward and any involved employee. Additional release time, which shall be unpaid, may be allowed at the discretion of the supervisor. Release time hereunder shall not be unreasonably denied.

ARTICLE 36

EDUCATIONAL REIMBURSEMENT

36.1 Educational Reimbursement Program: Full-time, regular employees of the City who have passed original probation shall qualify for participation in the educational reimbursement program. The program covers courses taken at accredited colleges, accredited universities, correspondence courses and other institutions. Reimbursement shall not exceed two thousand dollars (\$2,000.00) per calendar year.

36.2 Reimbursement will be subject to the following:

a. The course elected must be of benefit to the City and directly related to the employee's current duties or future employment with the City. Courses taken to satisfy an associate, bachelor's or master's degree requirement may be approved, provided that the degree goal is in the field of current employment of the employee or future employment with the City.

b. Each employee must attend on his/her own time and complete the course satisfactorily with a passing grade of "C" or its numerical equivalent, or a "pass" or "credit" for the class.

c. The employee must obtain approval, in writing, from the Department Head or his/her designee, prior to enrolling in the course.

d. Such reimbursement shall include tuition, books and parking fees used to complete course requirements on assigned projects, but shall not include travel time, mileage, and other miscellaneous costs.

e. Upon completion of the course, the employee shall attach his/her grade report, along with receipts for covered items to his/her approved application for educational reimbursement and present it to the Department Head. The Department Head shall forward the records of completion to the Human Resources Director.

f. The Human Resources Director shall authorize a tuition education reimbursement upon certification of satisfactory course completion.

g. Copies of courses completed and the grades attained shall be maintained in the employee's personnel file and in the department's file.

h. Applications for reimbursement shall be accepted no later than one (1) month after the course grades have been distributed.

i. In order to participate in the educational reimbursement program, an employee shall be required to provide the City with written authorization to deduct the costs of such course(s) from the employee's last pay check if the employee leaves the City service within one (1) year after completion of the course(s) paid for by the City., If the last paycheck is insufficient to repay the costs, the employee shall be required to make appropriate arrangements, including a promissory note, to repay the balance within one (1) year of leaving the City service. The City Manager may alter the above requirements in unusual circumstances.

ARTICLE 37

RULES OF CONDUCT

37.1 When people work together, certain rules and regulations are necessary so that the business of the City may be conducted in an orderly manner and the welfare of the employees protected. Our rules are founded on common sense and the principles of good citizenship. We do not wish to restrict the rights of anyone, but rather to define them. Violation of these rules or regulations may result in disciplinary action.

a. Non-City Sponsored Activities:

(1) Activities not sponsored by the City such as: speeches, distribution of any kind of literature, interviewing employees, etc., regardless of their source or subject matter, shall not be allowed on City property or during working hours, unless specifically authorized by the City Manager.

(2) Solicitation for items of any kind and the sale of merchandise on City property or during working hours must be specifically approved by the City Manager.

b. Rules of Order:

(1) Employees are expected to go directly to the department to which they have been assigned.

(2) Employees shall not:

(i) Permit their City pay to become subject to excessive attachments, garnishments, wage assignments or liens becoming effective on default of payment.

(ii) Bring on premises articles to be sold or bartered.

(3) While on the City premises or during working hours, employees shall not:

(i) Work on other than City business unless specifically authorized by the City Manager.

(ii) Loiter in the restrooms, break room or other locations.

(iii) Engage in horseplay.

(iv) Meddle with machines, material, apparatus, tools or equipment assigned to other employees.

(v) Spit on floors, walls, or in the drinking fountains, wastebaskets or rubbish cans.

(vi) Have firearms in their possession under any conditions unless assigned as part of City-required equipment.

(vii) Sleep on the job.

(viii) Submit reports, which are knowingly false.

(ix) Leave the City premises or job site without proper permission of their supervisor.

(x) Commit acts of insubordination by refusing to obey instructions, requests or orders as given by supervisors, or directing disrespectful remarks toward and/or about supervisors.

(xi) Refuse to cooperate with supervisors and/or other employees, which would interfere with the best interests of the City.

c. Morals: The City desires to maintain wholesome working conditions. Employees who participate in objectionable activities, such as the following, on City premises or during working hours, are subject to disciplinary action:

(1) Possession, transportation or consumption of alcoholic beverages or illegal drugs. Drinking is not permitted during working hours unless authorized by the supervisor. Being under the influence of alcoholic beverages during working hours is prohibited. Consuming alcoholic beverages at any time in any public place while wearing a City uniform or insignia is prohibited unless authorized by the supervisor. Using or possessing illegal drugs on City property or during working hours is prohibited.

(2) Gambling in any form such as, but not limited to, betting or wagering, card playing for stakes, raffles, lotteries, pools, numbers and punch cards. The prohibition of gambling applies not only to the sale or distribution of tickets, but also to the purchasing of such ticket, except as may be allowed by State law.

(3) The use of offensive, profane or vulgar language. This includes, but is not limited to, swearing at a co-worker or threatening the co-worker with physical violence.

(4) Fighting.

(5) Acts of dishonesty, including, but not limited to, theft.

(6) Malicious slander about another employee.

(7) Immoral behavior.

d. Attendance and Working Hours:

(1) The supervisor shall schedule two (2) breaks and the lunch period in each working day. The department supervisor may modify the break and lunch periods to suit the needs of the department.

(2) Employees are expected to be at their place of work at the starting time specified by their supervisor. In the event an employee is going to be either absent or tardy, he is to notify his department supervisor or the Public Works Department by telephone or other means, at the earliest possible time.

Any employee absent without notifying the City may be subject to disciplinary action.

(3) In order to reemphasize the policies of the City and to insure compliance with Federal and State laws, it is mandatory that all employees follow these regulations:

(i) Employees shall not be permitted to start work before the time specified by the department supervisor. Work includes any handling of tools, equipment or material prior to performing actual job duties.

(ii) Employees shall not work after the time specified by the department supervisor and must leave the City premises immediately. They shall not be permitted to linger at the Corporation Yard.

(iii) Employees are not permitted to work during their lunch period.

e. Personal Conduct:

(1) All City employees must bear in mind that their appearance and conduct directly affects the public's opinion of their City government. It is, therefore, each employee's responsibility to:

(i) Maintain proper relations with the public while performing his/her duties -- this includes mannerisms, personal appearance and spoken word.

(ii) Conduct himself/herself in accordance with the spirit and letter of all laws of the community.

f. Accident Involving City Property or Equipment:

(1) City employees are expressly forbidden to make statements concerning accidents involving City property or equipment unless authorized by the City Manager or City Attorney.

ARTICLE 38

CLASSIFICATION

38.1 An employee who demonstrates that she/he meets the qualifications and requirements of a more advanced classification can be re-classed to a higher salary range. The salary anniversary date, the date on which the employee is eligible for a performance evaluation and/or merit increase, does not change. The employee shall be compensated at the step in the new salary range, which comes nearest to, but not less than, five percent (5%) higher than the step she/he held in the previous salary range. A reclassification effective on the employee's annual review date makes him/her eligible for a step increase in addition to the change in salary range, if the employee is not on the top step of the classification.

