RESOLUTION NO. 36-14

RESOLUTION OF THE COUNCIL OF THE CITY OF CHICO APPROVING "MEMORANDUM OF UNDERSTANDING BETWEEN CITY OF CHICO AND STATIONARY ENGINEERS, LOCAL 39, REGARDING PAY, HOURS, AND OTHER TERMS AND CONDITIONS OF EMPLOYMENT FOR JANUARY 1, 2014 THROUGH DECEMBER 31, 2016 (2014 LOCAL 39 MOU)"

WHEREAS, the Council has previously recognized the Stationary Engineers, Local 39 ("Union") as the majority representative of Wastewater Treatment Plant employees of the City of Chico; and

WHEREAS, pursuant to the provisions of Government Code Section 3500 et. seq. and Chapter 2R.72 of the Chico Municipal Code ("Personnel and Employee Representation Rules"), authorized representatives of Union and of the City have met and conferred in good faith concerning matters within the scope of representation; and

WHEREAS, City and Union have memorialized their agreement regarding matters within the scope of representation pursuant to the above referenced code provisions in the "MEMORANDUM OF UNDERSTANDING BETWEEN CITY OF CHICO AND STATIONARY ENGINEERS, LOCAL 39, REGARDING PAY, HOURS AND OTHER TERMS AND CONDITIONS OF EMPLOYMENT FOR JANUARY 1, 2014 THROUGH DECEMBER 31, 2016 (2014 LOCAL 39 MOU);" and

WHEREAS, all current negotiated items have been incorporated into the 2014 LOCAL 39 MOU; and

WHEREAS, City and Union have executed the 2014 LOCAL 39 MOU and the City Clerk has made copies of the 2014 LOCAL 39 MOU available to this Council for its consideration; and

WHEREAS, this Council has reviewed the 2014 LOCAL 39 MOU and finds that it should be approved.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Chico as follows:

1. The 2014 LOCAL 39 MOU is hereby approved and supersedes in all respects any and all terms and provisions of all prior memorandums of understanding between City and employees represented by Union, except to the extent that any term or provision of this 2014 LOCAL 39 MOU expressly provides otherwise.

2. The City Manager is hereby authorized to make appropriate adjustments to the current and 2013-14 Annual Budgets, to City's Administrative Procedure and Policy Manual, and such other rules and regulations of City as may apply, and to perform all other acts necessary to implement the terms and conditions set forth in the 2014 LOCAL 39 MOU.

THE FOREGOING RESOLUTION WAS ADOPTED by the Council of the City of Chico at its meeting held on April 1, 2014, by the following vote:

AYES: Morgan, Ritter, Schwab, Stone, Sorensen, Gruendl

NOES: None

ABSENT: Goloff

ABSTAIN: None

DISQUALIFIED: None

ATTEST:

Deborah R. Presson, City Clerk

APPROVED AS TO FORM:

Lori J. Barker, City Attorney

MEMORANDUM OF UNDERSTANDING

BETWEEN

CITY OF CHICO

AND

STATIONARY ENGINEERS, LOCAL 39

REGARDING PAY, HOURS AND OTHER TERMS AND CONDITIONS OF EMPLOYMENT

FOR

JANUARY 1, 2014 THROUGH DECEMBER 31, 2016

(2014 LOCAL 39 MOU)

Pursuant to California Government Code Section 3500 et seq., the Council of the City of Chico, through its designated representative, ("City") and the Stationary Engineers, Local 39 ("Union") have met and conferred in good faith regarding various items relating to pay, hours, and other terms and conditions of employment for the employee unit represented by Union.

As a result of the abovementioned meetings, City and Union have reached agreement as provided in this Memorandum of Understanding ("MOU") pursuant to California Government Code Section 3505.1.

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ARTICLE ONE: GENERAL PROVISIONS

1.1 DEFINITIONS

A. Generally. Except as otherwise provided herein, all words and phrases used in this MOU shall have the meanings as set forth in the Charter of the City of Chico ("Charter"), the Chico Municipal Code ("CMC"), the City of Chico Personnel and Employee Relations Rules ("City's PERR"), the City of Chico Administrative Procedure and Policy Manual ("City's AP&P"), and in California Government Code Section 3500 et seq., entitled, the "Meyer-Milias-Brown Act," ("MMBA").

B. Specific Definitions. The following words or phrases shall have the meanings as set forth below, unless the context in which any word or phrase is used requires another meaning:

1. "City" shall mean either the City of Chico, or the City Manager, or any Department Head or Officer thereof acting on behalf of the City of Chico or the City Manager, with regard to the provisions of this MOU.

2. "Compensating Time Off" ("CTO") shall mean compensating time off which is granted in lieu of pay for overtime hours worked.

3. "Council" shall mean the City Council of the City of Chico.

4. "Department Head" shall mean an individual employee's department head or department head's designated representative.

5. "Employee" shall mean permanent and probationary full-time and permanent and probationary part-time employees of City who are represented by Union and covered by this MOU, as set forth in Exhibit "A," entitled "Schedule of Job Titles and Basic Pay Ranges" ("Exhibit "A" ").

6. Fair Labor Standards Act ("FLSA") shall mean the Fair Labor Standards Act of 1938, as amended and as implemented, through Title 29 of the Code of Federal Regulations.

7. "Pay" shall include the term "wages" as used in MMBA.

8. "Permanent Part-Time" shall mean positions or Employees which have a regular schedule of twenty (20) or more hours per week but less than forty (40) hours per week.

9. **"Permanent Seasonal"** shall mean positions or Employees which have a regular schedule of between twenty (20) and forty (40) hours per week, and shall have a seasonal term of no more than ten (10) months per calendar year.

10. **"Union"** shall mean Stationary Engineers, Local 39, the recognized and certified majority employee representation for employees covered by this MOU, or "Local 39." "Union" or "Local 39" may be used interchangeably within this MOU.

11. **"Designated Operator-in-Charge"** shall mean a Wastewater Treatment Plant Operator III, or higher, who is appointed to be the designated operator-in-charge for any period of time during which the Wastewater Treatment Manager is unable to carry out the responsibilities of the position of "chief plant operator," as defined by the California Code of Regulations Title 23, Article 3, Section 3671.

12. **"Lone Operator"** shall mean a Wastewater Treatment Plant Operator who is required to work a shift alone at City's Water Pollution Control Plant. The use of a lone operator shall be subject to California Code of Regulations Title 23, Article 3, Section 3681.1.

C. **Structure of MOU.** This MOU is structured with Articles, Subarticles, Sections, Subsections, Paragraphs, and Subparagraphs. As an example, the description of voluntary assignments excluded from overtime payment is found in Article Five - Pay, Subarticle 5.2 - Overtime Pay, Section D - Exclusions From Overtime Payment, Subsection 1 - Voluntary Assignments, and Paragraph a - Description. This would be specifically cited as Paragraph 5.2.D.1.a.

1.2 EFFECT OF MOU

A. **Annual Budget(s) and City's AP&P.** If any provisions of the current City Annual Budget and City's AP&P are inconsistent with any of the provisions of this MOU, the provisions of this MOU shall prevail and shall, upon approval by Council, supersede any such inconsistent provisions.

B. **City, State, or Federal Laws, Rules, or Regulations.** Unless otherwise specifically provided for herein, this MOU shall not affect or supersede the Charter, the CMC, City's PERR, or any other rule or regulation promulgated thereunder. Further, this MOU shall not effect any Federal or State statutes, or any rules or regulations promulgated thereunder.

1.3 TERM

A. Term. Unless otherwise specifically provided for herein, all of the terms, conditions, and provisions of this MOU shall become effective for the period of January 1, 2014 through December 31, 2016. Such term shall remain in full force and effect, provided, however, that such terms, conditions, and provisions shall only be applicable to those Employees who are employed on and after the date that this MOU is approved by Council. This MOU supersedes and replaces in all respects the terms, conditions, and provisions established in all prior MOUs.

B. Renewal or Termination. This MOU shall be renewed automatically from year to year after the term set forth in Section 1.3.A unless either party shall give to the other party written notice of its desire to terminate this MOU, or unless either party gives written notice of its desire to modify or amend this MOU, in which case the terms, conditions, and provisions of this MOU shall continue in effect until such time as such modifications or amendments are approved by Council. Written notice shall be given to the other party on or before October 1 of the year of the scheduled termination date of this MOU, unless otherwise agreed between City and Union.

1.4 WAIVER OF MEET AND CONFER OBLIGATION DURING TERM OF MOU

A. Waiver. City and Union acknowledge that, during the negotiations which resulted in this MOU, City and Union had the unlimited right and opportunity to make proposals regarding any matter not removed by law from the meet and confer or consultation arena, and that understandings and agreements arrived at by City and Union after the exercise of such right and opportunity are set forth in this MOU. Therefore, City and Union, for the duration of this MOU and subject to the exceptions contained herein, each waives the right, and each agrees that the other shall not be obligated, to meet and confer with respect to any subject or matter referred to or covered in this MOU.

B. Matters Not Covered by this MOU. If, during the term of this MOU, City or Union desires to meet and confer in good faith with respect to any matter not specifically referred to or covered in this MOU, City and Union agree to abide by MMBA, regarding the obligation to meet and confer in good faith, subject to mutual agreement of the parties to meet and confer in good faith.

1.5 LIMITED REOPENER

During the term of this MOU, City and Union agree that Union may have one (1) limited reopener regarding a pay or benefit issue if another recognized bargaining group receives a higher increase in pay or a benefit not currently provided by this MOU. If this limited reopener results in an agreement, City and Union agree that this limited reopener has been used. If this limited reopener does not result in an agreement, City and Union agree that this limited reopener shall remain available. Union may initiate the limited reopener by providing thirty (30) days written notice in advance of the requested meeting date to the City, unless otherwise agreed between City and Union.

Upon written request to the City on or after January 1, 2016, Union may reopen this MOU in accordance with MMBA solely to meet and confer regarding increases to base compensation as set forth in Section 5.1, Basic Pay. The parties understand and agree that any negotiated compensation increases will not go into effect before February 1, 2016. The parties further agree that Union's right to reopen this MOU does not give the City the right to seek compensation decreases for employees represented by Union during the term of this MOU.

1.6 LETTER AGREEMENT FOR VARIATION OF PROVISIONS

It is recognized that occasions may arise during the term of this MOU when it is to the mutual benefit of City and Union to vary from the strict adherence to this MOU's provisions. On such occasions, said provisions may be temporarily changed, modified, suspended, or otherwise varied from upon the voluntary and mutual agreement of the parties hereto as evidenced by a letter agreement signed by City Manager, on behalf of City, and by Union Representative, on behalf of Employees. Each such letter agreement shall temporarily modify this MOU, as to its term, conditions, provisions, and requirements, for the stated purpose(s) and duration as set forth in the letter agreement.

1.7 AMENDMENTS

This MOU represents the entire understanding of City and Union as to those matters contained herein. No prior written understanding shall be of any force or effect with respect to those matters covered in this MOU. This MOU may not be modified or altered except by written amendment appropriately designated, signed, and dated by City and Union. Any such amendment shall, unless otherwise provided, be considered as a part of this MOU from the effective date of this MOU.

1.8 UNION MEMBERSHIP.

City and Union mutually agree to respect Employee rights as set forth in City's PERR, which includes the right to membership in an employee organization without discrimination on the part of City.

1.9 SEVERABILITY

If any provision of this MOU is held invalid or unconstitutional by any court of competent jurisdiction, such decision shall have no effect on the validity of the remaining provisions of this MOU, and such provisions shall continue to remain in full force and effect.

1.11 EXHIBITS INCORPORATED

All Exhibits referred to in and attached to this MOU are hereby incorporated in this MOU by this reference.

ARTICLE TWO: SPECIAL PROVISIONS - UNION

2.1 RECOGNITION

City recognizes Union as the majority representative of those non-confidential City Employees holding permanent allocated positions with the job titles set forth in Exhibit "A," pursuant and subject to the provisions of City's PERR. This supersedes any previous recognition.

2.2 UNION MEMBERSHIP

A. Dues Deduction. City agrees to deduct Union dues from Union members' pay during each bi-weekly pay period of each month in accordance with City's PERR and City's AP&P No. 13-11. In accordance with City's PERR, City will pay such dues monthly to Union on or before the fifteenth (15th) day of the month immediately following the month in which the dues were deducted. Employees who authorize dues deduction through completion of a Dues Authorization Form shall be required to maintain Union membership and dues authorization.

B. Voluntary Committee on Political Education Contributions. City will deduct $0.05 for each hour that the employee receives wages under the terms of this MOU, on the basis of individually signed, voluntarily authorized deduction forms for contributions to the Local 39 Federal Political Action Committee (PAC) fund. It is agreed that these authorized deductions for the Local 39

Federal PAC are not conditions of membership in the Union, or of employment with the City and that the Local 39 Federal PAC will use such monies in making political contribution in connection with Federal, State, and local elections. Payments shall be made on a separate check to Local 39 Federal PAC, accompanied by monthly reports reflecting employee hours worked on forms provided by the Local 39 Federal PAC, remitted to 1620 North Market Boulevard, Sacramento, CA 95834.

C. Dues Deduction Discrepancies. Union agrees to indemnify, defend, and hold City harmless against any claims made and any suits filed against City resulting from the deduction of Employee Union dues or Local 39 Federal PAC contributions. In addition, Union agrees to refund forthwith to City any amounts paid to Union in error upon presentation of supporting evidence. Finally, City will be held harmless from any mistake(s) unless the mistake(s) is/are called to its attention and it fails to correct it/them within two pay periods of the mistake(s) being called to its attention.

D. Union Security. Pursuant to the provisions of California Government Code Section 3502.5(a), every Employee covered by this MOU shall as a condition of employment become a member of the Union and maintain the employee's membership in the Union in good standing in accordance with its Bylaws or, in the alternative, shall tender monthly an agency fee in an amount equal to the amount of the initiation fee, periodic dues and general assessment of the union required of members.

2.3 EMPLOYEE INFORMATION LIST

On a semi-annual basis, City agrees to provide to Union a list of all unit Employees represented by Union under this MOU. Such list shall include each Employee's name, home or mailing address, date of employment, job classification, departmental work location, and Basic Pay rate. Employees who object to the release of their home address may file a written notice to that effect with City's Human Resources and Risk Management Office, in which case their home address shall not be released to Union. City also agrees to provide, with such semi-annual list, a summary of unit Employees who have been hired, retired, transferred, promoted, or have terminated their employment with City during the previous six (6) months. City will provide union notice of any change in employment status. Such notice shall be provided to union with monthly dues deduction payments.

2.4 TIME BANK

City agrees to the establishment of a Union time bank for use by Employees for the sole purpose of performing or conducting Union business without loss of pay, subject to the following conditions:

A. Employee Contribution. Employees may contribute only vacation hours from Employee's accrued vacation balance, and except as noted below such contribution shall be voluntary and non-revocable. Contributions shall be made on a form provided by City and signed by Employee making the contribution. Contributions shall be made in whole-hour increments only. Upon ratification of this MOU and every April hereafter, four (4) hours of accrued vacation will be subtracted from each represented Employee's accrued vacation balance and placed in the Union time bank. If an Employee does not have four (4) hours of vacation, the four (4) hour deduction shall be made from CTO or PTO as available.

B. City Contribution. City will contribute one hour for each two hours of time contributed to Union's time bank by Employee.

C. Maximum Hours. The maximum number of hours from both Employee and City contributions which may be contributed and utilized in any calendar year shall be one-hundred twenty (120) hours. Any hours remaining in Union's time bank on December 31 shall be carried over into the next calendar year and credited toward the one-hundred twenty (120) hour maximum contribution amount. The time bank hours carried over from the previous year shall reduce Employee contributions commensurately for such year.

D. Scheduling and City Approval of Use. Union agrees to give City as much advance notice as is practicable, but in any event not less than seventy-two (72) hours, requesting use of Union's time bank hours. Union's time bank hours shall not be used by any Employee without prior written approval of Employee's supervisor, or designee, and only if such use does not unduly disrupt department operations.

E. Union Approval of Use. Union's time bank hours shall not be contributed or utilized without prior written approval of Union's designated representatives.

2.5 CONTRACTING OF CITY WORK

Union recognizes that City has a fundamental right to determine the methods, means, and personnel by which City government operations are to be conducted, including contracting or subcontracting City work. However, City agrees that when City determines to contract or subcontract City work that is currently being performed by Employees, City will meet and confer with Union regarding the effect that such decision may have on such Employees. City further agrees to provide to Union the final drafts, final reports, or documents on which decisions are based to contract out for services which have previously been performed by Employees. City agrees to receive and consider proposals from Union for the performance of City work by Employees, which City plans to contract out. City shall consider any Union proposals along with any bids from outside contractors for such City work. City shall provide Union with written notice regarding City's final determination of the methods, means, and personnel by which City work in question will be conducted.

2.6 REPLACEMENT OF PERMANENT FULL-TIME POSITION

City agrees to meet and confer with Union regarding the bargainable impacts on represented Employees should City determine to replace a full-time position with either a Permanent Seasonal or a Permanent Part-Time position.

ARTICLE THREE: SPECIAL PROVISIONS - EMPLOYEE

3.1 PERSONNEL FILE INSPECTION

Pursuant to City's PERR Section 2R.72.060.A, Employees shall have the right to inspect their personnel files, maintained by City's Human Resources and Risk Management Office in accordance with the provisions of City's AP&P No. 13-9. The right of inspection shall also apply to Employee's representative, upon presentation of a written authorization form signed by Employee, as set forth in such AP&P.

3.2 PERMANENT PART-TIME AND PERMANENT SEASONAL EMPLOYEE SERVICE EQUIVALENTS

Permanent Part-Time and Permanent Seasonal Employees shall have their probationary period, evaluation periods, step increase periods, and eligibility for career ladder promotional opportunities measured in hours of compensated time, with 1040 hours being considered equivalent to six (6) months and 2080 hours being considered equivalent to a twelve (12) month period.

3.3 LAY-OFF PROCEDURE FOR PERMANENT PART-TIME OR PERMANENT SEASONAL EMPLOYEES ONLY

Elimination of a Permanent Part-Time or Permanent Seasonal position shall be considered a lay-off under City's PERR, provided, however, that any lay-off displacement rights shall be limited to other Union represented Employees~~,~~ as noted below. The end of the season for a Permanent Seasonal Employee shall not be considered a lay-off. Lay-off displacement rights under City's PERR for Permanent Part-Time and Permanent Seasonal positions shall be limited to other Union represented Employees. Seniority for Permanent Part-Time and Permanent Seasonal Employees shall be measured in terms of hours of compensated time in such permanent positions, with 2,080 hours being considered equivalent to one year of service.

3.4 RETURNING TO PERMANENT SEASONAL POSITIONS

Non-probationary Permanent Seasonal Employees shall have the right of first refusal of seasonal employment in their regular job classification in the subsequent season. Should they refuse to return to their previously assigned position, they would be considered to have resigned from their Permanent Seasonal position, and would have no right to return to further employment with City.

ARTICLE FOUR: SPECIAL PROVISIONS - CITY

4.1 WORKER'S COMPENSATION – CALIFORNIA LABOR CODE SECTION 4850 EQUIVALENT

It is recognized that, as a long-standing prior practice and not as a requirement of State law, City has provided to Miscellaneous Employees the same workers' compensation benefits as provided to Safety

Employees under California Labor Code Section 4850. City agrees to continue providing such benefits during the term of this MOU provided that such Labor Code Section remains applicable to City's Safety Employees. In the event that such Section is repealed or otherwise is made inapplicable to City's Safety Employees, City's provision of such benefits to Employees shall cease and in lieu thereof only those workers' compensation benefits required by State law shall be provided.

4.2 MEDICAL SUITABILITY FOR EMPLOYMENT

A. City's Right to Require. City retains the right to require any Employee to undergo a physical examination, of any kind or extent, including psychiatric or psychological evaluation as appropriate, at the option of City, to insure Employee's medical suitability to perform the duties of the position to which Employee is assigned. Said physical examination shall be paid for by City and performed by a physician chosen by City. City agrees that should Employee, after such physical examination, be found to be not medically suited to perform the duties of the assigned position, Employee shall have a reasonable amount of time to become medically suitable. If, after such reasonable time, Employee remains medically unsuited for the assigned position, City retains the right to take appropriate action, including, but not limited to, transfer to another position for which Employee is medically suited, if such a position is available, or termination.

B. Second Opinion. City further agrees that an Employee who is found to be not medically suited to perform the duties of the assigned position may obtain a second physical examination and opinion from a physician of Employee's choice and at Employee's expense provided, however, that the physician performing the second examination is acceptable to City.

C. Third Opinion. In the event that there is a difference of opinion between City's physician and Employee's physician regarding Employee's medical suitability to perform the duties of the assigned position, City agrees that a third physician, jointly selected by City's and Employee's physicians, shall examine Employee and make a final determination regarding Employee's medical suitability. The cost of the third examination shall be paid for by City.

4.3. LIMITATION ON CITY USE OF HOURLY EXEMPT EMPLOYEES

City shall limit the term of hourly exempt Employees in job titles, set forth in Exhibit "A," to a maximum of 2,000 hours. Employees who have retired from City service or from any other member

entity of the California Public Employees Retirement System, including the State of California, are exempt from the maximum of 2,000 hours of service, and may be employed as hourly exempt Employees for up to 960 hours per fiscal year. Nothing in this Subarticle shall be interpreted as limiting City's authority to set terms and conditions of employment of hourly exempt Employees in job titles included in Exhibit "A," so long as such service is less than 2,000 hours.

4.4 WASTEWATER TREATMENT PLANT OPERATOR ALLOCATIONS

A. Position Allocations. City agrees to allocate all Wastewater Treatment Plant Operator positions at the classification level of Wastewater Treatment Plant Operator III. Allocation of these positions at the Wastewater Treatment Plant Operator III level will allow City to hire at the Wastewater Treatment Plant Operator I level, and advance Employees to the Wastewater Treatment Plant Operator II level, and then to the Wastewater Treatment Plant Operator III level, at the point in time when an Employee qualifies for the higher level positions. Nothing in this Subarticle shall prevent City from hiring new employees at the Wastewater Treatment Plant Operator II or III levels.

B. Requirements for Automatic Progression. To qualify for automatic progression through this job class series to the higher level positions, Employees must meet the following qualifications in addition to those required by the City of Chico Classification Plan Job Description for the position:

1. Operator I to Operator II - Possession of an active Grade II Operator Certificate (or higher) issued by the State of California, one year of experience as an Operator I at City's Water Pollution Control Plant ("the Plant"), and successful completion of an Operator II knowledge checklist.

2. Operator II to Operator III - Possession of an active Grade III Operator Certificate (or higher) issued by the State of California, two years of experience as an Operator II at the Plant, successful completion of an Operator III knowledge checklist, and at least 50 hours working out of class as an Operator III.

ARTICLE FIVE: PAY

5.1 BASIC PAY

A. Established. Basic Pay shall be established consisting of Pay Ranges assigned to each applicable job title. A Pay Range shall consist of seven (7) Pay Steps. Each of the seven (7) steps shall have an hourly Basic Pay rate and shall be titled as Steps A-G. Employees shall be assigned to hourly Basic Pay rates within the Pay Ranges by applicable job title in accordance with Exhibit "A." For the purpose of this Article, "Anniversary Date" shall mean the date that Employee is eligible for "B" Step, in the case of an Employee originally appointed at "A" Step, or in the instance of a promotion or employment in other than "A" Step, one year after the date of such employment or promotion.

B. Pay Step Progression.

1. Conditioned Upon Performance. Progression through Pay Steps for job titles listed in Exhibit "A," shall be subject to and conditioned upon Employee achieving a "Fulfills Job Requirements" or above as the Summary Performance Rating on Employee's "Employee Performance Report" for each of the time periods required to progress in each Pay Step, in accordance with the required period of service for progression set forth in Subsection 5.1.B.2, below.

2. Period of Service for Progression. Periods of service for progression through Pay Steps are applicable to job titles listed in Exhibit "A." Progression from Pay Step "A" to Pay Step "B" shall require a six (6) month period of service in Pay Step "A." Progression through all other Pay Steps shall require a twelve (12) month period of service in the prior Pay Step. In addition to the required periods of service, Employees must achieve a "Fulfills Job Requirements" or above, in accordance with performance conditions set forth in Subsection 1, above.

3. Period of Service for Progression - Exception. The period of service for progression for an Employee whose probationary period has been extended for any reason shall be extended to match the extension of probation.

4. Effective Date of Progression. Employees meeting the satisfactory completion requirements herein above shall be advanced to the next applicable Pay Step effective on the first day of the bi-weekly pay period which includes such Employee's Anniversary Date.

C. Promotions- Effect on Basic Pay. Employees, unless otherwise specified herein, who are promoted from one job classification to another job classification assigned to a higher Basic Pay Range shall be assigned to a Pay Step within the range assigned to the promotional job classification so as to receive at least a five percent (5%) pay increase so long as there is such a step. If the available top step in the promotional job classification range is less than 5% above Employee's current Basic Pay, Employee shall be assigned to the top step in the promotional job classification range.

D. Computation of Pay. Employees will be paid for actual hours worked and paid leave for which they are eligible.

E. Permanent Part-Time and Permanent Seasonal Positions - Pay. Employees hired into Permanent Part-Time and Permanent Seasonal positions shall receive pay for their work at their established hourly rate for all hours worked. If otherwise eligible based on criteria established in this MOU, such Employees shall be eligible for Call-Out, Administrative Call-Out, Out of Class, Night Shift Pay Differential, and Bilingual Pay Differential. Permanent Part-Time and Permanent Seasonal Employees shall be eligible for a pro-rated portion of the City's contribution to the group medical and dental insurance plans based on their regularly scheduled work hours. A modification in benefit accrual rate as provided for in Subarticles 6.7 or 6.8 shall be applicable to Permanent Part-Time and Permanent Seasonal Employees.

5.2 OVERTIME PAY

A. Method of Earning Overtime. Except as otherwise provided herein, Employees performing work in excess of their normally assigned work shift or on their regularly scheduled day off, except as provided in Section 5.2.D, below, shall be eligible for overtime pay. Employees who perform overtime work for six (6) or more continuous hours without a meal break shall receive one (1) additional hour of overtime compensation. Overtime shall be granted in accordance with the following schedule:

Overtime Worked	Overtime Earned
Less than 8 minutes	None
8 min. but less than 45 min.	one-half hour
45 min. but less than 1 hour	one hour
1 hour or more	hour-for-hour basis subject to fractional

increments as set forth above.

B. Method of Compensation.

1. Rate. Except as otherwise provided herein, all overtime worked by Employee shall be compensated by City by payment at one and one-half (1-1/2) times Employee's regular hourly pay rate.

2. Payment During Pay Period. All overtime earned by Employees within a pay period shall be paid at the same time as payment is made for Basic Pay earned within said pay period.

3. Payment at Termination. An Employee terminating from City service for any reason shall be paid for accrued overtime at regular pay rate set forth in Subsection 5.2.B.1, above. Such payment shall be made in conjunction with and included in Employee's final paycheck.

C. Travel and Attendance at Training Sessions. Time spent by Employees for travel and attendance at meetings, training sessions, and conferences, which are required by City and the cost of which is paid by City, shall be compensated in accordance with the FLSA requirements.

D. Exclusions From Overtime Payment.

1. Voluntary Assignments.

a. Description. Notwithstanding any of the above, an Employee may volunteer for a job assignment to be performed by Employee during hours not normally worked by Employee. Such job assignment shall be substantially different from Employee's regular job assignment. As an example, an Employee may volunteer for an assignment as a Volunteer Firefighter.

b. Compensation; Overtime Pay and Retirement Exclusion.

(1) Compensation. Compensation for voluntary assignments, for which Employee has volunteered, shall be computed based upon a flat monthly stipend.

(2) Overtime Exclusion. The time spent by Employee on such voluntary assignment shall be excluded from the overtime provisions of this Subparagraph.

(3) Retirement Exclusion. The compensation for voluntary assignments is considered "other pay" and, as such, is not covered for the purposes of PERS benefits.

2. Employees Working in Management Positions. Employees who are either temporarily promoted to a management position or are assigned to work out of class in a management

position, shall be excluded from receiving overtime payment for work that falls within the management position job duties and in lieu thereof shall receive a prorated amount of administrative leave pursuant to the Management Pay and Benefit Resolution, MOU, or Annual Budget approved by resolution of Council. However, Employees who are assigned to work out of class in a management position, and are required to work beyond the regularly scheduled work day for such position to perform job duties that fall within the Employee's regular position, shall be eligible to receive overtime payment for those hours beyond the regularly scheduled management position work day based on the Employee's regular hourly pay rate.

E. CTO in Lieu of Overtime Payment. Employees working overtime may accrue CTO in lieu of overtime payment, and may utilize such CTO, in accordance with the following conditions and provisions:

1. Accrual. CTO shall be accrued at the rate of one and one-half hours for each hour of overtime worked. The maximum amount of CTO that may be accrued and utilized at any time shall be limited to eighty (80) hours. Employees may choose to leave CTO in place into the following calendar year.

2. Utilization. CTO shall be utilized on a straight-time basis. Approval for use of CTO shall be given by Employee's Department Head, or Department Head's designee, subject to the same restrictions and conditions which exist on the scheduling of vacation.

3. Payment for Unused CTO. In the first full pay period of the calendar year, Employees may request payment for part or all of unused CTO. When requested, such payment shall be made prior to the end of January. Payment for such hours will be made at the regular pay rate which was in effect at the time of payment.

4. City Manager Authority. Notwithstanding anything above to the contrary, the City Manager shall have the authority to determine and order that CTO be paid or taken as time off.

5. Payment Upon Separation or Retirement. At such time as an Employee separates or retires from City service, the Employee shall be paid for the remaining, unused balance, if any, of the Employee's accrued CTO at the rate of pay earned by the Employee at the time of separation or retirement. Such payment shall be included in the Employee's final paycheck.

F. Overtime Payment - Permanent Part-Time and Permanent Seasonal Positions. Permanent Part-Time and Permanent Seasonal Employees' eligibility for overtime shall be based on standards set forth in the FLSA.

5.3 CALL OUT PAY

A. Generally. It is understood and agreed that occasions may arise when it is necessary to call Employees back to work during non-working hours for the purpose of performing one or more job tasks. In consideration for the inconvenience to Employee responding to a call-out, the parties hereto agree that Employees shall be compensated for three (3) hours of call-out time should the performance of the necessary job tasks require less than three (3) hours of call-out work. Should the necessary job tasks require more than three (3) hours of call-out time, Employee shall be compensated for the actual time of call-out. Compensation for call-out time pursuant to this section shall be made in the same manner as provided in Section 5.2.B for overtime compensation. Call-out time shall begin at the time Employee is contacted to respond to the call-out, but not longer than thirty (30) minutes prior to the time Employee reaches the job site or City's call out site, as may be appropriate for handling the assignment, and shall end at such time as Employee completes the call-out assignment and leaves the job site or City's call out site to return to Employee's place of residence. In the event that Employee is assigned to one or more additional call-out tasks during the course of completing the initial call-out job task, call-out time shall end at such time as Employee completes the final job task and leaves the job site or City's call out site to return to such residence.

B. Administrative Call-Out Pay. It is understood and agreed that occasions may arise when it is necessary to contact Employees by telephone to do some administrative or coordination work from home during non-working hours for the purpose of performing one or more job tasks. In consideration for the inconvenience to Employee responding to such a need, the parties hereto agree that Employees shall be compensated for one (1) hour of administrative call-out time should the performance of the necessary job tasks require less than one (1) hour of work. Should the necessary job tasks require more than one (1) hour of time, Employee shall be compensated for the actual time worked from home. Compensation for administrative call-out time pursuant to this section shall be made in the same manner as provided in Section 5.2.B. or Section 5.2.E. for overtime compensation.

5.4 OUT-OF-CLASS PAY

A. Compensation. City agrees to compensate Employees for those times that said Employees are assigned to perform the regular duties of a higher job classification when:

1. Absence of Employee. Employee holding such higher job classification is absent from work due to sickness, vacation, or is otherwise unable to perform the duties of Employee's position; or

2. City Need. On a temporary basis, the needs of City require the assignment of additional Employees to work out of classification.

B. Qualification. To qualify for out-of-class pay, Employee must be assigned by Employee's Department Head, or by such person designated by Department Head, to the higher job classification. In departments or work places where more than one employee is eligible for assignment to a management job classification, the department or division head shall establish a rotation system to ensure that all eligible, non-probationary employees have an opportunity for such assignment.

C. Compensation. City agrees to compensate Employees for those times that they are assigned to perform the regular duties of a higher job classification, Employees assigned shall be compensated five (5%) more than Employees' regularly assigned regular pay rate.

D. Management Position Exception. Employees assigned to work out of class in a management position shall be compensated at a rate which is ten percent (10%) above the employee's current regular pay rate.

E. Voluntary Out-of-Class Work Exclusion. It is understood that in an effort to assist Employees in obtaining experience or training for future promotional opportunities, Employees may from time to time volunteer to perform the duties of a higher job classification. Such voluntary performance on the part of Employees shall not be eligible for compensation as out-of-class pay. City agrees to evaluate and record the performance of Employees performing such voluntary out-of-class work on a form prepared and maintained by City's Human Resources and Risk Management Office.

5.5 PAY DIFFERENTIALS

A. Night Shift Pay Differential. In addition to the various classes of pay set forth herein, there is hereby established a night shift pay differential rate for those Employees who are regularly

assigned to a work shift which begins between the hours of 2:00 p.m. of one day and 3:00 a.m. of the following day. The phrase "regularly assigned" shall mean assignment to a particular work shift for a period of time exceeding one (1) week. Employees who qualify for night shift pay differential, as set forth above, shall be compensated by receiving additional compensation for each hour of night shift work at the rate of five percent (5%) of their regular pay rate with a minimum of $0.80 per hour.

B. Bilingual Pay Differential. In situations where a Department Head determines that it is necessary for an Employee to use bilingual skills, those Employees who have been previously determined to possess those skills at a level necessary for the assignment, and who are so assigned by Department Head, shall be eligible to receive additional compensation. Department Heads shall develop a method for rotation of bilingual assignments to allow qualified Employees access to the bilingual pay differential. Such rotation shall be based on the needs of the department, with due regard for the wishes of Employees.

1. Evaluation of Employees' Skills. Employees who wish to be considered for such assignment shall request a determination from Department Head that their verbal and written bilingual skills are at a level necessary for the assignment. Such eligibility shall be documented through a transaction and established prior to assignment. Following establishment of eligibility based on skill level, such Employee may be assigned to use bilingual skills on an as-needed basis as determined by the supervisor, and such hours shall be reported as bilingual pay hours on the time card and paid at the premium rate established in this subsection. The premium rate for intermittent use shall be, ten percent (10%) above their Basic Pay rate for those hours during which they are required to use their bilingual skills.

2. Designation of Position and Compensation. City Manager may designate additional positions within various departments as benefitting from full-time bilingual skill usage, and in those cases qualified Employees shall be eligible to receive additional pay for all hours worked in the amount of an additional three percent (3%) of their hourly Basic Pay rate. Such Employees eligible for full-time bilingual pay shall not also be eligible to receive the part-time bilingual pay differential identified in the preceding subsection.

5.6 STANDBY SHIFT PROGRAM

A. Schedule. Qualified Employees may be assigned to be on standby during such Employee's non-working hours. Standby Shifts shall begin at the end of a normal workday and end at the beginning of the next regularly scheduled workday, or shall be a 24-hour period during a non-working day. Standby Shifts shall not exceed fourteen (14) consecutive days.

B. Basis of Assignment. Qualified Employees shall be assigned on a non-voluntary basis to a Standby Shift and shall be available for duty "outside" of regularly scheduled working hours. Effective January 11, 2015, qualified Employees shall be assigned on a non-voluntary basis to a Standby Shift and shall be available for duty "outside" of regularly scheduled working hours. The Wastewater Treatment Manager, or designee, shall give Employees a minimum of seven (7) days notice of an assignment to a Standby Shift. Standby Shifts shall be assigned, as much as possible, on a rotating basis to all qualified Employees regularly assigned to the Plant as determined by the Wastewater Treatment Manger, or a designee. Employees may trade Standby Shifts with other qualified Employees with notification as soon as possible to the Wastewater Treatment Manager, or a designee.

City and Union agree that no operator will be required to cover Standby for more than one week per month without consent of the affected operator. Operators may trade Standby shifts or cover shifts for fellow operators.

C. Application and Responsibilities of Employees on Standby Shift.

1. While on Standby Shift, Employees agree to be available to return to duty and respond to emergencies within fifteen (15) minutes; and

2. City agrees to provide a cell phone, laptop computer, and the software needed to remotely access controlled systems for the Standby Shift Program, in order for Employees to initiate a response; and

3. At all times during the Standby Shift, Employees agree to carry the City provided Standby Shift Program cell phone and laptop computer; and

4. Employees will not be compensated during a Standby Shift assignment if Employees are unable to respond on that day.

D. Compensation. Qualified Employees will be compensated for two (2) hours straight time at Employees hourly basic pay rate for each day during the Standby Shift assignment. If the Standby Shift includes a recognized City holiday, the City holiday will be compensated at the rate of three (3) hours straight time at Employees hourly basic pay rate for that day.

Effective January 11, 2015, qualified Employees will be compensated for three (3) hours straight time at Employees' hourly Basic Pay rate for each week day during the Standby Shift assignment. If the Standby Shift includes a weekend day and/or a recognized City holiday, the weekend day and/or City holiday will be compensated at the rate of four (4) hours straight time at Employees' hourly Basic Pay rate for that day.

5.7. 2016 OFFSET

Effective the 1st pay period in January 2016, the City will make a one-time non-PERSable cash payment equivalent to three percent (3%) of base annual salary.

A member may choose to have this one-time payment directed towards any of the following pre-tax options, subject to applicable IRS rules, by notifying the City in writing of his or her choice, no later than December 1, 2015:

1. Deferred Compensation
2. Health Savings Account

ARTICLE SIX: EMPLOYEE BENEFITS

6.1 HOLIDAYS

A. Established. For the purposes of this MOU, City shall provide eight (8) hours of holiday pay for the following observed holidays: January 1, third Monday in January, third Monday in February, last Monday in May, July 4, first Monday in September, November 11, Thanksgiving Day, the day after Thanksgiving, December 24 (Christmas Eve), December 25 (Christmas), and such other days as may be proclaimed by Council as public holidays. These holidays constitute the entire and exclusive list of legal holidays observed by City.

B. Attendance Policy. It is the policy of City that unless Employee services are required in the interest of public health, safety, or general welfare, Employees shall not be required to be on duty on holidays.

C. Holidays - Observed.

1. Holiday - Sunday. When a holiday falls on a Sunday, the following Monday shall be observed provided, however, should Christmas Eve fall on a Sunday, such holiday shall be observed on Employee's last regular work day prior thereto.

2. Holiday - Saturday. If a holiday falls on a Saturday, time off or pay shall be granted at the discretion of City Manager. If time off is granted for Christmas Eve, the holiday shall be observed on Employee's last regular work day prior thereto.

3. Holiday - Regular Days Off. If Employee's regular days off are other than a Saturday or Sunday and the holiday falls on such day, time off or pay shall be granted at the discretion of City Manager. If time off is granted for Christmas Eve, the holiday shall be observed on Employee's last regular work day prior thereto.

4. Christmas Holiday - Monday. Should the Christmas holidays fall on a Monday, the Christmas Eve holiday shall be observed on Employee's last regular work day prior thereto.

D. Compensation for Holidays Worked. Employees who are required to be on duty on the established holidays, pursuant to 6.1A above, shall, in addition to their regular straight time pay for that work day, be compensated by granting of time off or pay at the discretion of City Manager~~,~~ at the rate of time and one-half for the hours worked on said holiday.

Employees who have been granted time off in observance of a holiday and who are subsequently required to work as the result of an emergency shall be additionally compensated at one and one-half (1-1/2) times) their regular hourly Basic Pay rate.

E. Premium Holiday Pay. Employees required to work on the Premium Holidays identified as July 4th, Thanksgiving Day, or Christmas Day shall be paid, in addition to the hours paid for that day, an additional one (1) hour of Premium Holiday Pay for each hour worked on the Premium Holiday. Premium Holiday Pay is to be paid in addition to the regular Holiday pay for that day. As an example, total compensation for each of the Premium Holidays for an eight (8) hour shift worked would

be as follows: payment for eight (8) hours worked on that day, plus one hour Premium Holiday Pay for each hour worked would be eight (8) hours Premium Holiday Pay, totaling sixteen (16) hours of pay for that day.

F. Annual Budget Payment Limitations. Payment of holiday pay pursuant to Sections C and D, above, shall be approved only if sufficient funds have been appropriated in City's Annual Budget for payment of holiday pay.

6.2 INSURANCES

A. Medical and Dental Insurance. Employees shall receive the maximum contribution per month toward the monthly premium rate for City's employee group medical and dental insurance plans, as set forth in Exhibit "C" entitled, "Medical, Dental, and Vision Insurance Carriers and Contributions" ("Exhibit "C" "). In the event that the actual monthly premium is less than the maximum contribution set forth in Exhibit "C," City's contribution shall be the actual monthly premium amount and Employees shall not be required to make a contribution.

B. Insurance Advisory Committee.

1. Purpose. The Insurance Advisory Committee ("Committee") will provide an ongoing review and periodic recommendations regarding ~~of~~ the City's medical, dental and vision insurance plans ("Plan").

2. Composition. The Committee will be coordinated by a representative of the Human Resources and Risk Management Office. The Committee will consist of a maximum of two (2) representatives from each City insurance participant group. City Insurance Participant Groups include City's recognized bargaining units, City's unrecognized employee groups, and City Retirees and one (1) City Council Representative. Current employee representatives shall not be charged vacation or other leave time if Committee meetings are held during employee's normal work hours, nor shall employees receive overtime or call-back pay for service on the Committee. Retirees are not considered a separate participant group for purposes of overall plan rate increases or decreases, but are assigned to the participant group they retired from and become inclusive to that group.

3. Annual Health Care Review. Each recognized or unrecognized group may meet annually to review the Plan. The Committee may make advisory recommendations regarding any

proposed Plan to the City Insurance Participant Groups and City Manager. The Committee will review proposed changes in the medical, dental and vision insurance plans, including, but not limited to, benefit levels, services provided, methods of cost containment, alternative plans and other related topics for consideration of an advisory ballot election. The Committee will have access to such non-confidential information as necessary to fulfill its purpose.

4. Election and Plan Modifications. An all-City employee advisory vote may be initiated by the Committee or the City Manager. The City Clerk will conduct a secret advisory ballot election for all individuals in City Insurance Participant Groups, as defined above, within thirty (30) calendar days of a request regarding above changes. City Clerk will then report the results of the election to the City Manager and Committee. Committee recommendations and election results will be taken under advisement; however, final modifications must be approved by the City Council.

5. Modifications to Cost-Sharing. Modifications of insurance premium cost-sharing arrangements are to be negotiated by individual bargaining groups.

C. Life Insurance.

1. City Contribution. City agrees to provide Employees with term life insurance in the amount of one times the annual base salary, rounded to the next multiple of $1,000, and the spouse/registered domestic partner and minor children of such Employees with term life insurance in the amount of $1,500, the full cost of the premium for which shall be paid for by City.

2. Carrier Identified. For the purposes of this Subsection, the carrier of the life insurance plan referred to herein shall be on file with the Human Resources and Risk Management Office.

D. Long-Term Disability Insurance.

1. City Contribution. City agrees to pay to the long-term disability insurance carrier, as defined herein, sixty percent (60%) of the monthly premium cost of the long-term disability insurance plan for each Employee participating in such plan with a minimum contribution of one percent (1%) of Employee salary. Union agrees that Employees participating in such plan shall pay the remaining forty percent (40%) of such monthly premium. If the total rate for the plan is less than the one percent (1%) minimum contribution set forth above, City's contribution shall be the actual premium

amount, and participating Employees shall not be required to make a contribution. In no case shall the City's obligation exceed the actual premium cost of the plan.

2. Carrier Identified. For the purposes of this Subsection, the long-term disability insurance carrier for full-time and Permanent Part-Time Employees referred to herein shall be on file with the Human Resources and Risk Management Office. For the purpose of this Subsection, the long-term disability insurance carrier referred to herein for Permanent Seasonal Employees shall be State Disability Insurance through the State of California Employment Development Department.

3. Payroll and Tax Treatment of Long-Term Disability Insurance Premium. In order to establish the long-term disability insurance premium as a post-tax Employee contribution so that benefits which might be received by Employees would be treated as such for tax purposes, the actual amount of the premium to be paid by City as provided for above shall be withheld from Employee's taxable earnings. In turn, City will pay a bonus to Employees equal to the amount of Employee's premium contribution during the period in which the premium deduction is paid. Such bonus shall not be considered part of Employee's regular salary for calculation of retirement, life insurance, or any other salary-based benefit, but shall serve only as a mechanism to establish the long-term disability insurance benefit as an Employee-paid benefit for tax purposes.

E. Vision Insurance.

1. City Contribution. Employees shall receive the maximum contribution per month toward the monthly premium rate for City's employee group vision insurance plan, as set forth in Exhibit "C" entitled, "Medical, Dental, and Vision Insurance Carriers and Contributions" ("Exhibit "C"). City agrees to provide Employees with a vision insurance plan which provides vision care benefits, to Employee only, which include an eye examination, lenses and frames or contact lenses, the full cost of the premium for which shall be paid by City. The vision care benefits include an eye examination and lenses every twelve (12) months, and frames every twenty-four (24) months, with copayments of $10.00 for each eye examination, and $25.00 for lenses or frames.

2. Access for Employee Paid Dependent Coverage. City further agrees that an Employee may purchase vision insurance coverage for Employee's dependent spouse and children, at

Employee's sole cost and expense, through bi-weekly payroll deduction of the additional premium amount.

3. Carrier Identified. For the purposes of this Subsection, the carrier of the vision insurance plan referred to herein shall be on file with the Human Resources and Risk Management Office.

6.3 LEAVE

A. Floating Holiday Leave. In addition to the holidays identified above, Employees shall accrue one (1) day of Floating Holiday Leave on January 1 of each year which may be scheduled and used like Vacation Leave. Employees hired after October 1 of the calendar year shall not accrue Floating Holiday Leave during the year of their hire. Employees hired between January 1 and September 30 of the calendar year shall accrue one (1) day of Floating Holiday Leave at the time of their hire. Employees transferred to a position represented by Union during the course of the year shall accrue one (1) day or shift of Floating Holiday Leave at the time of their transfer, unless they have previously been credited with such leave as a City Employee. Employees who have previously accrued Floating Holiday Leave while represented by another City bargaining unit will be allowed to retain any remaining hours of Floating Holiday Leave for their use. Any Floating Holiday Leave not taken by the last day of the calendar year shall be removed, without compensation, from Employee's payroll records. Employees who terminate with unused accrued Floating Holiday Leave shall not be eligible to receive payment for such Leave.

B. Sick Leave.

1. Accrual - Generally. Sick leave credit, which commences upon employment of the individual and may be accumulated without limitation, shall be granted to all Employees for non- job related illness or injury. However, except as otherwise provided herein below, upon termination of Employee's service with City, no compensation for accrued sick leave either in time off or pay shall be granted. It is recognized that sick leave utilization is not considered as a right which may be used at Employee's discretion, but shall be allowed only in case of necessity for actual personal sickness of or injury to Employee or approved family member, and for medical, dental, and vision care appointments.

2. **Accrual Rate.** Employees shall accrue sick leave in the amount of eight (8) hours per month.

3. **Utilization Rate.** Sick leave shall be deducted from an Employee's total amount of accrued sick leave on an hour-for-hour basis. In the event that an Employee utilizes all of Employee's accrued sick leave and is still unable to return to work due to illness or injury, such Employee shall automatically be placed on leave without pay, in accordance with the time restrictions in Section 6.3.D, unless Employee advises City's Human Resources & Risk Management Office to charge the additional sick time off against Employee's accrued vacation balance, if any.

4. **Utilization for Illness of Family Members.** Employees may use their accrued sick leave for family illness. For the purposes of this subsection, family members shall include spouse, registered domestic partners, children, step-children, parents, step-parents, parents-in-law, or other persons as approved by City's Human Resources and Risk Management Office, for whom Employee is responsible for care.

5. **Notification Procedures**. An Employee who will be off work on sick leave shall notify Employee's immediate supervisor in accordance with City's AP&P No. 13-21.

6. **Job-Related Illness or Disability.** An Employee who is off work as a result of a proven job-related illness or disability shall not have such time off charged against such Employee's accumulated sick leave.

7. **Use of Accrued Sick Leave Prior to Effective Date of Ordinary Disability Retirement.** Notwithstanding, anything herein above to the contrary, Employees who are eligible to retire on an ordinary disability retirement pursuant to the contract with PERS due to a non-job related illness or injury shall be entitled to utilize any or all of their accrued sick leave prior to the effective date of such retirement from City employment. However, except as provided in 6.3.B.9, no compensation of any kind or character shall be made for any accrued sick leave which may remain credited to Employee on or after such effective date.

8. **Upon Service Retirement.** Upon service retirement, accumulated sick leave shall be credited to Employee's retirement account in accordance with the provisions of the retirement plan referenced in Subarticle 6.5, provided, however, should an Employee elect to convert any of such

sick leave to cash pursuant to Subsection 6.3.B.9, Employee's retirement sick leave credit shall be reduced commensurately.

9. Sick Leave Conversion Upon Termination. Upon retirement or termination in good standing, Employees may convert accrued sick leave to cash in accordance with the following schedule:

CITY SERVICE YEARS	MAX. CONVERSION %/MAX. $ AMOUNT
0 - 5 Years	0
5 - 10 Years	15% / $1,500
10 - 15 Years	30% / $3,000
Over 15 Years	60% / $5,000

10. Transfer of Sick Leave for Illness of Other City Employees. Employees covered by this MOU may transfer up to a maximum of ninety-six (96) hours per calendar year of their accrued sick leave to any other permanent City employee, when such employee is seriously ill and has exhausted all of such employee's sick leave, for use by such employee for personal (not family) sick leave provided, however, that Employee may not transfer more than half of the sick leave balance. A serious illness shall be defined as: (1) An illness which requires inpatient hospital care; or (2) A chronic or acute condition requiring continuing treatment by a health care provider and which results in more than five (5) days of disability; or (3) A condition which is-life threatening. Transfer of sick leave time, if not utilized, shall be subject to re-crediting to the transferring Employee's account at the request of employee who received the transferred leave. Transfer and re-crediting of sick leave shall be made on a form provided by City's Human Resources and Risk Management Office and shall be signed by the transferring Employee. Notwithstanding anything in this Subsection to the contrary, an Employee may use transferred sick leave hours for family sick leave purposes in the event of the terminal illness of a spouse, registered domestic partner, or child.

C. Leave of Absence With Pay - Birth or Adoption of Child.

1. Amount; When Taken. In the event of the birth of an Employee's child or adoption of a child by an Employee, such Employee shall be entitled to a leave of absence with pay for a period of three (3) consecutive work days or shifts. Such leave shall only be taken within fourteen (14)

days after the date of such birth or adoption. An Employee shall be eligible for a single leave period for the event of a birth or adoption, without regard to the number of children involved. The birth or adoption of multiple children at one time shall not create eligibility for more than one birth or adoption leave period.

2. Notification Procedure. Employees shall notify their Department Head as soon as possible after such birth or adoption date as to which days Employee will be on birth or adoption leave.

D. Leave of Absence Without Pay. Employees shall be entitled to apply for and take leave of absence without pay in conformance with the provisions of City Administrative Policy and Procedure 13-24 entitled "Leave of Absence (With or Without Pay)," as amended, incorporated herein by reference.

E. Bereavement Leave.

1. Amount; When Taken. In the event of a death of an Employee's immediate family member, Employee shall be entitled to a period of five (5) work days of leave with pay. Such leave shall only be taken within seven (7) days after the death of the immediate family member or within seven (7) days of the date of the funeral or memorial service for the deceased. For the purposes of this subsection "immediate family member" shall include Employee's husband, wife, registered domestic partner, child, step-child, mother, father, step-parent, brother, sister, mother-in-law, father-in-law, grandparents, spouse's grandparents, grandchildren, the other parent of Employee's child, or other persons as approved by City's Human Resources and Risk Management Office.

2. Notification Procedure. Employees shall notify their Department Head as soon as possible after the death of an immediate family member as to which days Employee will be on bereavement leave.

F. Military Training Leave and Notification Procedure. Union agrees that Employees who are members of a military reserve, National Guard Unit, or both, shall provide City with a schedule of Employee's military reserve or National Guard Unit meetings and summer camp assignment dates as soon as such schedules are available to Employee, but no later than the next working day following their

notification from the military reserve or National Guard Unit. Such Employees shall provide City with a copy of military orders for active duty training as soon as such orders are available.

G. Personal Time Off. Employees shall receive forty (40) hours of personal time off (PTO) per calendar year. Any Employee who works less than full time or is hired or promoted into any of the job titles listed in Exhibit "A" shall receive a prorated amount of PTO on a "percentage of year remaining" basis. Employees who leave City service prior to the end of the calendar year shall receive no compensation for PTO on the Employees' payroll records. Any PTO not taken by the last day of the calendar year shall be removed, without compensation, from the Employee's payroll records. Effective in January of the years 2014, 2015, and 2016, employees shall receive an additional fifteen (15) hours of PTO, for a total of fifty-five (55) hours of PTO. Effective January 1, 2017, Employee shall only receive forty (40) hours of PTO, unless otherwise negotiated.

6.4 VACATION

A. Accrual - Generally. Employees who have served City for a period of six (6) months or more shall be entitled to an annual vacation leave with pay. Such vacation leave shall be earned by Employees in accordance with the schedule set forth in Exhibit "B" entitled, "Vacation Accrual Schedule" ("Exhibit B") provided that Employees, after satisfactory completion of six (6) months of service, shall be credited with vacation leave equal to the amount Employees would have accrued during a six-month period. Employees may accrue annual vacation credits to an amount not to exceed the Maximum Accrued Balance as set forth Exhibit "B." Permanent Employees who leave City employment in good standing, and who are subsequently rehired within twenty-four (24) months of their termination date, shall have their prior City service counted in determining length of service for vacation accrual. Such credit for prior service shall apply only to the vacation accrual benefit calculation.

1. Rate of Accrual. Employees shall accrue vacation credit in accordance with the schedule in Exhibit "B." For purposes of this Subsection 6.4.A.1 and Exhibit "B," Length of Service Date shall mean the date Employee first reaches the minimum number of months of service listed in the "Length of Service" column in Exhibit "B."

2. Termination of Additional Accrual. Employees shall cease to accrue additional vacation when their accumulated vacation leave balance is equal to the Maximum Accrual Balance

identified for their accrual rate, as set forth in Exhibit "B." Accrual shall commence again when the balance drops below the Maximum Accrual Balance. Employee shall receive written notice from City's Human Resources and Risk Management Office of such termination of additional accrual. If Employee is unable to utilize accrued vacation by reason of illness or disability, City Manager shall approve a limited-time waiver of the termination of additional vacation accrual provisions in Subsection 6.4.A.1, above, based on the written request of Employee.

B. Utilization. Employees may utilize their accrued vacation as it is earned, at a time that shall be determined by Employee's Department Head, or Department Head's authorized representative, in accordance with the needs of City and with due regard for the wishes of Employee.

C. Effect of Termination of Employment. Employees who terminate employment, or who are terminated, and who have completed satisfactorily at least six (6) months of service, shall be paid in lump sum for all accrued vacation earned prior to the effective date of their termination. Employees with less than six (6) months of service shall not be paid for any accrued vacation. Said payment shall be determined by multiplying Employee's hourly rate of pay times the number of hours of accrued vacation credited to Employee at the time of termination.

6.5 RETIREMENT PLAN

A. Employees Hired Before January 1, 2013 or Classic Members. Employees hired before January 1, 2013 or those Classic Members, as defined by CalPERS, shall receive the 3% at age 60 retirement benefit formula. Employees covered by this Section shall contribute the employee contribution amount established by CalPERS for the 3% @ 60 Pension Formula. Effective January 1, 2014, employees shall contribute 5% of the required employee contribution and the City shall pick up 3% of the required employee contribution. Effective July 13, 2014, employees shall contribute the full 8% required employee contribution. The City shall not pay any portion of the required employee contribution after July 13, 2014.

B. Employee Contribution. Employees Hired On or After January 1, 2013. Employees hired on or after January 1, 2013, shall receive the 2% at age 62 retirement benefit formula. Employees covered by this section 6.5.B shall contribute the employee contribution rate of fifty percent (50%) of normal costs as established by CalPERS. The City shall not pay any employee contribution. Employees

covered by this section 6.5.B who are classic members as defined by CalPERS may be eligible for a different pension formula.

C. City Contribution. City agrees to pay the benefit contribution rate as established by that certain "Contract Between the Board of Administration, Public Employees' Retirement System and the City Council of the City of Chico" which was in effect on July 1, 2002, and to abide by all terms and conditions as established by such Contract so long as the contract exists between City and CalPERS.

D. Reporting and Paying the Value of EPMC. For those Employees for whom City pays EPMC, City adopted a resolution implementing the provisions of Government Code Section 20636(C)(4), which authorizes City to report EPMC to PERS as additional compensation for Employees. City will report the value of EPMC for Employees to PERS as additional compensation, and pay City and Employee contributions on such EPMC. There is no actual increase in Employees' Basic Pay as a result of this change, nor any increase in Employees' Basic Pay rate for the calculation of other pays as set forth in Subarticles 5.1 to 5.7. Effective July 13, 2014, the City shall not pay any portion of the required employee contribution.

E. Consistency with PEPRA. It is the intent of the parties that the terms set forth herein be consistent with the provisions of PEPRA, as it may be amended from time to time and, in the event of any inconsistency, that the provisions set for the in PEPRA shall prevail.

F. Special Compensation. All specialty pays and special compensation will be reported to CalPERS in accordance with State Law.

6.6 VARIOUS BENEFITS

A. Employee Assistance Program. City agrees to provide counseling services to Employees at City's cost, in accordance with the provisions of City's AP&P No. 13-15. City retains the right to annually select the counseling service provider for the ensuing fiscal year in accordance with City's purchasing system.

B. Educational Reimbursement. City agrees to reimburse Employees for the cost of tuition and mandatory course-related books and materials incurred from participation in university, community college and other educational or training programs, subject to the reimbursement requirements and procedures set forth in City's AP&P No. 15-5.

C. Defense of Employee from Civil Actions or Proceedings. City agrees to defend Employees from civil actions or proceedings in accordance with the applicable provisions of the California Government Code.

D. Section 125 Plan. The Section 125 Plan will be established pursuant to Sections 105, 125 and 129 of the Internal Revenue Code of 1986, as amended. Such Plan will allow Employees who make a contribution for medical, dental, and vision insurance coverage to make that contribution on a pre-tax basis through the Plan. City shall pay the costs to establish and maintain the Section 125 plan, however, if Employees wish to access other benefits (such as Dependent Care Plan or Medical Flexible Spending Account Plan), the Employee shall be responsible for any additional fees related to those benefits.

E. Uniforms, Protective Clothing, and Equipment. City agrees to provide the following uniforms, protective clothing, and equipment to Employees in accordance with the needs of their particular job assignments:

1. Protective headgear (hard hats).
2. Rain gear (coat, pants, and boots).
3. Safety vests.
4. Gloves (rubber, leather, and specialty).
5. Safety goggles.
6. Ear protection (ear muffs or plugs).
7. Breathing masks or respirators.
8. Coveralls and/or laboratory coats.

F. Fee Reimbursement and Medical Examinations - Class A or Class B Driver Licenses. City agrees to reimburse each Employee who voluntarily possess a State of California Class A or Class B driver license the difference in the cost between the current DMV license fee for an initially issued Class A or Class B license and the current DMV license fee for a Class C license or between the current DMV license fee for the renewal of a Class A or Class B license and the current DMV license fee for a Class C license. Such reimbursement shall be made only upon acquisition of an initial licensure or renewal of an existing Class A or Class B driver license and shall require submittal by

Employee of the appropriate fee payment receipts and driver license certification.

1. **Medical Examination.** City agrees to provide, at its sole expense, medical examinations required for Employees to obtain or renew a Class A or Class B California driver license. Such medical examination shall be performed by a physician selected by City and shall be arranged by City's Human Resources and Risk Management Office. In this latter regard, the appropriate Department Head shall certify the names of such Employees to City's Human Resources and Risk Management Office as the need arises, and City's Human Resources and Risk Management shall schedule such medical examinations. City agrees to allow Employees to take such medical examinations during Employee's regular work hours.

G. Damage Reimbursement - Personal Clothing and Property. City agrees to reimburse Employees a reasonable amount of money for damaged (not lost) personal clothing or property which is damaged during the performance of Employee's regularly assigned duties. Such reimbursement shall be made in accordance with and subject to the limitations of the provisions of City's AP&P No. 13-19.

H. Federal Insurance Contributions Act - Medicare Contribution.

1. Applicability. The Federal Insurance Contributions Act ("FICA") mandates that Employees hired after April 1, 1986 be covered by and make payroll contributions for the Medicare portion of FICA at a rate of 1.45% of salary. City is also required to contribute 1.45% of salary for such coverage.

2. City Payment of Employee Contribution. Employees required to contribute 1.45% of their salary to the FICA - Medicare program shall have such contribution made by City, at no cost to Employee, until the first full pay period in July 2014. Effective the first full pay period of July 2014, Employees shall be responsible to contribute 1.45% of their salary to FICA-Medicare.

4. Employees Hired Prior to April 1, 1986 Covered by Medicare Pursuant to City Council Resolution No. 97 02-03. Employees hired prior to April 1, 1986 who voluntarily elected to participate in Medicare Coverage available through City's prior agreement with PERS, pursuant to City Council Resolution No. 97 02-03, shall have Employee's 1.45% portion of the Medicare contribution paid by City, until the first full pay period of July 2014. Effective the first full pay period of July 2014,

Employees hired prior to April 1, 1986, who voluntarily elected to participate in Medicare coverage shall be required to contribute 1.45% of their salary to the FICA-Medicare program.

I. Reimbursement for Professional and Technical Licenses and Certifications. City agrees to reimburse Employees who work in the related professional or technical field for Wastewater Treatment Plant Operator, Laboratory Technician, and Industrial Waste Inspector or Technician, Electrical Technician, and System Control and Data Acquisition (SCADA or Computer-based system control) for certifications issued by the State Water Resources Control Board or California Water Environment Association.

6.7 BENEFITS - PERMANENT PART-TIME POSITIONS

Permanent Part-Time Employees shall receive pro-rated benefits based on their regular schedule, including sick, vacation, bereavement, floating holiday, personal time off, and holiday leaves; medical, dental, Jury Duty Pay, and Childbirth or Adoption Leave; and all other benefits provided under this MOU to other covered Employees. Proration of benefits shall be based on the percentage of the forty (40) hour work week an Employee is regularly scheduled to work, for all benefits except medical and dental insurance. Medical and dental benefits shall only be prorated if any employees works less than thirty (30) hours a week. The proration of benefits shall not be modified in response to temporary adjustments to the work schedule. Should an adjustment to the work schedule exceed ninety (90) days, the proration of benefits will be adjusted to the modified level following the first ninety (90) days, and will be returned to the original proration as soon as the modified schedule ends. An adjustment in the work schedule of more than ninety (90) days which generates a change in benefit proration shall not permanently modify Employee's designated schedule or employment rights.

Because the proration of the fixed City contribution to medical insurance coverage could create a significant required Employee contribution, Permanent Part-Time Employees may choose whether or not to participate in the medical insurance plan, so long as this is not precluded by the conditions of the contract between City and the insurance carriers. Such Employees will be allowed to opt in or out of medical insurance coverage no more often than every six (6) months. Should Employee opt to not participate in the medical plans, City shall have no obligation to pay the prorated contribution to Employee.

6.8 BENEFITS - PERMANENT SEASONAL POSITIONS

For the period of active Seasonal employment, Permanent Seasonal Employees shall receive pro-rated benefits based on their regular schedule, including sick, vacation, bereavement, floating holiday, personal time off, and holiday leaves; medical, dental, Jury Duty Pay and Childbirth or Adoption Leave; and all other benefits provided under this MOU to other covered Employees. Proration of benefits shall be based on the percentage of the forty (40) hour work week a Permanent Seasonal Employee is regularly scheduled to work for all benefits except medical and dental insurance. Medical and dental benefits shall only be prorated if an Employee works less than thirty (30) hours a week. For less than full-time Permanent Seasonal Employees, the proration of benefits shall not be modified in response to temporary adjustments to the work schedule. Should an adjustment to the work schedule exceed ninety (90) days, the proration of benefits will be adjusted to the modified level following the first ninety (90) days, and will be returned to the original proration as soon as the modified schedule ends. An adjustment in the work schedule of more than ninety (90) days which generates a change in benefit proration shall not permanently modify the designated schedule or employment rights of Employee. Permanent Seasonal Employees regularly scheduled to work forty (40) hours per week shall receive the full benefit package provided to non-seasonal full-time Employees.

For the period of active Seasonal employment, full-time Permanent Seasonal Employees shall be covered with medical, dental, and vision insurance benefits in the same manner established for non-seasonal full-time Employees. Those Permanent Seasonal Employees who are scheduled to work less than forty (40) hours per week shall have access to the medical, dental, and vision insurance options identified for Permanent Part-Time Employees. Seasonal Employees who are regularly scheduled to work less than thirty (30) per week may choose whether or not to participate in the medical, insurance plan, so long as this is not precluded by the conditions of the contract between City and the insurance carriers. Such Employees will be allowed to opt in or out of medical insurance coverage no more often than every six (6) months. Should Employee opt to not participate in the medical plan, City shall have no obligation to pay the prorated contribution to Employee.

ARTICLE SEVEN: WORKING CONDITIONS

7.1 EMPLOYEE CLOTHING AND PHYSICAL APPEARANCE REQUIREMENTS

Union agrees that Employees shall wear clothing that is appropriate for their particular job assignments and shall maintain their physical appearance in a manner which will not endanger their person, in accordance with City's AP&P No. 13-29.

7.2 HOURS AND WORK WEEK

A. Work Week Defined. The work week for Employees covered by this MOU shall consist of a five (5) day staggered week, with forty (40) hours per week and shall begin at 12:00 midnight on Saturday and shall extend to the next following Saturday at 12:00 midnight.

B. Hours. Employee work hours shall be 7:00 a.m. to 3:30 p.m.

C. Work and Meal Breaks. During each work shift, Employees shall be entitled to take two (2) fifteen (15) minute work breaks and one-half (½) hour meal break, as appropriate to Employee's job assignment, to be taken at such times and at such locations as are determined by Department Head provided, however, it is recognized that the time of such breaks may vary because of emergencies, training periods or unusual circumstances and that during such occurrences, the exact time of the meal break will be determined by Employee's supervisor. It is further recognized and agreed that should the needs of City, emergencies, or other unusual circumstances cause Employees not to be able to take a work break, Employees shall not be entitled to accumulate and save such lost work break for use at another time.

D. Hours and Shift Modification. City retains the right in its sole discretion to assign Employees to work hours or work shifts different from their regular hours or shift assignment without further consultation with Union, provided that City agrees to provide Employees with a seven (7) calendar day advance notice of such change, except in the event of an emergency, in which case hours or shifts may be modified immediately to meet the needs of the public health, safety, and welfare.

If any Employee feels that Employee's hours or shift modification is unreasonable, or was made in an arbitrary or capricious manner, said Employee shall have the right to file a grievance thereon in accordance with the procedure set forth in City's PERR. Employees may request or agree to a waiver of

the seven (7) calendar day advance notice, provided that such request or agreement is made in writing to City's Human Resources and Risk Management Office.

Each year during the month of December, the Wastewater Plant Manager will meet with all Employees for the purpose of determining shift schedule assignments for the coming year, including but not limited to, ascertaining Employee preferences for schedule around holiday and/or volunteering to work certain shifts.

E. Flexible Work Schedules. City Manager, or City Manager's designee, may approve, upon the request of Employee, modification of Employee's daily work hours, in order to provide Employee with a flexible work schedule. In determining whether or not to approve such request, City Manager, or City Manager's designee, will consider the recommendation of Employee's department head and the needs of City, with due regard for the wishes of Employee.

Union agrees that Employees who are enrolled in City-approved educational course work or training programs, or who wish to participate in an alternative work schedule as approved by their department head, may agree to modifications in their daily work hours or work week, including waiver of the meal break and overtime pay requirements of this MOU which are necessary for such course work, training programs, or alternative work schedule without additional approval of Union.

City Manager, with sole discretion, shall have the right to modify or terminate any flexible work schedules, with a 30-day written notification to Employees.

F. Job Sharing. A permanent, non-probationary Employee may request to share the hours, pay, and benefits of a single position with another permanent or hourly exempt Employee for a specified period of time. Such shared position and the pro-ration of benefits and other conditions established shall hereinafter be referred to as "job share."

1. Job Share Request. A job share request must be submitted through Employee's immediate supervisor to Employee's Department Head. The supervisor and Department Head shall give consideration to such request, but are not obligated to accept or implement Employee's proposal. If Department Head does not concur with the request, Employee shall be so notified, and shall have no right to grieve such denial. Should Department Head concur with Employee's request, the request shall be submitted to City Manager for consideration. City Manager shall review and consider the request of

Employee to job share, make a determination as to whether such job share is in the best interests of City, and notify the requesting Employee and Department Head of that decision. Employee shall have no right to grieve the determination of City Manager. A request to job share shall not be approved if it results in any measurable increase in cost to City for the position.

2. Job Share Agreement. A job share agreement will be developed between City, Union, and the two Employees who will be participating in the job share. That agreement shall provide for a specific sharing of work schedule~~,~~ and benefits. The following general rules shall apply to such job share agreements:

a. Set period of time. Each agreement will provide for a set period during which the agreement shall be valid and shall also provide for the time frames and conditions under which the agreement may be terminated. Such agreement may be modified or extended at Employees' request, with the approval of City Manager.

b. Pro-ration of benefits and seniority. Each agreement will establish the basis for pro-ration of all benefits and seniority provided under this MOU. The probationary period and accumulation of vacation eligibility and seniority shall be generally pro-rated based on number of hours worked. Benefits to be pro-rated include, but are not limited to, sick, vacation, bereavement, and holiday leaves; medical, dental, vision, life and long-term disability insurance; Counseling, Educational Reimbursement, Jury Duty Pay, and Childbirth/Adoption Leave; Sick Leave Conversion at retirement, tool allowance, driver licenses reimbursement; and all other benefits.

c. Schedule. Each agreement will identify a work schedule and identify the commitment of each participating Employee to work when the other Employee is absent.

d. Retention of Property Right to the Position. The agreement will identify which Employee(s) shall retain property rights to the position that is shared. Should the job share participants elect to share the property rights to the position, neither will have the right to continue in the position should the job share agreement be terminated. An Employee who leaves a permanent position to share another position shall have no right to return to the original position should the job share be terminated~~,~~ but may be placed in another vacant permanent position for which the Employee is qualified if one is available.

e. **Identity of Job Share Employees.** The agreement will identify the employment status of Employees participating in the job share. Permanent non-probationary Employees are eligible to participate. City will also consider proposals for job share of a permanent position between a permanent and an hourly-exempt employee so long as the conditions of the agreement are consistent with use of City's rules regarding hourly- exempt employees.

f. **Exceptions.** City Manager shall have the authority to make exceptions to the provisions specified in this Paragraph when so requested by the affected Employees and Union when it is in City's best interests to do so.

3. **Lay-off Procedures.** Employees who are participating in a job share shall have their total seniority adjusted as provided for in Paragraph 7.2.F.2.b. Additionally, the job share agreement may specifically limit the Employees' rights within the lay-off and personnel reduction procedures provided for in City's PERR Section 2R.72.140.E. and F.

7.3 SAFETY

A. **Safety Rules.** Union and City agree that Employees and the City, including management and supervisory level employees, shall abide by adopted rules and regulations regarding the usage of safety equipment and the utilization of safe working operations and procedures. Any such Employee in violation of such safety rules and regulations may be disciplined in accordance with the appropriate provisions of City's PERR.

B. **Work Stations, Equipment, and Tools.** City recognizes its responsibility to and will provide safe work stations, equipment, and tools.

C. **Video Display Terminal Equipment.** In order to provide a safe and healthy workplace for its Employees, City agrees to purchase video display terminal equipment that is safe and efficient to use and prevents health hazards such as eye strain and eye fatigue. City will provide instruction in the proper operation and adjustments of video display terminals and video display terminal work station equipment. It is agreed between the parties to this MOU that issues of safety relating to video display terminals and work station equipment shall be referred to City-wide Safety Committee for review and recommendation.

D. Safety Committees.

1. City-Wide Safety Committee. City and Union recognize the previous establishment of a City-wide safety and loss control program for the benefit of Employees and City and to comply with the requirements of State law and the California Joint Powers Risk Management Authority, of which City is a member. Such program includes a consolidated safety and loss control committee consisting of members of each departmental safety committee and headed by City Human Resources and Risk Management Office. Such committee will discuss safety and health conditions and loss prevention measures applying to City organization as a whole~~,~~ and those safety and health concerns which cannot be resolved by departmental safety committees.

2. Departmental Safety Committees. City and Union recognize the previous establishment of departmental safety committees consisting of Employees. Said committees shall meet on a regularly scheduled basis, no less often than quarterly, and shall maintain minutes of such meetings. Such committees shall discuss safety and health conditions and shall provide written suggestions to City regarding methods of safe operations and procedures and the identification of hazardous procedures and equipment.

E. Lone Operator. City and Union agree to meet and confer within the term of this MOU to develop a written plan for the lone operator as required by California Code of Regulations Title 23, Article 3, Section 3681.1.

ARTICLE EIGHT: MEDIATION AND BINDING ARBITRATION

8.1 AGREEMENT TO MEDIATION AND BINDING ARBITRATION

City agrees to a process of third-party mediation and binding arbitration as set forth herein, which shall be used only for grievances arising out of the interpretation of the provisions of this MOU.

8.2 PROGRESSION OF MEDIATION TO BINDING ARBITRATION

If requested by grievant, the Mediation and Binding Arbitration request replaces the hearing request as set forth in PERR 2R.72.240.A.5.b(5) provided, however, that the fifteen (15) working day time limit set forth in such PERR shall be applicable to such Mediation and Binding Arbitration request.

8.3 MEDIATION

A. Union Request. Within ten (10) working days after receipt of a request for mediation of the grievance, City shall contact the State Mediation and Conciliation Service and request the appointment of a mediator to mediate the grievance.

B. Initial Mediation Meeting. The mediator shall schedule an initial mediation meeting~~,~~ at a time which is mutually agreeable to all parties~~,~~ to begin the mediation process. At the initial mediation meeting, the parties shall provide the mediator with written statements outlining their respective positions on the grievance issues.

C. Confidentiality. The mediator shall conduct all meetings and discussions in private and shall make no public statements regarding any aspect of the mediation. Neither party to the mediation shall make any public statement regarding any aspect of the mediation.

D. Advancement to Arbitration. Implementation of the arbitration process shall not occur until the mediator has released the parties from the mediation process.

8.4 BINDING ARBITRATION

A. Union Request. If the grievance is not resolved through the mediation process, the grievance may proceed to arbitration upon request of Union made within twenty (20) working days of the conclusion of the mediation process.

B. Selection of Arbitrator. The parties to the grievance shall mutually agree on the selection of an arbitrator. If the parties are unable to agree on such selection, the State Mediation and Conciliation Service shall be requested to provide a list of five (5) arbitrators for consideration by the parties. Selection of the arbitrator from such list shall be made by either mutual agreement or, failing such agreement, by each party eliminating the names of unacceptable arbitrators, with Union first eliminating a name, then City eliminating a name, and so on until the name of one arbitrator remains, which such arbitrator shall be deemed selected to arbitrate the issues.

C. Mediation Transcripts, Records, and Documents. During the arbitration process, neither party shall have the right to, nor shall they, cite any information developed in the mediation process in the arbitration process or hearing.

D. Arbitrator's Authority. The arbitrator's authority shall be limited to making determinations regarding the violation, misapplication or misinterpretation of the provisions of this MOU. The arbitrator shall not have the authority to add to or delete from such provisions nor make decisions which involve or direct changes or modifications to the scheduled pay or benefit provisions contained herein. In the event that there exists between the parties hereto a dispute as to whether a matter is subject to the arbitration process set forth herein, the arbitrator shall consider and determine whether the matter is subject to arbitration prior to hearing and considering the merits of the grievance issue.

E. Costs and Expenses. The cost of the arbitrator's compensation and expenses shall be shared equally between the parties. Each party shall be responsible for its own costs in securing witnesses for legal or other representation and for presentation of material. An Employee subpoenaed by either party to testify at arbitration will suffer no loss of pay provided, however, the Employee testifies during the Employee's regular, non-overtime work hours. Both parties agree that overtime shall not be paid to Employees who testify beyond their regular work hours.

SIGNED AND DATED AS FOLLOWS:

Stationary Engineers, Local 39:

Tony DeMarco (Date)
President

3/18/14
Jerry Kalmar (Date)
Business Manager

3/17/14
Charlie Solt (Date)
Business Representative

City of Chico:

4/15/14
Brian S. Nakamura * (Date)
City Manager

* Authorized pursuant to Chico Municipal Code 2R.04.060

APPROVED AS TO CONTENT:

3-21-14
Eric Wold (Date)

3-24-14
Michael Damron (Date)

APPROVED AS TO FORM:

3/25/14
Lori J. Barker, City Attorney (Date)

MEMORANDUM OF UNDERSTANDING
BETWEEN
CITY OF CHICO
AND
STATIONARY ENGINEERS, LOCAL 39
REGARDING PAY, HOURS AND OTHER TERMS AND CONDITIONS OF EMPLOYMENT FOR JANUARY 1, 2014 THROUGH DECEMBER 31, 2016
(2014 LOCAL 39 MOU)

EXHIBIT "A"

SCHEDULE OF HOURLY PAY RATES

EFFECTIVE: 01/01/2014							
	A	B	C	D	E	F	G
Electrical Technician	25.57	26.85	28.19	29.60	31.08	32.63	34.26
Industrial Waste Inspector	22.08	23.18	24.34	25.56	26.83	28.18	29.58
Laboratory Technician	22.08	23.18	24.34	25.56	26.83	28.18	29.58
Senior Lab Technician	25.57	26.85	28.19	29.60	31.08	32.63	34.26
Sr. Industrial Waste Inspector	25.57	26.85	28.19	29.60	31.08	32.63	34.26
WWTP Operator I	17.63	18.51	19.44	20.41	21.43	22.50	23.63
WWTP Operator II	22.08	23.18	24.34	25.56	26.83	28.18	29.58
WWTP Operator III	25.57	26.85	28.19	29.60	31.08	32.63	34.26

MEMORANDUM OF UNDERSTANDING
BETWEEN
CITY OF CHICO
AND
STATIONARY ENGINEERS, LOCAL 39
REGARDING PAY, HOURS AND OTHER TERMS AND CONDITIONS OF EMPLOYMENT FOR JANUARY 1, 2014 THROUGH DECEMBER 31, 2016
(2014 LOCAL 39 MOU)

EXHIBIT "B"

Employees working a 40-hour work week schedule shall accrue vacation credit in accordance with the following schedule:

Length of Service	Bi-weekly Accrual Rate	Annual Accrual Rate	Max Accrual Balance
7th month through 60th month	3.08	80.08	320
61st month through 96th month	4.62	120.12	320
97th month through 108th month	4.93	128.18	320
109th month through 120th month	5.23	135.98	340
121st month through 132nd month	5.54	144.04	360
133rd month through 144th month	5.85	152.10	380
145th month through 156th month	6.16	160.16	380
157th month through 168th month	6.47	168.22	380
169th month through 180th month	6.78	176.28	380
181st month through 192nd month	7.09	184.34	380
193rd month through 204th month	7.39	192.14	380
205th month and forward	7.69	199.94	380

MEMORANDUM OF UNDERSTANDING
BETWEEN
CITY OF CHICO
AND
STATIONARY ENGINEERS, LOCAL 39
REGARDING PAY, HOURS AND OTHER TERMS AND CONDITIONS OF EMPLOYMENT
FOR
JANUARY 1, 2014 THROUGH DECEMBER 31, 2016
(2014 LOCAL 39 MOU)

EXHIBIT "C"

MEDICAL, DENTAL, AND VISION INSURANCE CARRIERS AND CONTRIBUTIONS

I. CARRIERS

Employees shall be covered by the medical and dental insurance carriers on file with the Human Resources and Risk Management Office.

II. CITY CONTRIBUTIONS

The City and Employees shall each contribute toward the monthly premium rate for City's employee group medical, dental, and vision insurance plans, as set forth below, based on the health care plan selected by the Employee. The allocation of any future rate increases between the City and Employee contributions shall be determined through future agreement between City and Union.

Effective January 1, 2014

MEDICAL					
City Contribution					
	PPO 90/10	**PPO 80/20**	**EPO**	**HDHP**	**HSA**
Single	327.29	371.18	501.00	374.00	78.14
Double	692.21	787.94	1,080.00	797.00	125.02
Family	901.03	1,023.12	1,385.13	1,026.00	156.27
Employee Contribution					
	PPO 90/10	**PPO 80/20**	**EPO**	**HDHP**	**HSA**
Single	252.71	163.82	79.00	0.00	---
Double	540.79	349.06	154.00	0.00	---
Family	686.97	442.88	203.87	0.00	---

	DENTAL	VISION
City Contribution		
Single	62.03	5.40
Double	62.03	5.40
Family	62.03	5.40
Employee Contribution		
Single	20.67	0.00
Double	20.67	5.41
Family	20.67	8.75

III. EMPLOYEES NOT REQUIRED TO PARTICIPATE IN CITY'S INSURANCE PLAN.

Employees who have alternative group medical insurance coverage are not be required to participate in City's medical insurance plan. Employees are required to provide verification of such alternative coverage to the Human Resources Office during the open enrollment period. Employees shall continue to provide verification during the open enrollment period in all subsequent years that Employees choose to opt out of City's medical insurance plan. Employees who opt out of City's medical insurance plan shall receive a payment of $200.00 per month:

a. Into Employee's Medical Flexible Spending Account established with the City's Section 125 Plan; or
b. Into Employee's City deferred compensation account; or
c. As cash to the Employee.

Employees who lose their alternative coverage shall be required to immediately enroll in City's medical insurance plan, and shall no longer receive the $200.00 per month payment.