

SEIU Local 721
City of Azusa

Memorandum of Understanding

**August 1, 2015,
through
June 30, 2018**



**MEMORANDUM OF UNDERSTANDING
BETWEEN
THE CITY OF AZUSA
AND THE
SERVICE EMPLOYEES INTERNATIONAL UNION
LOCAL 721**

AUGUST 1, 2015 THROUGH JUNE 30, 2018

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MEMORANDUM OF UNDERSTANDING
BETWEEN
THE CITY OF AZUSA
AND THE
SERVICE EMPLOYEES INTERNATIONAL UNION – LOCAL 721
AUGUST 1, 2015 THROUGH JUNE 30, 2018

This Memorandum of Understanding (hereinafter referred to as “MOU”) is entered into with reference to the following facts:

- (1) The Service Employees International Union – Local 721 (hereinafter referred to as “Union”) is the recognized employee organization representing those personnel (hereinafter referred to as “employees”) employed by the various departments of the City of Azusa (hereinafter referred to as “City”), and occupying the classifications as listed in Exhibit “A,” attached hereto;
- (2) In the interest of maintaining harmonious relations between the City and those employees represented by the Union, authorized representatives of the City and the Union have met and conferred in good faith, exchanging various proposals concerning wages, hours and other terms and conditions of employment to affected employees; and
- (3) The authorized representatives of the City and the Union have reached an understanding and agreement as to certain changes in wages, hours and other terms and conditions of employment of the affected employees which shall be submitted to the City Council of the City for approval and implementation of these changes by appropriate ordinance, resolution, or other lawful action.
- (4) It is understood that this MOU shall constitute a bar to any petition or request for recognition of any classification(s) of employees covered by this MOU.
- (5) The parties acknowledge, for the purposes of future interpretation, that in the course of negotiations for this 2015–2018 MOU, SEIU primarily drafted the language for new provisions in this current MOU which was then subject to review, suggested edits, and approval by the City. All language of previously existing provisions, which were carried over from the prior MOU, was drafted pursuant to previous negotiations.

Therefore, the City and the Union agree that, subject to approval and implementation by the City Council of the City, the wages, hours and other terms and conditions of employment for all affected employees shall be altered as follows:

1. TERM OF MEMORANDUM OF UNDERSTANDING

The term of this MOU shall commence August 1, 2015 and shall continue in full force and effect until June 30, 2018.

All provisions of this MOU, except to the extent as allowed by the re-openers expressed in this MOU shall remain in full force and effect until a new successor MOU has been agreed upon between the parties.

2. IMPLEMENTATION

This MOU is subject to approval of the City Council of the City of Azusa, and following such approval shall be implemented by appropriate resolution(s) or ordinance(s) of the City Council.

3. SAVINGS CLAUSE

Should any State or Federal law mandate the loss of revenue to the City as a result of the implementation of any clause of this MOU, or should any clause or provision of this MOU be found to be inoperative, void, or invalid by law or a court of competent jurisdiction then those changes alone shall not be given effect. In the event of such invalidation, the City and the Union agree to meet within thirty (30) days from said invalidation and confer in good faith to determine an alternative and economically equitable as applicable, clause or provision.

4. TOTAL COMPENSATION

As a matter of philosophy, the Union and the City recognize that compensation consists of terms and conditions of employment, other than those represented solely by salary. Further, the City and the Union recognize that the changes in wages, hours and other terms and conditions of employment as set forth in this MOU constitute additions to the total compensation received by affected employees.

5. EMPLOYEE RIGHTS

5.1 Protection of Rights

The parties mutually recognize and agree to protect the rights of all employees hereby to join and/or participate in protected union activities, or to refrain from joining or participating in protected activities in accordance with Government Code Section 3500, et seq.

5.2 Anti-Discrimination

The City and the Union agree they shall not discriminate against any employee because of race, color, sex, sexual orientation, gender identity or expression, religious or political affiliation, creed, citizenship status, military or veteran service status, marital status, pregnancy, age (over 40), national origin, ancestry, medical condition, physical or mental disability, or any other basis protected by federal, state or local laws. The City and the Union shall reopen any provisions of this Agreement for the purpose of complying with any final order of the federal or state agency or court of competent jurisdiction requiring a modification or change in any provision or provisions of this Agreement in compliance with state or federal anti-discrimination laws.

6. UNION RIGHTS

6.1 Agency Shop

The City and the Union mutually understand and agree that pursuant to Government Code Section 3502.5, all employees in the unit have the right to join, or not join, the Union. The parties have agreed to an agency shop arrangement, which requires that as a condition of continuing employment, employees in the unit must either join the Union, pay to the Union a service fee in lieu thereof, or establish a religious exemption there from.

6.1.1 Indemnification

The Union agrees to hold the City harmless and indemnify the City against claims, causes of action or lawsuits arising out of the deductions or transmittal of such funds to the Union, except for the intentional failure of the City to transmit to the Union monies deducted from the employees pursuant to this Article.

6.1.2 Payroll Deductions

To extent the funds are available and such deductions are allowed by law, the City shall deduct on a regular basis from the pay of all employees in the classifications and positions recognized to be represented by the Union, funds for membership dues, service fees, political contributions, and/or religious exemption donations. The City shall remit such funds to the Union within thirty (30) days following their deduction. As applicable, the Union shall

notify the City of any change(s) in the amount(s) of such deductions within thirty (30) days of the employee's written request to the Union.

6.1.2.1 Membership Dues

The City shall deduct union membership dues, in an amount as determined by the Union, from the paycheck of each employee who voluntarily authorizes such deductions in writing, on a form to be provided for this purpose.

6.1.2.2 Service Fees

The City shall automatically deduct a service fee, in an amount as determined by the Union but not to exceed the regular dues rate, from the paycheck of each employee, who does not join the Union or receive a religious exemption, within fourteen (14) days of entering the bargaining unit.

6.1.2.3 Committee on Political Education (COPE)

The City shall deduct amount(s), if any, as determined by the employee, from the paycheck of each employee who voluntarily authorized such deduction(s) in writing, on a form to be provided for this purpose.

6.1.2.4 Religious Objectors

The City shall deduct an amount equal to the service fee from the paycheck of each employee who receives a religious exemption. To receive a religious exemption, the employee must be a member of a bona fide religion, body, or sect which has historically held conscientious objections to joining or financially supporting public employee organizations. Such employees shall be required to submit a written request for exemption to the Union. Upon approval of such request, the Union shall submit the funds to a non-religious, non-charitable fund of the employee's choosing which is exempt from taxation under the IRS.

6.2 Maintenance of Membership

- 6.2.1 All unit members who, on August 1, 2010 or thereafter, are members of the Union in good standing shall maintain membership in the Union, including payroll deductions in Section 6.1.2.1 above, for the term of this MOU, except as otherwise provided below.
- 6.2.2 The Union hereby agrees to hold harmless the City of Azusa and its officers and employees from any claim loss or liability or cause of action of any nature whatsoever arising out of the implementation of this article.
- 6.2.3 Every employee who is a member of the Union shall have the right to withdraw from membership between June 1st and June 15th in the year of expiration of this MOU. To withdraw from membership, the employee shall notify SEIU, in writing, of their termination of authorization for union dues payroll deductions. Such notification shall be delivered in person, or by United States mail, and should be in the form of a letter, signed and dated by the individual employee, containing the following information: employee name, employee identification number, job classification, employer's name, and a statement of request to cancel union dues payroll deductions for SEIU.

6.3 Reporting Requirements

The City shall notify SEIU of all new employees hired, promoted, demoted, and transferred by the City, who are represented under this MOU. The City shall provide the following information for each employee within fourteen (14) business days of such change in employment status: full name, employee identification number, date of hire, effective date of change in employment status, home address, mailing address (if different), home phone number, cell phone number (if known), classification, work location, work phone numbers, salary step, and rate of pay.

6.4 Visits by Union Representatives

Representatives from the Union will be granted reasonable access to City facilities and employees in the bargaining unit for the purpose of investigating grievances and to conduct official union business. The visits shall not interfere with the normal operations of the City.

6.5 Use of City Facilities and Equipment

The City agrees to permit the reasonable and limited use of City facilities and equipment by Union representatives for conducting official union business. The use of City facilities must be scheduled in advance by contacting the Human Resources Director, appropriate Department Head, or designee. The date, time, location, and intervals of such meetings shall be mutually agreed upon by the parties.

6.6 Communication Access

6.6.1 Bulletin Boards

The City will provide bulletin boards to post notices regarding union business only. These bulletin boards will be maintained by the Union in an orderly manner. All material posted must be dated and contain the initials of a union representative.

6.6.2 Electronic Messages

Union representatives will be allowed reasonable use of the City's e-mail system to communicate with unit employees regarding union business.

6.7 Union Steward Program

The Union may elect or appoint up to two (2) stewards in the City. Stewards are recognized as representatives of SEIU in the City with the power to bind SEIU in all matters pertaining to this MOU. The Union agrees to notify the City in writing of the names of its stewards and the effective dates of their election or appointment.

There shall be no union activity on City time or premises, except as provided for in this MOU or by applicable law(s). A steward is permitted paid release time during regularly scheduled working hours, without any loss of compensation or benefits, to represent SEIU in grievances, administrative interviews, *Skelly* conferences, arbitration, hearings or conferences required by the Public Employee Relations Board (PERB), court, or depositions necessary and consistent with the representational rights granted by the *Meyers-Milias-Brown* Act (MMBA), as would legally require such pay. Upon request, Stewards shall also be permitted a reasonable amount of preparation time pursuant to this provision. A steward will not absent himself/herself from work without first obtaining the permission of his/her supervisor. To obtain permission, the steward shall identify: a) the specific reason for requesting permission, b) the employee(s) to be represented, and c) the

general issue involved. The employee shall wait to receive permission before leaving work. The Union agrees City services should not be negatively affected by any steward activity permitted by this provision. Subject to the foregoing, the City agrees to not unreasonably withhold permission.

Stewards shall not be entitled to make any claim for compensation for time spent on steward business during the steward's non-regular working hours.

6.8 Union Release Time

Chapter Board Members and Stewards will each be allowed a paid leave of absence, for up to one (1) shift per month, for Union Release Time to attend meetings and/or training. Such Union Release Time may accrue for up to a maximum of eighty (80) hours each calendar year. There shall be no more than two (2) unit employees on a paid leave of absence for Union Release Time at any given time. SEIU agrees City services should not be negatively affected by the use of Union Release Time and the use of such time is subject to prior written approval by the employee's supervisor. Subject to the foregoing, the City agrees to not unreasonably withhold permission.

In addition, an employee elected, or appointed, as an Executive Board Member shall be allowed a paid leave of absence for one (1) shift per month for the purpose of traveling to, and attending, the monthly Executive Board meetings.

An employee on Union Release Time will remain on the City's payroll and continue to be eligible for all compensation, benefits, and accruals in the same manner as if he/she were actively working. The City will continue to pay for the employee's compensation and for benefits provided to the employee during hours reported as Union Release Time.

6.9 Contract Negotiations

The City shall release no more than two (2) primary unit employees, and up to two (2) alternate unit employees who will be released only in the event the primaries are unavailable, to participate in collective bargaining with the City. The employee(s) shall be permitted to attend bargaining sessions and any required caucus time during regularly scheduled work hours. Such unit employee(s) attending a scheduled bargaining session or caucus time shall continue to be eligible for all compensation, benefits, and accruals in the same manner as if he/she were actively working on that date. There shall be no overtime compensation for meetings which are held outside of regularly scheduled work hours.

7. CITY RIGHTS

7.1 Management Rights

The City reserves, retains and is vested with, solely and exclusively, all rights of Management which have not been expressly abridged by specific provision(s) of this MOU or by law to manage the City, as such rights existed prior to the execution of this MOU. The sole and exclusive rights of Management, as they are not abridged by this MOU or by law, shall include, but not be limited to, the following:

- 7.1.1 To manage the City generally and to determine the issues of policy.
- 7.1.2 To determine the existence or nonexistence of facts which are the basis of the Management decision.
- 7.1.3 To determine the necessity and organization of any service or activity conducted by the City and expand or diminish services.
- 7.1.4 To determine the nature, manner, means and technology, and extent of services to be provided to the public.
- 7.1.5 To determine methods of financing.
- 7.1.6 To determine types of equipment or technology to be used.
- 7.1.7 To determine and/or change the facilities, methods, technology, means, and size of the work force by which the City operations are to be conducted.
- 7.1.8 To determine and change the number of locations, relocations, and types of operations, processes and materials to be used in carrying out all City functions including, but not limited to, the right to contract for or subcontract any work or operations of the City; provided, however:
 - 7.1.8.1 City will bargain about effects of any decision to contract out work historically performed by unit members.
 - 7.1.8.2 Except in the case of a bona fide emergency, City will provide a minimum ninety (90) calendar day advance notice on any proposed contracting out of work historically performed by unit members and will commence meeting

and conferring over the effects within ten (10) business days, excluding holidays, of said notice.

- 7.1.8.3 If a proposed contractor pays less than the economic value of City employee's wages and economic benefits, the City will notify the Union and, at a time when such discussions would be meaningful, informally discuss alternatives to contracting out with the Union. The parties agree to conduct discussions in good faith, but acknowledge that this is not bargaining (meet and confer).
- 7.1.9 To assign work to and schedule employees in accordance with requirements as determined by the City and to establish and change work schedules and assignments.
- 7.1.10 To relieve employees from duties for lack of funds or lack of work or similar non-disciplinary reasons.
- 7.1.11 To establish and modify productivity and performance programs and standards.
- 7.1.12 To discharge, suspend, demote or otherwise discipline employees for proper cause.
- 7.1.13 To determine job classification and to reclassify employees.
- 7.1.14 To hire, transfer, promote or demote employees for non-disciplinary reasons in accordance with this MOU and applicable Resolutions and Codes of the City.
- 7.1.15 To determine policies, procedures and standards for selection, training and promotion of employees.
- 7.1.16 To establish employee performance standards including, but not limited to, quality and quantity standards and to require compliance therewith.
- 7.1.17 To maintain order and efficiency in its facilities and operation.

7.1.18 To establish and promulgate and/or modify rules and regulations to maintain order and safety in the City which are not in contravention with this Agreement.

7.1.19 To take any and all necessary action to carry out the mission of the City in emergencies.

7.2 Conformance with Rules

The City shall have the right to exercise the rights provided in Sections 7.1.9 through 7.1.16 of the Management rights clause, in accordance with the Personnel Rules and Regulations as they exist as of May 16, 1988, and shall exercise these rights in conformance with the Personnel Rules and Regulations.

7.3 Meet and Confer

Except in emergencies, or where the City is required to make changes in its operations because of the requirements of law, whenever the exercise of Management's rights shall impact on employees of the bargaining unit, the City agrees to meet and confer with representatives of the Union regarding the impact of the exercise of such rights, unless that matter of the exercise of such rights is provided for in this MOU, or in Personnel Rules and Salary Resolutions and Administrative Code(s) which are incorporated in this Agreement. By agreeing to meet and confer with the Union as to the impact and the exercise of any of the foregoing City Rights, Management's discretion in the exercise of these rights shall not be diminished.

8. SEPARABILITY

Should any provisions of this MOU be found to be inoperative, void, or invalid by a court of competent jurisdiction, all other provisions of this MOU shall remain in full force and effect for the duration of this MOU.

9. MAINTENANCE OF EXISTING BENEFITS

Except as provided herein, all wages, hours and economic terms and conditions of employment presently enjoyed by employees shall remain in full force and effect during the entire term of this MOU, unless mutually agreed to the contrary by both parties hereto.

10. WORKWEEK AND TIMEKEEPING INTERVAL

10.1 Workweek

The regular workweek for all employees covered by this MOU shall be forty (40) hours for a seven (7) day period beginning at 12:01 A.M. each Sunday and shall consist of four (4) consecutive days a week and ten (10) hours per day.

Within certain departments there exists a compelling need for certain employees to work a five (5) day forty (40) hour week. Upon a clear showing of need and with the affected employees consent, the department head may schedule employees accordingly.

Daily hours of work or shifts for employees within departments shall be assigned by the department head, as required to meet the needs of the department.

10.1.1 Notwithstanding 10.1, the City may maintain a five (5), eight (8) hour days per week schedule for employees currently assigned to such a schedule. Further, the City may assign a five (5), eight (8) hour per week schedule to employees preferring to work such a schedule.

10.2 Workday

Except as provided in 10.1.1, the workday will consist of ten and one half (10½) hours, with break periods, to be scheduled in light of the departmental policy, as follows:

One (1) forty (40) minute meal break

Two (2) fifteen (15) minute rest breaks

Two (2) fifteen (15) minute “wash-up” times may be taken, as needed, prior to starting the meal period and at end of shift

The City reserves the right to determine the beginning and ending times of the workday.

10.3 Timekeeping Interval

In compliance with the Fair Labor Standards Act (FLSA), the minimum timekeeping interval shall be fifteen (15) minutes. Periods of time of seven (7) minutes or less

shall be rounded down, and periods of time of eight (8) minutes or more shall be rounded up.

11. SALARY

11.1 Salary Increases

Employees covered by this Agreement who are on the payroll on the following dates shall receive pay increases as shown. The salary ranges in effect during the term of this MOU are reflected in Exhibit "A."

11.1.1 Effective August 1, 2015, there shall be a two percent (2.0%) adjustment in the salary for all classifications and steps for employees represented by this agreement.

11.1.2 Effective July 1, 2016, there shall be a two percent (2.0%) adjustment in the salary for all classifications and steps for employees represented by this agreement.

11.1.3 Effective July 1, 2017, there shall be a one percent (1.0%) adjustment in the salary for all classifications and steps for employees represented by this agreement.

11.2 Automatic Payroll Deposit

The City will continue to offer Automatic Payroll Deposit in cooperation with any bank that utilizes the Automated Clearing House service.

11.3 Classification Compensation Study

The City agrees to complete a comprehensive Classification Compensation Study (Study) on all represented classifications prior to the end of calendar year 2016. The Study shall be based on total compensation, including but not limited to base salary, premium pay, and benefits. The City agrees to provide the Union with the portion of the Study relevant to its bargaining unit within a reasonable time following the Study's completion.

Upon request, the parties shall re-open negotiations regarding the results and recommendations of the Study. It is expressly understood by both parties that this re-opener does not obligate the unit to anything more than a good faith discussion on the issue and that no changes shall be implemented without mutual agreement.

Absent such mutual agreement by both parties, the status quo (all wages, benefits, economic and non-economic terms and conditions of employment presently enjoyed by employees as negotiated upon the effective date of this MOU) shall remain in full force and effect.

12. ADDITIONAL COMPENSATION/PREMIUM PAY

12.1 Acting Pay

An employee who is temporarily assigned, with prior approval of the department head, the duties of a position in a higher class for a period of more than forty (40) consecutive working hours shall be paid at the lowest range for the higher level class which provides at least a five percent (5%) increase, but which does not exceed the top step of the range for the higher class. An employee who meets the forty (40) hour requirement shall be paid at the higher rate from the first day of the temporary assignment.

An employee shall not continue acting in a temporary assignment for more than ninety (90) working days in any fiscal year.

An employee otherwise eligible for acting pay shall not be eligible during scheduled periods of Vacation Leave or when on Sick Leave.

The City shall not repeatedly assign employees to a position in a higher class for periods less than forty (40) consecutive working hours in a manner which, as a practical matter, precludes employees from being paid at a higher rate.

Moreover, the City affirms that it shall not use the repeated scheduling of employees to work in a position in a higher class for less than forty (40) consecutive working hours principally as a cost-saving measure.

12.2 Bilingual Pay

The City shall pay an additional one hundred dollars (\$100.00) per month to employees demonstrating a proficiency in a foreign language if they are assigned and required to speak and translate the foreign language in the performance of their duties.

An additional payment of one hundred dollars (\$100.00) per month shall be paid to those employees who are proficient in writing the foreign language as well. Such

payment is conditional upon demonstration of proficiency by a qualified third-party examiner mutually agreed upon by both the City and the Union.

Employees may apply for bilingual pay at any time; however, examinations shall be conducted semi-annually.

12.3 Callback

If an employee is required to be called back to work after completing his/her normal shift or after having left City premises or the employee's work location, the employee shall be compensated at the appropriate rate for each hour worked on callback with a minimum of three (3) hours callback compensation at the appropriate rate, regardless of whether the employee actually works less than three (3) hours. This provision shall be applicable to an employee even though the employee's regular work week is not complete but shall not apply to an employee who is continuing on duty for his/her normal work shift. For the purposes of this section only, the time starts when the request for callback is received by the employee.

12.3.1 Appropriate Rate of Pay for Callback

The rate of pay for the first callback during a twenty-four (24) hour period (defined for this section only as 4:00 P.M. to 4:00 P.M. the next calendar day) shall be at one and one-half (1½) times the normal rate of pay, except between 12:00 A.M. (midnight) and 5:00 A.M., when the first call shall be compensated at double-time (2×) rate. All other call backs during the same twenty-four (24) hour period as defined above shall be compensated at the double-time (2×) rate. Callbacks may be entered as overtime or as compensatory time off within applicable limits.

In the event that an employee is summoned to work before 4:00 a.m., he/she shall be compensated at two (2×) times the normal rate of pay until either he/she has a six (6) hour rest period.

In the event that an employee is summoned to work between 4:00 A.M. and 5:00 A.M. and is required to continue to work, he/she shall be compensated one and one-half (1½) times the regular rate of pay for all work performed after 5:00 a.m. until he/she has a six (6) hour rest period.

All hours worked in excess of twelve (12) consecutive hours shall be compensated at two (2) times the normal rate until the employee has a six (6) hour break.

12.4 Deferred Compensation Plan

12.4.1 Employer Paid Contributions

The City shall provide forty-five dollars (\$45.00) per month in deferred compensation to each employee. The employee may opt, once annually on January 1, as to the investment option to be credited.

12.4.2 Employee Contributions

Employees may opt to make additional contributions, up to the legal limits, on his/her own behalf into his/her deferred compensation plan.

12.5 Equipment Allowance

The City agrees to provide a personal equipment allowance of two hundred and thirty-five dollars (\$235.00) per employee for up to two (2) pairs of safety shoes/boots, work-related clothing, equipment, or garments per year. Employees who are employed for less than the fiscal year shall have their equipment allowance prorated.

12.6 Longevity Premium

The monthly longevity pay for employees shall be in accordance with the following schedule:

10 yrs = \$ 85

15 yrs = \$175

20 yrs = \$250

Notwithstanding the foregoing, employees currently receiving a higher dollar amount of longevity pay than the amounts provided for above shall continue to receive the higher dollar amount until eligible for an increase based on the schedule set forth above.

12.7 Overtime/Compensatory Time

12.7.1 Eligibility

Employees shall be entitled to overtime pay, or compensatory time off, for all hours worked in excess of ten (10) hours in one (1) work day or forty (40) hours within the employee's regular work week. Except as provided elsewhere in this MOU, overtime shall be calculated at one and a half times (1.5×) the employee's FLSA rate of pay. For the purposes of this agreement, Holiday Pay, Sick Leave, and other compensated time off shall count for the hours.

12.7.2 Accumulation

12.7.2.1 Compensatory time may be accumulated at the appropriate rate for each hour of overtime worked to the maximum accrual rate set by Federal law.

12.7.2.2 Overtime pay or compensatory time off for overtime pay shall be accumulated in no less than fifteen (15) minutes per day increments, subject to Section 10.3. When an employee works less than fifteen (15) minutes per day of overtime, the employee shall not receive compensatory time for such overtime.

12.7.2.3 Accumulated compensatory time, not taken off in the pay period in which it was earned, may be carried over to a maximum of one hundred sixty (160) hours.

12.7.3 Authorization

Any compensation for overtime hours worked, such overtime work must be authorized by the department head or the City Manager.

12.7.4 Holiday Double-Time

All hours worked during designated holidays (except for floating holidays), as defined in Section 17.2, shall be compensated at a premium overtime rate of two times (2×) the employee's regular rate of pay.

12.7.5 Overtime Meal Policy

Employees must submit receipts, as may be required by City policy or law, to receive a meal reimbursement.

12.7.5.1 Beyond Regular Shift

When an employee is required to work continuous, unplanned overtime beyond his/her regular shift, he/she shall be provided with a meal, and time to eat the meal, no more than two (2) hours after the commencement of such work and no less frequently than every four (4) hours actually worked thereafter, or he/she shall receive a meal reimbursement of fifteen dollars (\$15.00) for each such period.

12.7.5.2 Outside of Regular Shift

When an employee is required to perform scheduled or unscheduled work outside of his/her regular work hours, as a result of an emergency situation he/she shall be provided with a meal, and the time to eat the meal, no less frequently than every four (4) hours, or he/she shall receive a meal reimbursement of fifteen dollars (\$15.00) for each such four (4) hour period.

12.7.5.3 Before 5:00 A.M.

In the event an employee is summoned to work before 5:00 A.M. and is required to continue to work into his/her regular shift on the same task that he/she was summoned for, he/she shall be provided with a meal, and time to eat the meal, no less frequently than every four (4) hours, or he/she shall receive a meal reimbursement of fifteen dollars (\$15.00) for each such four (4) hour period.

12.8 Night Shift Differential

An employee whose regular shift commences between the hours of 9:00 P.M. and 2:00 A.M. shall receive an additional one dollar (\$1.00) per hour for hours worked on that shift.

12.9 Paint Crew

Any employee, assigned to the paint crew in the Street Maintenance Division of Public Works, who is scheduled to work after 12:00 A.M. (midnight) will receive an additional twenty-five cents (\$0.25) per hour for each hour worked after that time. This additional pay constitutes premium pay and is not to be considered as a part of the employee's base salary.

12.10 Standby

12.10.1 Definition

An employee shall receive Standby Pay when he/she is required to be available for work for twenty-four (24) hours a day on seven (7) consecutive days.

12.10.2 Standby Pay

The City agrees to pay time and one-half (1½) for standby time with a minimum of two (2) hours per day, which will result in three (3) hours of regular pay. The hours shall be entered on time sheets as Premium Standby or Premium Comp Time. Premium Comp time shall be limited to thirty (30) hours.

12.10.3 Qualifications

The Department Head shall determine which employees are qualified for standby assignment. If an employee cannot serve on standby due to insufficient practical knowledge, the Department Head shall make an alternate assignment.

Standby assignment shall apply to those employees who can show, to the Department Head's satisfaction, that he/she can respond to a call out in the City within one-half (½) hour or less. Qualified employees shall serve on a rotating basis.

12.10.4 Vehicle Assignment

The City agrees to provide a City vehicle to each employee on Standby. This assigned vehicle shall not be used for personal business.

12.11 Uniform Allowance

The City shall provide an adequate number of uniforms to each employee at no cost to the employee. The City shall continue to pay one hundred percent (100%) of the costs to clean, maintain, repair, and/or replace such uniforms.

12.12 Weekend Assignment

Within certain departments there may exist a need for certain employees to work a scheduled four (4) consecutive day forty (40) hour workweek which includes Saturday and/or Sunday. Any employees so assigned shall receive an additional one dollar (\$1.00) per hour for those hours worked on Saturday or Sunday or both if included within their forty (40) hour work week. This additional pay constitutes premium pay, and is not to be considered as part of the employee's base salary.

13. COMPUTER LOAN PROGRAM

Effective upon approval of the MOU by the City Council, the Computer Loan Program will be terminated and no new participants will be allowed to participate. Any employee with a remaining loan balance will be responsible for payment in full at time of separation of employment, or in accordance with an existing payment arrangement. The failure to make full payment will obligate the employee to pay the City's attorney's fees in any restitution process.

14. DAMAGE TO PERSONAL EFFECTS

If, in the course of business, personal clothing or effects of employees are accidentally damaged or destroyed, the employee may submit a claim for reimbursement up to one hundred dollars (\$100.00) to the department head or his/her designee. The department head, or designee, shall have the authority to investigate the claim and recommend to the City Manager, or his/her designee, to pay the full amount of the claim, deny the claim, or apportion the claim based on normal wear and tear of the item and/or the extent of the employee's negligence in following proper safety procedures. It is expressly understood that stockings and socks are exempt from this procedure. It is further expressly understood that prescription eye glasses or contact lenses and hearing aid devices are exempt from the one hundred dollar (\$100.00) limit.

15. EMPLOYEE ASSISTANCE PLAN

The City will continue to maintain the Employee Assistance Plan.

16. FLEXIBLE BENEFIT PLAN

16.1 Definition

Effective August 1, 1993, the City's existing Cafeteria Benefit Plan (CBP) was converted to an IRS Section 125 Flexible Benefit Plan (FBP) administered by either the City or its designee.

This plan can be used by the employee to pay for qualified benefits as determined by the IRS and as set forth below. The provisions of this plan, including but not limited to the excess contribution to deferred compensation plans, are subject to the availability of such plans and legality of such deposits. In no case will a legal prohibition be considered a breach of the City's duty under these provisions.

16.2 FBP Contributions

16.2.1 Amount of Monthly FBP Contribution

16.2.1.1 For employees hired on or before June 30, 2016, the City will maintain the FBP contribution at one thousand three hundred and forty-six dollars (\$1,346.00) per month for each employee.

16.2.1.2 For employees hired on or after July 1, 2016, the City will make an FBP contribution of twelve hundred dollars (\$1,200.00) per month for each employee.

16.2.2 Premiums in Excess of FBP Contribution

In the event the total premiums and/or expenses for qualified benefits selected by the employee exceed the amount of the FBP contribution, the excess shall be deducted from pre-tax wages of the employee.

16.2.3 FBP Contribution in Excess of Premiums

16.2.3.1 For employees hired on or before June 30, 2016, in the event there remains any portion of the FBP contribution after all premiums and/or expenses for qualified benefits selected by the employee have been paid each month, then the employee may choose to have the excess amount paid to him/her or deposited by the City into the

employee's Deferred Compensation Plan to the extent such deposit is legally allowable.

- 16.2.3.2 For employees hired on or after July 1, 2016 any remaining portion of the FBP contribution, after all premiums and/or expenses for qualified benefits selected by the employee have been paid each month, shall be forfeited.

16.3 Eligibility

In order for an employee to be eligible for the FBP contribution in any given month, he/she must be on payroll on the first work day (excluding designated holidays) of that month.

A new employee will be eligible for the full FBP contribution applicable to his/her bargaining unit if he/she begins work on the first work day (excluding designated holidays) of the month. An employee whose date of hire is on the second work day (excluding designated holidays) of the month or thereafter will not be eligible for the FBP contribution for that month.

If an employee does not meet the qualifying work time in any given month, arrangements must be made with the Finance Department to reimburse the City for any benefits that have already been paid out on the employee's behalf for that month. The Finance Department will notify the employee if he/she has not met the qualifying work time for eligibility for the FBP contribution.

16.4 Termination

The City will not be responsible for payment of any qualified benefits on behalf of the employee following the month of termination. If an employee represented by the Union wishes to continue his/her qualified benefits, advance payment for such qualified benefits will be deducted from the employee's final pay.

16.5 Medical Waiver Option

If an eligible employee elects not to participate in any medical plans provided by the City and can show adequate proof of approved medical plan coverage, the employee shall be eligible for a Medical Waiver Option. Such alternative medical plan coverage must be verified initially and thereafter on an annual basis through the presentation of a valid medical insurance card, or other reasonable means of

verification as approved by the Human Resources Director. Alternative medical plan coverage must be maintained until the City's next available open enrollment period.

16.5.1 For employees hired on or before June 30, 2016, the options are to have an amount equal to the full FBP contribution amount paid to the employee, or deposited by the City into the employee's Deferred Compensation Plan, each month.

16.5.2 For employees hired on or after July 1, 2016, the options are to have three hundred dollars (\$300.00) paid to the employee, or deposited by the City into the employee's Deferred Compensation Plan, each month.

16.6 Qualified Benefits

An employee may use his/her FBP contribution to purchase a medical health insurance plan or dental insurance plan provided by the City.

16.7 Vision Insurance

Effective March 1, 2016, the City shall provide a voluntary vision insurance plan for employees and their eligible family members. If an employee elects to participate in the vision plan, he/she shall be responsible for paying one hundred percent (100%) of all premium costs. Such payment may be made via payroll deductions.

16.8 "Cadillac Tax"

In the event provisions of the Affordable Care Act (ACA) require the payment of a "Cadillac Tax," during the term of this MOU, on medical insurance benefits provided by the City, upon request, the parties shall re-open negotiations on the issue. It is expressly understood by both parties that this re-opener does not obligate the unit to anything more than a good faith discussion on the issue and that no changes shall be implemented without mutual agreement. Absent such mutual agreement by both parties, the status quo (all wages, benefits, economic and non-economic terms and conditions of employment presently enjoyed by employees as negotiated upon the effective date of this MOU) shall remain in full force and effect.

17. LEAVE TYPES

17.1 Bereavement Leave

An employee shall be provided up to forty (40) hours of paid Bereavement Leave in the event of the death or imminent death of a member of his/her immediate family. The City may require the submission of medical certification establishing an incident of imminent death or proof of death. "Immediate family" member is herewith defined as a parent, step-parents, sibling, step-siblings, spouse, domestic partner, child, mother-in-law, father-in-law, grandparents, grandparents-in-law or relative living within the employee's household. Any person *in loco parentis*, defined to include any person with whom the employee stood in the place of the parent or child, will also be considered "immediately family" for the purpose of this benefit. Bereavement Leave for close personal relationships, other than the listed relationships, may be approved by Department Head and Director of Human Resources. Such leave shall not be charged against the employee's sick or vacation leave balances.

In addition to Bereavement Leave, an employee may request up to two (2) days of Sick Leave in the event of the death of an immediate family member. Such leave shall be charged against the employee's accrued Sick Leave balance and shall be considered in calculating his/her ability to convert the balance.

17.2 Holidays

17.2.1 Designated Holidays

The employee shall receive time off with pay for the following holidays, but only if the employee is in a paid status for the workday that precedes and follows the holiday. If a holiday falls on an employee's scheduled day off, the employee shall receive the holiday on the next scheduled business day.

The dates upon which these holidays shall be observed each fiscal year are listed below:

Holiday Schedule	Month	FY2015/2016	FY2016/2017	FY2017/2018
Independence Day	July	6*	4*	4
Labor Day	Sept	7*	5*	4*
Columbus Day	Oct	12*	10*	9*
Veteran's Day	Nov	11	14*	13*
Thanksgiving Day	Nov	26	24	23
Christmas Day	Dec	28*	26*	25*
New Year's Day	Jan	4*	2*	1*
Martin Luther King Day	Jan	18*	16*	15*
President's Day	Feb	15*	20*	19*
Memorial Day	May	30*	29*	28*

* = Monday

17.2.2 Floating Holidays

The City and the Union agree to two (2) floating holidays of ten (10) hours each. All floating holidays shall be requested in advance from the appropriate department head or division chief. Enough employees shall remain at work during floating holidays so that the City's business may be conducted. Floating holidays shall accrue on July 1 of each year and must be taken by the following June 30, or the hours will be forfeited.

17.3 Industrial Leave

A regular employee who is temporarily or permanently incapacitated as a result of injury or illness determined to be compensable under the Workers' Compensation Act shall be granted industrial leave under the following terms and conditions:

- 17.3.1 An employee granted industrial leave shall continue to be compensated at the employee's regular rate of pay in lieu of temporary disability payments.
- 17.3.2 Should it be determined that an employee's illness or injury did not arise in the course of the employee's employment with the City or that the employee is not temporarily or permanently incapacitated or

disabled as a result of the injury or illness, then the employee's accrued or, if insufficient, future Sick Leave shall be charged to reimburse the City for any payments made to the employee pursuant to Section 17.3.1. above.

- 17.3.3 An industrial leave of up to ninety (90) calendar days shall be authorized for each injury or illness determined to be compensable under the Workers' Compensation Act. Paid leave may be continued subject to review by the City Council at the end of such ninety (90) calendar day period to a maximum of six (6) months. Supporting medical documentation must accompany such requests for leave and be submitted thirty (30) days prior to expiration date.
- 17.3.4 After ninety (90) calendar days employees who are disabled because of a work related illness or injury receive Industrial Leave pay in lieu of Total Temporary Disability payments and may supplement these payments with sick leave, vacation leave or compensatory time off they have earned. If deemed temporarily totally disabled or permanently disabled and unable to return to work, employees may apply for Long Term Disability.
- 17.3.5 Prior to the end of the six (6) months of paid leave pursuant to this section, the employee may apply for benefits under the City's long-term disability plan, If the employee is qualified to receive benefits under the disability plan, Vacation Leave and Sick Leave shall accrue, and the City shall continue to pay benefits under the City's Flexible Benefit Plan and CalPERS so far as required by law for such employee for an additional six (6) month period. An employee receiving long-term disability may be eligible to return to work on or before six (6) months from the time employee began receiving long-term disability benefits. The employee shall notify the department head as soon as practicable as to whether he/she will be returning to work prior to the expiration of the six (6) month period in which the employee has been on long term disability.
- 17.3.6 Except as provided in 17.3.1. and 17.3.4 above, no employee shall have accrued Sick Leave deducted while on industrial leave. Vacation Leave and Sick Leave shall accrue for an employee on industrial leave.

17.3.7 Industrial leave shall expire when one of the following conditions occurs:

17.3.7.1 Employee is able to return to work to his/her regular position.

17.3.7.2 The day before the employee is retired or separated for disability. The employee's "retirement date" shall be the first of the month after all of the following occur and are determined by the California Public Employees' Retirement System:

17.3.7.2.1 The employee's condition is determined to be permanent or of an extended duration.

17.3.7.2.2 The degree of disability precludes continued employment by the employee in his/her present position.

17.3.7.3 After twenty-six (26) weeks of industrial disability payments.

17.3.8 Physicians may be assigned in compliance with the Health and Safety Code and the Workers' Compensation Laws of the State of California (Ref.: Section 4600 - Labor Code.)

17.4 Sick Leave

Sick Leave shall not be construed as a right which an employee may use at his/her discretion, but shall be allowed only in case of necessity or actual sickness or disability. Sick Leave must be exhausted before compensatory time off or Vacation Leave may be used for sick leave reasons. The parties acknowledge that the City is governed by the *Healthy Workplaces, Healthy Families Act of 2014* and that provisions governing sick leave and its usage should be interpreted consistently where possible.

17.4.1 Reasons for Use of Sick Leave

Sick Leave shall be granted for the following reasons:

- 17.4.1.1 The illness, diagnosis, care, or treatment of an existing health condition of, or preventative care for, the employee.
- 17.4.1.2 The illness, diagnosis, care, or treatment of an existing health condition of, or preventative care for, a qualified family member, as defined by the *Healthy Workplaces, Healthy Families Act of 2014* which may include but is not limited to a: parent, sibling, spouse, domestic partner, child, mother-in-law, father-in-law, grandparent, grandparent-in-law, or other relative living within the employee's household. Any person *in loco parentis*, defined to include any person with whom the employee stood in the place of the parent or child, will also be considered a "qualified family member" for this purpose. Use of sick leave for close personal relationships may be approved by the Department Head or Human Resources Director.
- 17.4.1.3 Enforced quarantine of the employee in accordance with Health Department regulations.
- 17.4.1.4 Medical, dental, orthodontic, and optical appointments for the employee and/or qualified family members.
- 17.4.1.5 The parties agree that employees may utilize a maximum of thirty (30) hours of Sick Leave during any one (1) calendar year wherein the City will not question usage. Employees must provide advance notice for such designation, sometimes referred to as "Personal Business" Sick Leave whenever possible. Personal Business Sick Leave shall be approved or disapproved by the department head in accordance with this section.

Departments are to use the earning code "PB" for this purpose. This leave shall be debited against the employee's Sick Leave balance, but Sick Leave taken as "Personal Business" Sick Leave shall not be taken into consideration for the purposes of the sick leave cash-In program or in any way negatively affect employee performance evaluations.

17.4.1.6 Any other reason that Sick Leave may be used under state and federal law, including but not limited to the *Healthy Workplaces, Healthy Families Act of 2014*.

17.4.2 Evaluation of Sick Leave Usage

A yearly evaluation period for the use of Sick Leave is established beginning on the first payday on or after January. At the end of the time period, the Finance Department will analyze and report to the various employees the amount of Sick Leave earned, less the amount used, and the net accrued during the calendar year.

17.4.2.1 Medical Certification Program

In the event an employee has used greater than one hundred and twenty (120) sick leave hours in a calendar year [excluding hours reported under FMLA, CFRA, PDL, and up to sixty (60) hours used for a qualified family member] or exhibits a discernable pattern of abuse (such as calling out before or after each weekend or holiday), the employee may be placed on a Medical Certification Program.

An employee placed on a Medical Certification Program shall be required to submit a certificate from a healthcare provider to be eligible to utilize sick leave, for all reasons except those set forth in Section 17.4.1.5.

An employee placed on a Medical Certification Program shall have his/her sick leave usage reviewed no less than every six (6) months while on the program. If the employee has used less than thirty (30) hours during the preceding six (6) month period, he/she shall be removed from the program. If the employee's pattern and/or usage have not improved, he/she shall remain on the program until the next evaluation period.

17.4.3 Procedures

17.4.3.1 Rate of Accrual

Each employee shall accrue sick leave at the rate of ten (10) hours per month for each calendar month of paid employment.

17.4.3.2 Maximum Accumulation

17.4.3.2.1 For employees hired on or before June 30, 2016, there is no maximum accumulation on sick leave hours. Each employee shall maintain the right to unlimited accumulation of all accrued sick leave hours.

17.4.3.2.2 For employees hired on or after July 1, 2016, sick leave may be accumulated up to a maximum of nine hundred and sixty (960) hours. Sick leave accrual which exceeds the maximum accumulation allowed shall not be paid out to the employee nor shall the employee continue to accrue additional sick leave until such time as the accumulated hours fall below nine hundred and sixty (960) hours.

17.4.3.3 Usage for Time Reporting

Sick leave shall not be taken in increments of less than thirty (30) minutes.

17.4.3.4 Verification

A certificate from a healthcare provider may be requested for sick leave absences of three (3) days or more.

17.4.4 Probationary Employee Sick Leave Usage

If an employee does not pass initial probation and become permanent, paid Sick Leave in excess of thirty (30) hours in the first ninety (90) days of employment must be reimbursed to the City or deducted from the employee's final paycheck.

17.4.5 Sick Leave During Vacation

If an employee becomes ill or injured while on vacation, he/she may, by completing a Leave Request Form, use accrued Sick Leave time in lieu of vacation time for the period of disability.

17.4.6 One-Fourth Conversion

Only employees hired on or before June 30, 2016 are eligible to participate in a conversion of sick leave to cash.

If the employee has used more than three (3), but not more than six (6), days of Sick Leave, not including time spent on personal business, bereavement, FMLA, CFRA, PDL, or for a qualified family member, he/she will have the following options:

- 17.4.6.1 Carry over the accrual and add it to his/her Sick Leave balance.
- 17.4.6.2 Convert, only to the extent that his/her balance is more than zero (0) at the beginning of the new year, one-fourth ($\frac{1}{4}$) of the accrual to vacation or convert one-fourth ($\frac{1}{4}$) to cash (but no combination of these two); unused, unconverted leave would then be added to the employee's Sick Leave balance.

17.4.7 One-Third Conversion

Only employees hired on or before June 30, 2016 are eligible to participate in a conversion of sick leave to cash.

If the employee has used no more than three (3) days of Sick Leave, not including time spent on personal business, bereavement, FMLA, CFRA, PDL, or for a qualified family member, he/she will have the following options:

- 17.4.7.1 Carry over the accrual and add it to his/her Sick Leave balance.
- 17.4.7.2 Convert, only to the extent that his/her balance is more than zero (0) at the beginning of the new year, one-third ($\frac{1}{3}$) of the accrual to vacation or convert one-third ($\frac{1}{3}$) of it to cash (but no combination of these two); unused or unconverted leave would then be added to the employee's Sick Leave balance.

17.4.8 Conversion to Cash upon Retirement or Separation

Only employees hired on or before June 30, 2016 are eligible to participate in a conversion of sick leave to cash.

17.4.8.1 The employee may convert fifty percent (50%) of his/her accrued Sick Leave balance to cash upon: death (if he/she has attained permanent status); disability retirement (if he/she has been employed by the City a minimum of five (5) years); or voluntary retirement (if he/she has been employed by the City a minimum of ten (10) years).

17.4.8.2 Upon separation for other reasons the employee may convert fifty percent (50%) of his/her accrued Sick Leave balance to cash for hours in excess of three hundred twenty (320) hours to a maximum payment of two hundred forty (240) hours.

17.4.9 Conversion to Service Credit Upon Retirement

Pursuant to the terms of the City's contract, as amended, with the California Public Employees' Retirement System, upon voluntary retirement the employee may convert one hundred percent (100%) of his/her accrued Sick Leave balance, less any amount converted to cash under the provisions of Section 17.4.8 to retirement service credit.

17.4.10 Conversion Deadline

A decision to convert Sick Leave according to the policies stated shall be made by March 31 of each calendar year.

17.4.11 Retiree Medical Trust

In the event the City establishes a Retiree Medical Trust (RMT) during the term of this MOU, upon request, the parties shall re-open negotiations to discuss the issue. It is expressly understood by both parties that this re-opener does not obligate the unit to anything more than a good faith discussion on the issue and that no changes shall be implemented without mutual agreement. Absent such mutual agreement by both parties, the status quo (all wages, benefits, economic and non-economic terms and conditions of

employment presently enjoyed by employees as negotiated upon the effective date of this MOU) shall remain in full force and effect.

17.5 Vacation

17.5.1 Required Usage and Maximum Accumulation

- 17.5.1.1 An employee shall be required to use one half (½) of his/her annual vacation accrual yearly and shall be able to accumulate unused vacation each year, up to the allowed maximum.
- 17.5.1.2 For employees hired on or before June 30, 2016, the employee may accumulate up to a maximum of fifty-two (52×) times the current pay period rate of vacation accrual.
- 17.5.1.3 For employees hired on or after July 1, 2016, the employee may accumulate up to a maximum of three hundred (300) hours.
- 17.5.1.4 Vacation accrual which exceeds the maximum allowed shall be paid to the employee in the following pay period in which it is accrued.
- 17.5.1.5 In special cases where it has not been possible, due to work load and other factors, for the employee to use his/her vacation before reaching the maximum, it shall be within the department head's authority to authorize cash payment in lieu of time off. The employee may direct the payoff amount to his/her deferred compensation plan within applicable legal limits.

17.5.2 Cash-In Policy

With the approval of the Department Head or City Manager, an employee may convert into pay accrued vacation in excess of fifty percent (50%) of his/her annual accrual.

17.5.3 Accrual

Vacation Leave shall accrue as follows:

Through the 4th year of employment	90 hours per year
Through the 5th year of employment	120 hours per year
Through the 6th year of employment	128 hours per year
Through the 7th year of employment	136 hours per year
Through the 8th year of employment	144 hours per year
Through the 9th year of employment	152 hours per year
Through the 10th year of employment	160 hours per year
Through the 11th year of employment	168 hours per year
Through the 12th year of employment	176 hours per year
Through the 13th year of employment,	184 hours per year
Through the 14th year of employment	192 hours per year
Through the 15th year of employment	200 hours per year
Through the 16th year of employment	210 hours per year

17.5.4 Special Pay Plan/Excess Vacation Annuity

In the event the City establishes a Special Pay Plan and/or Excess Vacation Annuity during the term of this MOU, upon request, the parties shall re-open negotiations regarding the issue. It is expressly understood by both parties that this re-opener does not obligate the unit to anything more than a good faith discussion on the issue and that no changes shall be implemented without mutual agreement. Absent such mutual agreement by both parties, the status quo (all wages, benefits, economic and non-economic terms and conditions of employment presently enjoyed by employees as negotiated upon the effective date of this MOU) shall remain in full force and effect.

18. CERTIFICATION AND LICENSE

18.1 City Obligation of Costs

- 18.1.1 The City agrees to pay the cost of maintaining certification and licenses that are within the minimum requirements for the licensee's job.
- 18.2.2 The City agrees to pay the costs for certification and renewal, as required to maintain the certification, for which the employee is receiving Certification Incentive Pay.

18.2 Certification Incentive

Effective July 1, 2016, the City shall pay a certification incentive pay, at a rate equal to two percent (2%) of salary each pay period, to each employee who maintains a valid certification in Confined Space Entry.

The incentive paid shall not exceed a monthly maximum as follows:

Effective July 1, 2016 the maximum payment shall be one hundred and fifteen dollars (\$115.00) per month.

Effective July 1, 2017 the maximum payment shall be increased to one hundred and twenty five dollars (\$125.00) per month.

The employee shall receive the incentive pay beginning the first full pay period after submission of the documentation showing completion to his/her supervisor or designee. It is the employee's responsibility to ensure the certification is kept current and submit the required documents in a timely manner to continue to receive the salary increase. Employees whose certifications expire will not be paid the incentive until a copy of the renewed certificate is submitted.

19. LIFE INSURANCE

The City shall provide term life insurance equal to eighteen (18) months of salary or thirty thousand dollars (\$30,000.00), whichever is greater, excluding overtime, standby, callback and other forms of supplemental compensation, for each employee.

20. LONG TERM DISABILITY INSURANCE

The City shall maintain in effect for the term of this agreement a long-term disability (LTD) plan covering employees set forth herein. Said plan shall provide an employee with a maximum of two-thirds (2/3) of his/her base salary. An employee may utilize his/her accrued Sick Leave, vacation, and/or compensatory time to supplement the LTD payment so as to receive one hundred percent (100%) of his/her base salary. The LTD plan includes the following:

20.1 Provides 66.67% of the employee's monthly salary;

20.2 Commences after a thirty (30) calendar day waiting period and provides a benefit to age 65;

- 20.3 For the first thirty (30) days of non-job related illness or injury, the employee will use accrued Sick Leave, compensatory time or Vacation Leave;
- 20.4 The employee will be allowed to use accrued Sick Leave in conjunction with the LTD plan to provide for a full pay check;
- 20.5 At no time will an employee receive more than one hundred percent (100%) of his/her base pay;
- 20.6 The premium will be added to the employee's gross pay and deducted from the net pay so as to make the benefits exempt from further taxation.

21. RETIREMENT

21.1 California Public Employees' Retirement System

The City provides employees with retirement benefits through the California Public Employees' Retirement System (CalPERS).

Definitions and terms in this Section are intended to comply and be in conformity with the California Public Employees' Pension Reform Act of 2013 (PEPRA) and/or California Government Code Section 7522.04.

21.1.1 Definition of a "Classic" Member

Any employee hired by the City on or prior to December 31, 2012; or any employee previously employed by a CalPERS participating public agency, hired by that agency prior to January 1, 2013, and who becomes employed by the City with less than a six (6) month break in service, or any employee who is eligible for reciprocity with another California public retirement system.

21.1.2 Definition of a "New" Member

Any employee hired by the City or any other CalPERS participating public agency, on or after January 1, 2013; or any employee previously employed by a CalPERS participating public agency who becomes employed by the City after a break in service of greater than six (6) months; or any employee who is ineligible for reciprocity with another California public retirement system.

Retirement formulas and calculations are based upon a combination of the employee's age, years of service, and annual pensionable compensation.

Plans for both “classic” and “new” members use a three (3) year highest average, with calculations as set forth and administered by CalPERS.

21.1.3 Retirement Formula for “Classic” Members

The City contracts with CalPERS for a “2% @ 55 full formula” plan. There is no cap on annual salary that can be used to calculate final compensation.

21.1.4 Retirement Formula for “New” Members

PEPRA mandates a “2% @ 62” plan. There is a pensionable compensation cap on annual salary used to calculate final compensation.

The rate of contributions by both the City and each individual employee is based upon applicable law and MOU provisions.

21.1.5 Contributions for “Classic” Members

21.1.5.1 For employees hired on or before June 30, 2016: Each employee shall continue to pay five percent (5%) of the “employer” contribution. Effective the second pay period after the adoption of the new MOU by City Council, each employee shall pay an additional two percent (2%) – for a total of seven percent (7%) – of the “employer” contribution. Unless required by law, or mutual agreement by the parties, each employee shall not pay more than seven percent (7%) in total contributions.

The City shall continue to pay one hundred percent (100%) of the “employee” member contribution, known as an Employer Paid Member Contribution (EPMC), and the remaining portion of the “employer” contribution and costs.

21.1.5.2 For employees hired on or after July 1, 2016: Each employee shall participate in equal sharing of normal cost with the City. Each employee will pay up to fifty percent (50%) of the total normal cost of their pension benefit, as determined by CalPERS each year, but not to exceed an eight percent (8%) contribution rate for miscellaneous plan members.

21.1.6 Contributions for “New” Members

Due to PEPPRA, all employees must participate in equal sharing of normal cost with the City. Both the City and the employee will pay fifty percent (50%) of the normal costs, as determined by CalPERS each year.

21.1.7 Optional Benefits

21.1.7.1 The optional benefit of *Two Year Additional Service Credit* shall be discretionary with Council in accordance with Government Code Section 20903.

21.1.7.2 The City’s contract with the CalPERS includes the optional benefit of *Employer-paid Member Contribution in Base Pay During the Final Compensation Period*.

21.1.7.3 The City’s contract with CalPERS includes the optional benefit of *Service Credit for Unused Sick Leave*.

21.1.7.4 CalPERS Service Credit for Military Service.

The CalPERS Military Service Credit Purchase Assistance Plan described below shall be made available to full time regular employees who have completed his/her initial probation period with the City.

The City’s contract with CalPERS includes the provisions of Section 21024, *Military Service Credit as Public Service*. Accordingly, eligible employees with qualifying military service can contact CalPERS and arrange to be billed for the service credit. The City shall reimburse the employee for twenty five percent (25%) of the amount of the bill. Eligibility for the 25% reimbursement is limited to employees who are on the payroll on 7/1/95.

If desired, the employee may apply for a loan from the City for the remaining seventy five percent (75%). The employee shall apply for the loan on a City provided loan application. If the employee qualifies, the City will fund the loan on an interest free basis. Loan payments must be by payroll

deduction. Each loan payment period shall not exceed six (6) years. The City may require collateral.

Any remaining loan balance must be paid in full at the time of separation of employment. Payment will be made directly and/or by deduction from the last paycheck. In the event an outstanding balance remains, the employee is responsible for making payment arrangements. The failure to make full payment will obligate the employee to pay the City's attorney's fees in any restitution process.

21.1.7.5 The City shall maintain the increased level of the *1959 Survivor Benefit*.

21.1.7.6 The City's contract with CalPERS provides the minimum *Annual Cost-of-Living Allowance* (Government Code Section 21335) of two percent (2%).

21.2 Public Agency Retirement System (PARS)

Effective July 1, 2006 the retirement formula will be adjusted to reflect an additional one half percent (0.5%) to the current formula of two percent (2.0%) per year of service at 55 years of age. This enhancement will provide for a retirement formula of two and a half percent (2.5%) per year of service for anyone retiring at 55 years of age or older. All prior years of service will count toward the computation. Employees will contribute four percent (4.0%) toward the cost of this program with the City contributing an additional one percent (1.0%). This additional benefit will be provided through the Public Agency Retirement System (PARS).

21.2.1 State law has eliminated this benefit provided by PARS for new employees hired on or after January 1, 2013, and limited this benefit for existing City of Azusa employees hired prior to January 1, 2013, who become SEIU represented employees.

21.3 Health Insurance During Retirement

Beginning with the first month after retirement, for employees who had at least twenty (20) years of service with the City of Azusa, and who enroll or continue in the City's health insurance program, the City will reimburse monthly to the employee the amount of one-half (50%) of the premiums for such health insurance, regardless of how many family members are enrolled.

In the event the employee is single or widowed, and has no dependents, the City's contribution shall be equal to one hundred percent (100%) of such premium.

In the event the employee passes away and is survived by an eligible spouse, the benefit shall continue. But, if the employee passes away and has no surviving spouse the benefit shall not carryover to the surviving dependents.

This plan shall remain in effect until the retiree, or eligible spouse passes away, whichever occurs later, at which time the benefit shall terminate. Once an individual has qualified for this provision, he/she shall retain this eligibility. The minimum contribution that the City pays directly to CalPERS shall be considered to be part of the portion paid by the City.

22. TUITION REIMBURSEMENT

22.1 Objective

The tuition reimbursement program is designed to encourage employees to continue his/her self-development by enrolling in approved classroom courses which will:

- 22.1.1 Educate them in new concepts and methods in his/her occupational field and prepare them to meet the changing demands of his/her job.
- 22.1.2 Help prepare them for advancement to positions of greater responsibility in the City of Azusa.

22.2 Eligibility

- 22.2.1 All regularly appointed employees are eligible to receive tuition reimbursement. Courses must commence after appointment and be in excess of the educational standards for the position. An example of this would be job-related college or university courses when the specification for the classification calls for high school graduation.
- 22.2.2 Courses must be (except where noted below in paragraphs 22.3.3. and 22.3.4.) traditional classroom courses taken at colleges or universities and approved by the Western Association of Schools and Colleges. Distance learning classes offered by such colleges and universities shall be covered by this provision. Credits given for non-classroom assignments such as life experience, military training, and professional training are not reimbursable.

- 22.2.3 Course work must be related to the employee's current occupation or to a City classification to which the employee may reasonably expect promotion within the next five (5) years.

22.3 Courses may be eligible if they:

- 22.3.1 Are above the educational requirements of the position as noted in the position specification and are not taken to acquire skills, knowledge and abilities which the employee was deemed to have when appointed the position.
- 22.3.2 Do not duplicate training which the employee has already had or which is to be provided in-house.
- 22.3.3 Do not duplicate previously taken courses unless special approval has been granted by the department head and the Human Resources Division.
- 22.3.4 Are required for the completion of the pre-approved job-related major. An example would be general education or elective requirements for the major as stated in the school catalog. Remedial courses or those taken as required for a non-approved major shall not be eligible.
- 22.3.5 Include completed engineering review courses taken at accredited institutions for which an academic grade or units of academic credit are not given. These courses must prepare candidates for a certificate, license or registration issued by the California Board of Registration for Professional Engineers. The employee must receive the certificate or license from this Board to be eligible for reimbursement, which will be granted for a maximum of two (2) courses per certificate, license or registration.
- 22.3.6 Lead to a City-approved certificate, license or registration. Reimbursement may be made for any examination fees required to successfully obtain the certificate, license or registration. Reimbursement for eligible expenses will be made after obtaining the license, certificate or registration.
- 22.3.7 Are not taken on City time and must be certified that they are taken on the employee's off-duty time.

- 22.3.8 Have been approved by the Department Head and the City Manager or his/her designee before commencement of the class.

22.4 Reimbursement

- 22.4.1 The City shall reimburse employees for tuition, registration fees and texts required for the eligible courses. Expenses for parking, travel, meals, processing fees, transcript fees, materials and any other costs are not reimbursable.
- 22.4.2 Employees shall be reimbursed up to the dollar amount charged for the same number of units per term by California State University system.
- 22.4.3 In order to be reviewed, each application must state exactly which units or credits the employee is applying for and whether the courses submitted are core courses or recommended electives for the approved major.
- 22.4.4 Reimbursement shall be made upon completion of the course with a minimum final grade of

“C” or its equivalent (i.e., a pass in a pass/fail course will be considered equivalent to a “C”). No reimbursement shall be made for audited or incomplete courses.
- 22.4.5 Employees must submit from the attendant institution an original certification of fees paid and grade achieved in order to have his or her application considered for reimbursement. These documents must accompany the reimbursement application form in order to be processed.
- 22.4.6 Application for reimbursement must be submitted within three months of the completion of the approved course in order to be considered for reimbursement.
- 22.4.7 Upon termination from employment, employees shall be required to reimburse the City for any funds received under this program for courses completed during the last twenty four (24) months of employment. This payback provision does not apply to employees

laid off by the City or who separate as a result of a City/departamental reorganization.

23. FLEXIBLE STAFFING POSITIONS

The following classifications shall be incorporated into a “Flexible Staffing” pattern.

Facilities Maintenance Worker I, II, III
Street Maintenance Worker I, II, III

The first level classifications are apprentice classifications. Employees in these classifications shall be promoted (on probationary status) to the second level classifications, respectively, upon successful completion of one (1) year of service at the fifth (5th) salary step.

If the series includes a third level, the second level classifications shall be promoted (on probationary status) to the third level classifications, respectively, upon successful completion of one (1) year of service at the fifth (5th) salary step and when, in the opinion of the Department Head, the employee has retained the practical knowledge of the performance of all facets of the duties required of the third level classification.

In the event that the employee is not promoted as described above, he/she shall be presented in writing the reason(s) for the denial of the promotion, and a list of the area(s) of which the employee has insufficient knowledge to achieve the promotion. Nothing in this article shall preclude management from promoting qualified employees to a higher step/classification in his/her flex series.

24. LABOR-MANAGEMENT COMMITTEE

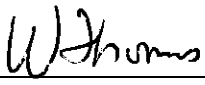
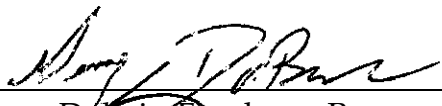
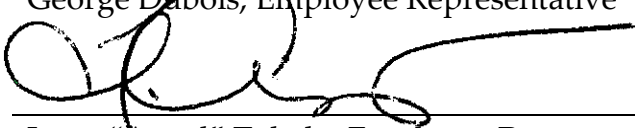
The parties shall establish an ad hoc Labor-Management Committee (LMC) consisting of management representatives, employee representatives, and union representatives to discuss labor related issues as they arise. The parties understand and agree the objective of the LMC is to have a forum for the informal discussion of labor-related issues.

25. LAY OFF

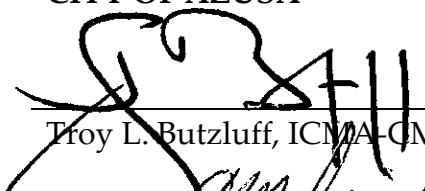
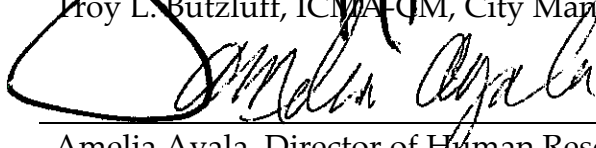
The City agrees that in the event employees represented by the Union are laid off from his/her employment, a minimum of forty-five (45) calendar days’ notice will be given to each individual affected employee. Such notice shall be in writing and signed by an appropriate management employee.

MEMORANDUM OF UNDERSTANDING
SEIU LOCAL 721
AUGUST 1, 2015 THROUGH JUNE 30, 2018

SEIU LOCAL 721

	06/10/2016
Wendy Thomas, SEIU 721 Chief Negotiator	Date
	6-8-16
George Dabo, Employee Representative	Date
	6/8/16
Jesus "Angel" Toledo, Employee Representative	Date

CITY OF AZUSA

	6-7-16
Troy L. Butzluff, ICMA-CM, City Manager	Date
	6-7-16
Amelia Ayala, Director of Human Resources & Risk Management	Date

EXECUTION OF THE NEW AGREEMENT

This MOU has been ratified on May 10, 2016 by a simple majority vote of unit employees who are in classifications represented by SEIU Local 721 as set forth in this agreement.

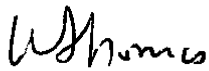
This MOU was then approved by a majority vote of the City Council of the City of Azusa on June 6, 2016.

Following its execution by the parties hereto, the City shall implement its terms and conditions by appropriate lawful action.

In witness whereof, the parties hereto have cause for this agreement to be executed this 7th day of June 2016.

SEIU Local 721

City of Azusa, California



Wendy Thomas
Chief Negotiator



Amelia Ayala
Director of HR & Risk Management

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EXHIBIT A
SEIU Salary Schedules

EFFECTIVE 08/01/2015 — 2% COLA

Classification	Range	Step 1	Step 2	Step 3	Step 4	Step 5
FACILITIES CREW SUPERVISOR	8184	4,787.30	5,026.66	5,277.99	5,541.89	5,818.99
FACILITIES MAINT SUPERVISOR	8204	5,639.22	5,921.18	6,217.24	6,528.10	6,854.51
FACILITIES MAINT WORKER I	8153	3,566.43	3,744.75	3,931.99	4,128.58	4,335.01
FACILITIES MAINT WORKER II	8163	3,919.95	4,115.94	4,321.74	4,537.83	4,764.72
FACILITIES MAINT WORKER III	8174	4,351.66	4,569.24	4,797.70	5,037.59	5,289.47
PUBLIC WORKS SUPERVISOR	8204	5,639.22	5,921.18	6,217.24	6,528.10	6,854.51
STREET MAINT CREW SUPERVISOR	8184	4,787.30	5,026.66	5,277.99	5,541.89	5,818.99
STREET MAINT WORKER I	8153	3,566.43	3,744.75	3,931.99	4,128.58	4,335.01
STREET MAINT WORKER II	8163	3,919.95	4,115.94	4,321.74	4,537.83	4,764.72
STREET MAINT WORKER III	8174	4,351.66	4,569.24	4,797.70	5,037.59	5,289.47

EFFECTIVE 07/01/2016 — 2% COLA

Classification	Range	Step 1	Step 2	Step 3	Step 4	Step 5
FACILITIES CREW SUPERVISOR	8184	4,883.05	5,127.19	5,383.55	5,652.73	5,935.37
FACILITIES MAINT SUPERVISOR	8204	5,752.00	6,039.60	6,341.58	6,658.66	6,991.60
FACILITIES MAINT WORKER I	8153	3,637.76	3,819.65	4,010.63	4,211.15	4,421.71
FACILITIES MAINT WORKER II	8163	3,998.35	4,198.26	4,408.17	4,628.59	4,860.01
FACILITIES MAINT WORKER III	8174	4,438.69	4,660.62	4,893.65	5,138.34	5,395.26
PUBLIC WORKS SUPERVISOR	8204	5,752.00	6,039.60	6,341.58	6,658.66	6,991.60
STREET MAINT CREW SUPERVISOR	8184	4,883.05	5,127.19	5,383.55	5,652.73	5,935.37
STREET MAINT WORKER I	8153	3,637.76	3,819.65	4,010.63	4,211.15	4,421.71
STREET MAINT WORKER II	8163	3,998.35	4,198.26	4,408.17	4,628.59	4,860.01
STREET MAINT WORKER III	8174	4,438.69	4,660.62	4,893.65	5,138.34	5,395.26

EFFECTIVE 07/01/2017 — 1% COLA

Classification	Range	Step 1	Step 2	Step 3	Step 4	Step 5
FACILITIES CREW SUPERVISOR	8184	4,931.88	5,178.46	5,437.39	5,709.26	5,994.72
FACILITIES MAINT SUPERVISOR	8204	5,809.52	6,100.00	6,405.00	6,725.25	7,061.52
FACILITIES MAINT WORKER I	8153	3,674.14	3,857.85	4,050.74	4,253.26	4,465.93
FACILITIES MAINT WORKER II	8163	4,038.33	4,240.24	4,452.25	4,674.88	4,908.61
FACILITIES MAINT WORKER III	8174	4,483.08	4,707.23	4,942.59	5,189.72	5,449.21
PUBLIC WORKS SUPERVISOR	8204	5,809.52	6,100.00	6,405.00	6,725.25	7,061.52
STREET MAINT CREW SUPERVISOR	8184	4,931.88	5,178.46	5,437.39	5,709.26	5,994.72
STREET MAINT WORKER I	8153	3,674.14	3,857.85	4,050.74	4,253.26	4,465.93
STREET MAINT WORKER II	8163	4,038.33	4,240.24	4,452.25	4,674.88	4,908.61
STREET MAINT WORKER III	8174	4,483.08	4,707.23	4,942.59	5,189.72	5,449.21

City of Azusa

August 1, 2015, through June 30, 2018



SEIU Local 721

1545 Wilshire Blvd Ste 100

Los Angeles CA 90017-4510

Questions? Call the Member Connection (877) 721-4YOU

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