

GARDENA

MANAGEMENT

EMPLOYEES

ORGANIZATION

MEMORANDUM OF UNDERSTANDING

JULY 1, 2021 – JUNE 30, 2025

**MEMORANDUM OF UNDERSTANDING BETWEEN THE GARDENA
MANAGEMENT EMPLOYEES ORGANIZATION (GMEO),
A RECOGNIZED EMPLOYEE ORGANIZATION,
AND THE CITY OF GARDENA,
FOR THE PERIOD JULY 1, 2021 – JUNE 30, 2025**

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**MEMORANDUM OF UNDERSTANDING BETWEEN THE GARDENA MANAGEMENT
EMPLOYEES ORGANIZATION (GMEO), A RECOGNIZED EMPLOYEE
ORGANIZATION, AND THE CITY OF GARDENA, INCORPORATING
FOR THE PERIOD JULY 1, 2021 – JUNE 30, 2025**

PREAMBLE

This Memorandum of Understanding (hereinafter referred to as MOU) sets forth wages, hours, benefits and other terms and conditions of employment for employees represented by the Gardena Management Employees Organization and is entered into and with reference to the following facts:

- 01.** The **GARDENA MANAGEMENT EMPLOYEES ORGANIZATION** (hereinafter referred to as "GMEO") is the sole recognized employee organization for all management employees (hereinafter referred to as "affected employees") employed by the **CITY OF GARDENA** (hereinafter referred to as the "City"), excluding City Manager, Administrative Services Director/Assistant City Manager, City Attorney, Assistant City Attorney, Chief Deputy City Clerk, Deputy City Treasurer, Police Chief, Police Captain, Police Lieutenant, Department Heads or any position designated as Confidential.
- 02.** In the interest of maintaining harmonious relationships between the City and the affected employees, authorized representatives of the City and GMEO have met and have conferred in good faith, exchanging various proposals concerning wages, hours, benefits, and other terms and conditions of employment of affected employees.
- 03.** It is the intent of the City to establish and maintain salaries and benefits of all positions covered under this MOU comparable to salaries and benefits paid to employees in jurisdictions named in **ARTICLE II, SECTION 1, B. 2** of this MOU in order to: improve the City's ability to retain and attract skilled management and professional employees; promote efficiency and economy; and, select, maintain and compensate on the basis of merit, skill, and internal organizational equity and parity.
- 04.** The authorized representatives of the City and GMEO have reached an agreement as to wages, hours, benefits, and other terms and conditions of employment of affected employees. This agreement has been ratified as a MOU by the membership of GMEO and the City and adopted by the City Council pursuant to Rule 22.14 of the Personnel Rules and Regulations.
- 05.** This MOU supersedes any previous memoranda of understanding or resolution governing the wages, hours, terms, and conditions of employment for the employees covered by this MOU.
- 06.** Should the parties fail to reach agreement on a successor MOU to this one, its terms shall remain in effect until a successor MOU is agreed upon and implemented.
- 07.** It is further mutually recognized and agreed:
 - a. That the primary purpose of City government is to provide the highest quality of life possible for residents, businesses and visitors to the Gardena community; and
 - b. That quality of life is comprised of many factors, many of which are subjective, but that it can be defined in part as the continual improvement of services in response to the needs and desires of the community; and
 - c. That it is the responsibility and obligation of every City employee to meet the goals and standards set by the City in meeting the needs of the community; and

- d. As an employee organization, GMEO is a vital force in implementing and motivating its members to achieve the objectives set by the City; and
- e. That a shared commitment to these values should be demonstrated by consistent and continued improvement in service, which include but are not limited to, quality of community life, customer satisfaction, fiscal stability, operational efficiency and workforce excellence.

Accordingly, the City and GMEO do hereby agree to the terms and conditions stated herein.

ARTICLE I. CLASSIFICATION PLAN

SECTION 1. CLASSIFICATION PLAN CHANGES

- A.** As used in this MOU, the terms “employee”, “employees”, and/or “affected employees” refer, individually and collectively, to those persons employed by the City for whom GMEO has been recognized as the sole representative.
 - 1.) For the purpose of identification, such persons are described as those persons assigned to the Classification and Compensation Plan set forth in Exhibit “A” (attached hereto and incorporated herein).
 - 2.) The Classification and Compensation Plan is to be prepared and adopted pursuant to the City’s Personnel Rules and Regulations adopted by Resolution #4171 and as modified.
- B.** Should any new classification be created, or an existing classification modified during the term of this MOU, and such new or modified classification is intended to perform activities normally performed by members of GMEO, the parties shall meet and confer with respect to the job description and appropriate pay rate for such new or modified classification and shall include such classification in Exhibit “A.”
- C.** The parties further agree that at no time shall a new classification be created, a classification listed on said Exhibit “A” modified, or deleted without first having the parties meet and confer.

SECTION 2. NEW APPOINTMENTS

- A.** New appointments shall be at the minimum of the appropriate pay range; however, the Human Resources Officer may approve a higher rate of compensation at any step within the range, provided that the person appointed thereto is reasonably entitled, because of his/her unique experience or ability to be appointed to a step above the minimum, or that it is impracticable to obtain qualified appointees at the established minimum rate or any one of the steps below the maximum.
- B.** In no instance shall the rate of compensation allowed for any class be less than the minimum prescribed therefore, and advancement to succeeding steps, whether or not employed at the minimum rate, shall be governed by the provisions of Article II, Section 1. C. hereof.
- C.** All affected employees hired into a new position shall have a probationary period of one (1) year from date of hire, except as stated in Article I. Section 3.E. hereof.

SECTION 3. PROMOTIONS

- A.** It is the intention of the City wherever or whenever practicable to fill job vacancies within the City on a promotional basis before hiring employees from outside.
- B.** An employee who is promoted to a higher classified position shall receive the applicable step of the new position which shall be no less than a five percent (5%) increase over his current pay rate, unless the Human Resources Officer determines that appointment at a higher step is warranted.
- C.** A promoted employee shall receive a higher rate of pay than any of his/her subordinates, and shall be entitled to keep, receive and accrue all earned benefits prior to the promotion.
- D.** A promoted employee who is being placed into a position represented by GMEO from another City represented group shall be governed by the terms of this MOU at the time of promotion and shall be entitled to keep, receive and accrue only those benefits applicable to this GMEO.
- E.** Any employee so promoted shall be placed in the higher classification for a probationary period of six (6) months. If the employee does not pass this probationary period, such employee shall be returned to the former position at the former pay step and benefits.

SECTION 4. DEMOTIONS

- A.** In case of demotion, the employee's salary shall revert to the pay rate and step of the classification to which he/she was previously assigned.
- B.** In the event of re-employment subsequent to resignation, an employee's salary will be determined in the same manner as for new appointments.

SECTION 5. RECLASSIFICATION

- A.** In the case of reclassification resulting in an upgrade in the salary range, the employee will be moved to the closest equivalent step of the new position unless the Human Resources Officer determines that placement at a higher step is warranted. All future increases shall be made in accordance with Article II, Section 1, C. hereof.
- B.** If an employee holds a position that is reclassified to a lower salary range, the employee shall retain his/her pay rate at the same level as held prior to the downgrade of the position. Said employee shall be assigned to the designated salary range of the downgraded position and will be classified as "Y-Rated." A "Y-Rated" employee shall remain at his/her pay rate at the time of reclassification until such time that subsequent salary increases advance said salary range to the level that the employee can be placed on a standard step within the range. The employee shall then be assigned to the appropriate step within the salary range that is equal to or above the employee's "Y-Rated" pay. The employee shall then progress upward in the salary range according to Article II, Section 1, C. hereof.

ARTICLE II. COMPENSATION

SECTION 1. SALARY

A. BASIC SIX-STEP SALARY SCHEDULE

- 1.) All affected employees shall be paid according to the Basic Sixth-Step Salary Schedule at the pay schedule assigned for the position classification as set forth in Exhibit "A" (attached hereto and incorporated herein by reference).

B. SALARY SURVEY

- 1.) Recognizing that the City's Classification and Compensation Plan is currently out-of-date and that many of the Job Specifications and assigned Salary Schedules are not comparable and/or competitive with similar positions in the benchmark agencies agreed to in this MOU, the City and GMEO agree to work cooperatively to bring all salaries to a benchmark standard as quickly as possible within the City's ability to pay and sustain such while ensuring the delivery of quality public services.
- 2.) The City and GMEO shall continue to conduct joint annual salary surveys by way of a mutually agreed upon procedure.
 - (a) For general position classifications, the following cities shall be surveyed: El Segundo, Hawthorne, Manhattan Beach, Redondo Beach, and Torrance.
 - (b) For transit specific position classifications, the following agencies shall be surveyed: Culver City, Montebello, Norwalk, Torrance and Santa Monica.
- 3.) All positions listed in Exhibit "A" shall be surveyed. For purposes of the survey, the position specification, i.e. job description, for each position listed in Exhibit "A" as well as all such other duties/assignments carried out on a regular basis by each covered employee, above and beyond those specified in such position specification, i.e. job description, shall be considered in determining comparability with similar management level positions in the surveyed cities.
- 4.) Once the City salary schedule has been adjusted so that all the base salaries for all GMEO position classifications are at the benchmark level, it is the intent of both the City and GMEO to establish a formula for future salary negotiations to maintain City salaries at a competitive level.
- 5.) Salary shall mean the base salary, exclusive of any other compensation or benefits.

C. EQUITY ADJUSTMENTS

- 1.) July 2021 Cost-of-Living Adjustment: Each affected employee represented by GMEO shall receive a cost-of-living increase of three and one-half percent (3.5%) effective the first pay period of July 2021. The increase shall apply to the employee's salary schedule and step.
- 2.) July 2022 Cost-of-Living Adjustment: Any cost-of-living adjustment in July 2022 is conditioned upon the GMEO members agreement to pay an additional one percent (1.0%) of compensation towards the CalPERS employer contribution rate. Any change to the employees' rate of contribution requires a secret ballot election among the affected employees. The City cannot amend its contract with CalPERS if the majority of the affected members vote to disapprove of the proposed cost-sharing of the employer contribution.

Upon meeting the conditions set forth above, each affected employee represented by GMEO shall receive a cost-of-living adjustment to base salary of four percent (4.0%). Such cost-of-living adjustment shall apply to the employee's salary schedule and step. The salary adjustment shall be effective the first pay period in July 2022.

- 3.) July 2023 Cost-of-Living Adjustment: Any cost-of-living adjustment in July 2023 is conditioned upon GMEO members agreement to pay an additional one percent (1.0%) of compensation towards the CalPERS employer contribution rate. Any change to the employees' rate of contribution requires a secret ballot election among the affected employees. The City cannot amend its contract with CalPERS if the majority of the affected members vote to disapprove of the proposed cost-sharing of the employer contribution.

Upon meeting the conditions set forth above, each affected employee represented by GMEO shall receive a cost-of-living adjustment to base salary of four percent (4.0%). Such cost-of-living adjustment shall apply to the employee's salary schedule and step. The salary adjustment shall be effective the first pay period in July 2023.

- 4.) July 2024 Cost-of-Living Adjustment: Any cost-of-living adjustment in July 2024 is conditioned upon GMEO members agreement to pay an additional one percent (1.0%) of compensation towards the CalPERS employer contribution rate. Any change to the employees' rate of contribution requires a secret ballot election among the affected employees. The City cannot amend its contract with CalPERS if the majority of the affected members vote to disapprove of the proposed cost-sharing of the employer contribution.

Upon meeting the conditions set forth above, each affected employee represented by GMEO shall receive a cost-of-living adjustment to base salary of four percent (4.0%). Such cost-of-living adjustment shall apply to the employee's salary schedule and step. The salary adjustment shall be effective the first pay period in July 2024.

D. ADVANCEMENT IN SALARY: Advancement in salary from the minimum to the maximum rate of compensation for the respective classes is divided into six (6) steps as set forth in Exhibit "B", which shall be interpreted and applied as follows:

- 1.) The first step, Step 1, is a minimum rate and will normally be the hiring rate for each class represented by GMEO.
- 2.) The second step, Step 2, is an incentive adjustment to encourage employees in their work. An employee shall be made eligible for this adjustment after the completion of six (6) months of continuous and satisfactory service on the first step (Step 1), in the class in which the employee was originally employed, and upon the approval of the appointing authority.
- 3.) The third step, Step 3, represents the middle value of the salary range, and is the rate an employee will be paid after the completion of one (1) year of continuous and satisfactory service on the second step (Step 2). This step will be granted upon the approval of the appointing authority to an employee who has performed satisfactorily in a given classification.

- 4.) The fourth step, Step 4, shall be granted upon the approval of the appointing authority after the employee has completed one (1) year of continuous and satisfactory service on the third step (Step 3).
- 5.) The fifth step, Step 5, shall be granted upon the approval of the appointing authority after the employee has completed one (1) year of continuous and satisfactory service on the fourth step (Step 4).
- 6.) The sixth step, Step 6, shall be granted upon the approval of the appointing authority after the employee has completed one (1) year of continuous and satisfactory service on the fifth step (Step 5).
- 7.) As used herein, "continuous service" is defined as actual time in the performance of the position, excluding any leave of absence due to illness or injury in excess of three hundred (300) hours. That is, such absence from active service shall extend the time period for advancement to the next step by the number of hours of said absence.

E. SPECIAL STEP ADVANCEMENT

- 1.) The City Manager may, upon the recommendation of the department head, authorize the advancement of an employee to any step within the salary range sooner than he or she would normally be eligible by virtue of length of service. Such action is reserved for very exceptional cases, after careful analysis.
- 2.) Should an employee be advanced pursuant to this section, the date of such special step advancement shall determine all future step advancements as set forth in Article II, Section 1. C. hereof.

F. LONGEVITY STEPS

- 1.) Longevity pay shall be granted to employees who have completed satisfactory service with the City according to the following schedule.
 - (a) At twenty (20) years of service, additional 2.5%, equaling 2.5% of base pay;
 - (b) At twenty-five (25) years of service, additional 2.5%, equaling 5.0% of base pay;
 - (c) At thirty (30) years of service, additional 2.5%, equaling 7.5% of base pay.

SECTION 2. METHOD OF COMPENSATION

A. PAYMENT SCHEDULE

- 1.) The salaries or compensation herein provided for shall be paid monthly, or in equal semi-monthly installments, or in equal bi-weekly installments, or in any installments as the City may from time to time approve and allow.

B. SPECIAL PAYS

- 1.) Special pays shall be processed as part of the employee's regular bi-weekly paycheck in the pay period following the approval of the special pay request, unless determined otherwise by the City for operational efficiency. This includes, but shall not be limited to: Auto Allowance, State Disability Insurance fee reimbursement, Bilingual Pay, Acting Pay, Vacation, Sick-Leave and other leave pay-offs.

- 2.) **SPECIAL ONE-TIME BUY-BACK OPTIONS:** From time-time the City may, at the City's initiation, allow employees to cash in leave balances for pay. Such option shall be non-PERSable and no employee shall be required to participate in such option.

SECTION 3. ACTING TIME COMPENSATION

- A. When an affected employee is appointed to work in an acting capacity during the absence of a person in a higher classified position or where it is necessary to fill a vacancy pending a permanent appointment, compensation for acting time will commence immediately upon appointment of the employee to said position.
- B. If an employee works in an acting capacity in excess of thirty (30) consecutive calendar days, said employee shall then be compensated for acting time at the rate of the lowest step for such assigned position, which is higher than the current base salary of that employee. At no time shall acting pay be in an amount less than ten percent (10%) of the employee's current base salary.
- C. All assignments for acting time shall be pre-authorized by the department head and initiated by the completion of the appropriate Personnel Action Form (PAF) and approved by the Human Resources Officer.

SECTION 4. MANAGEMENT COMPENSATION

A. OVERTIME

- 1.) Affected employees shall receive no compensation for any overtime work; the monthly salary shall be considered full compensation for all hours worked for such employees and no overtime shall be accruable for said employee.
- 2.) Affected employees whose duty assignments require them to work on an observed holiday and/or off-hours during which other City employees are not required to work, shall be paid at straight time, or shall receive straight time off at the discretion of the department head, for the number of hours equivalent to those which he or she worked on the holiday.

B. MANAGEMENT LEAVE

- 1.) In lieu of overtime pay, affected employees covered under this MOU shall receive sixty (60) hours of annual management leave to be taken within the calendar year earned. All Management Leave hours will be credited to the employee on January 1 of each calendar year.
- 2.) Such leave will be taken at a mutually convenient time for the employee and the department. All Management Leave hours must be used within the calendar year earned or on December 31 of each calendar year any remaining balance will be forfeited.
- 3.) CITY will establish a 401(a) retirement plan for GMEO members. Employees will be required to contribute the established annual amount. Employees may utilize leave hours to fund annual contribution.

C. MONTHLY CAR ALLOWANCE AND MILEAGE ALLOWANCE

- 1.) All represented employees, except employees covered by Article II, Section 4C below, shall receive a monthly car allowance in the amount of three hundred dollars (\$300.00) for the use of his/her private motor vehicles in the service of the City in connection with the performance of his/her duties for the City. This allowance shall be compensation in full to said employees for the use of his/her privately owned motor vehicle in City services and all expenses incidental to the maintenance, repair, and replacement of such vehicles must be borne by the owners thereof, and the City shall have no other cost or expense with reference thereto.
- 2.) Employees who are by City policy assigned a City vehicle for use during regular work hours (i.e. Transportation Route Supervisors) shall be reimbursed for mileage when using their personal vehicle for City-related business. Mileage reimbursement requests must be in writing and submitted to the department head, or his/her designee, for approval, which shall not be unreasonably withheld. Mileage will be paid at the IRS rate for mileage reimbursement. Such rate shall be reviewed annually and revised as necessary as part of the City's budget process and shall be in effect until the new rate is adopted by the City.

D. UNIFORM ALLOWANCE

- 1.) The CITY shall pay a uniform allowance to those employees required to wear a uniform in the amount of four hundred and fifty dollars (\$450.00) annually to be prorated on each bi-weekly paycheck for the cost of uniform cleaning. Employees shall not wear such uniform except in the course of City business.

E. SHOE ALLOWANCE

- 1.) The CITY shall pay a shoe allowance to those employees required to wear safety shoes in the performance of CITY duties in the amount of two hundred (\$200.00) dollars annually for the purchase of such shoes.
- 2.) The annual shoe allowance shall be payable the first pay period of each calendar year. Newly appointed employees in positions so affected will be paid the annual allowance at the time of hire into the position. If the initial payment is received less than six (6) months prior to the regular shoe allowance payment date, the employee will not receive an allowance until the regular payment date of the following year.
- 3.) If an employee separates within six (6) months of receiving the annual shoe allowance, the employee will be required to reimburse the CITY for half of the allowance received.

ARTICLE III. WORK SCHEDULES

SECTION 1. REGULAR SCHEDULES

A. 9/80 WORK SCHEDULE: For the purposes of this Article, City Hall is synonymous with the City and is defined to include all City Departments and/or operations regardless of physical location within the City. City Hall shall maintain a 9/80 employee work schedule as determined by the City:

- 1.) The 9/80-work schedule is a negotiated work condition that was established based on the needs of the community, the City, and the employees.

- 2.) During the City's regular two-week pay period each employee shall be scheduled to work a total of nine (9) days for a total of eighty (80) hours work with either a Monday or a Friday off (9/80 day-off) on the shorter of the two weeks in the pay period.

B. ALTERNATIVE WORK SCHEDULES

- 1.) By mutual agreement, a department head and respective department employee may establish any other alternative work schedule.
- 2.) The alternative work schedule must maintain or improve the current level of service and must not have an adverse effect on the functional operations of the department or the City as a whole.

SECTION 2. CITY HALL HOURS OF OPERATION

A. CITY DETERMINATION OF HOURS OF OPERATION

- 1.) City Hall hours of operation will be determined by the City to ensure practical levels of service to the community. The working hours of individual employees may be adjusted as necessary to ensure such service to the community within a 9/80 work schedule, subject to the following:
- 2.) City management and GMEO agree to work together in good faith to resolve any issues that may arise from the 9/80 schedule;
- 3.) Except as directed by the City Council, employee work-schedules shall be adjusted as necessary to ensure that City Hall will not be closed for more than four (4) consecutive days, inclusive of any day that City Hall is closed in observance of an approved holiday.

B. FLOATING-DAY COMPENSATION CREDIT (FC):

- 1.) If a City Holiday falls on an employee's customary 9/80 day-off, said employee shall receive Floating-Day Compensation Credit (FC) on an hour for hour basis for the actual hours to be compensated.
- 2.) If an employee is required to adjust his/her regular day off in order to provide adequate staff coverage for City operations, the employee will be credited with Floating-Day Compensation Credit (FC) on an hour-for-hour basis for the actual hours worked.
- 3.) FC must be used during the fiscal year within which it is earned, otherwise it will be forfeited.
- 4.) FC will be shown on the employee's paystub and shall be credited according to: Article IV, Section 11, C.

ARTICLE IV. SUPPLEMENTAL BENEFITS

SECTION 1. EDUCATIONAL REIMBURSEMENT

- A. City agrees that all affected employees covered by this MOU, who desire to enroll in training and/or academic courses at a State of California approved and/or recognized college or university that may provide the employee with general or specific skills and/or knowledge that contributes to his/her ability to perform his/her current position or enhances promotional opportunities, shall have their course fees, books, and tuition paid by the City up to a maximum of \$2,500 per affected employee per fiscal year.
- B. The procedure and application process for this program shall be established by the Human Resources Officer and information shall be available in the Human Resources Office.
- C. Such payment shall be in advance of enrollment in such training and/or course subject to approval of the Human Resources Officer. The maximum allowance per fiscal year shall not be cumulative if not used within a single fiscal year.
- D. Eligibility for this program shall be limited to full-time permanent employees.

SECTION 2. PROFESSIONAL DEVELOPMENT

- A. All full-time employees covered by this Agreement eligible to be reimbursed up to three hundred dollars (\$300.00) for professional development through seminars, certificate programs and/or memberships in professional organizations.
- B. In order to qualify for this reimbursement, the professional development program must be related to the employee's current responsibilities and/or classification and be approved by the department head and Human Resources Officer. The parties agree that approval for this reimbursement shall not be unreasonably withheld.

SECTION 3. RETIREMENT

- A. **CALPERS CONTRACT:** The CITY shall contract with the state California Public Employees Retirement System (hereinafter referred to as CalPERS) to provide retirement benefits. The cost of CalPERS Retirement benefits is set by CalPERS and includes two rates:
 - 1.) The Employer Contribution Rate, paid entirely by the CITY. CalPERS reviews The Employer rates yearly and may adjust rates based on actuarial valuation.
 - 2.) The Member (employee) Contribution Rate of seven percent (7%). Each and every affected employee, through payroll deduction, pays half (3.5%) of the 7% CalPERS Employee Contribution Rate and the CITY pays three and a half percent (3.5%), referred to as the *Employer Paid Member Contribution (EPMC)*.
 - i. Effective July 2, 2017, the first full pay period (July 2 -15) in fiscal year 2017-2018:
 - (i) Each "Classic Member" through payroll deduction shall pay the additional 3.5% of EPMC for a total Member Contribution Rate of 7%.
 - (ii) Each "PEPRA Member" through payroll deduction shall pay the additional 3.375% of EPMC for a total Member Contribution Rate of 6.75%
- B. **THE PUBLIC EMPLOYEE PENSION REFORM ACT (PEPRA)** implemented new benefit formulas and final compensation period, as well as new member contribution

requirements for new employees hired on or after January 1, 2013 who meet the definition of "new member" under PEPRA.

- 1.) CALPERS ENROLLMENT DATE: Whenever a new employee is hired by the City their status as a "Classic Member" or "PEPRA Member" will be determined by the date on which he/she first became a member of CalPERS (before or on/after January 1, 2013), not by the date of hire by the CITY.
 - i. Employees enrolled into CalPERS prior to January 1, 2013, shall be classified as "Classic Members" according to the definition established by PEPRA.
 - ii. Employees enrolled into CalPERS for the first time on or after January 1, 2013, shall be classified as "PEPRA Members" according to the definition established by PEPRA.
- 2.) "Pensionable Compensation" (PC), as established by PEPRA, delineates the pay categories that must be reported to CalPERS as income that contributes to the calculations of the employee's retirement benefit. PC must be reported when earned and paid on the employee's regular paycheck. Should the payment of any benefit negotiated herein conflict with this, the CITY shall meet and confer with notify GMEO prior to modifying how the benefit is to be paid. (§20160, §20636 G.C.)

C. CLASSIC CALPERS MEMBERS

- 1.) Employees hired by the City who have been enrolled in CalPERS prior to January 1, 2013 are classified as "Classic Miscellaneous Members". This classification is a CalPERS determination and shall be applied according to their definition.
- 2.) "Classic" Miscellaneous Membership benefits per the CITY's contract with CalPERS shall be as follows as applicable by law:
 - i. *Miscellaneous Member "2 at 55" formula (§21354 G.C.).*
 - ii. *1959 Survivor Benefit Level 3 (§21570 et seq. G.C.).*
 - iii. *One Year Final Compensation (§20042, G.C.).*
 - iv. *Unused Sick Leave Conversion (§20965, G.C.).*
 - v. *Member Contribution Rate 7% of Reportable Compensation (§7522.30 G.C.).*

D. PEPRA CALPERS MEMBERS

- 1.) Employees enrolled in CalPERS on/or after January 21, 2013 shall be classified as "PEPRA Members". This classification is a CalPERS determination and benefits shall be provided according to the PEPRA definition.
- 2.) A new CalPERS member's initial member contribution rate will be at least fifty percent (50%) of the total normal cost rate for their defined benefit
 - i. *Miscellaneous Member "2% at 62" formula (§75223.20G.C.).*
 - ii. *1959 Survivor Benefit Level 3 (§21570 et seq.G.C.).*
 - iii. *Three Year Final Compensation (§7522.32 G.C.).*
 - iv. *Unused Sick Leave Conversion (§20965, G.C.).*

- v. *Member Contribution Rate 6.75% of Reportable Compensation (§7522.30 G.C.)*
 - (i) In accordance with Government Code 7522.30, the Member Contribution Rate is set by CalPERS. CalPERS will review the Member Contribution Rate once a year and may change the rate based on actuarial valuation.
 - (ii) Per the terms of this MOU, each PEPRA employee, through payroll deduction, shall pay half of the PEPRA CalPERS Member Contribution Rate as set by CalPERS and the CITY shall pay the other half.
 - (iii) Effective July 2, 2017, each "PEPRA employee shall pay though payroll deduction shall pay the additional 3.375% of EPMC for a total Member Contribution Rate of 6.75% and the City shall no longer pay any portion of said rate (EPMC)..

E. AB1222 PEPRA EXEMPTION FOR TRANSIT EMPLOYEES: Based on court decision (State of California v. United States Department of Labor (E.D.Cal. Dec. 30, 2014, Civ. No. 2:13-cv-2069 KJM DAD), transit employees who are compensated through funds received under federal transit grants shall be classified as follows:

- 1.) Transit employees hired prior to January 1, 2013 shall be classified as "Classic Members".
- 2.) Transit employees hired January 1, 2013 through December 29, 2014 shall be classified as "Classic Members" and will retain their classic membership benefits for this period of time. After December 29, 2014 and going forward, said Transit employees will be classified as "PEPRA Members".
- 3.) Transit employees hired on or after December 30, 2014 shall be classified as "PEPRA Members".

SECTION 4. HEALTH INSURANCE

A. COMPREHENSIVE HEALTH PLAN

- 1.) The City shall provide a comprehensive health benefit plan, including medical, hospitalization, dental, optical, and prescription, to all affected employees and their dependents.
- 2.) The City shall meet and confer with GMEO prior to implementing benefit changes in the approved plan.

B. TRUST ACCOUNT

- 1.) The City shall maintain an ISFH trust account for all premiums due and payable on a monthly basis by the City and employee contributions made pursuant to this MOU. All interest income produced by the ISFH trust account balance shall remain in the account and available for this exclusive use.
- 2.) No City administration costs will be charged against the fund. Only charges relating to the provision of health benefits, payment of reinsurance costs and third party administration costs shall be made against the trust.

C. COST OF HEALTH INSURANCE (RATE)

- 1.) The City will pay the two-party premium for coverage of employee plus one (1) dependent. This amount will be paid to the approved health insurer or into the ISFH trust account for exclusive use in the ISFH program.
- 2.) Employees with family coverage (i.e. two or more dependents) shall make co-payments covering any differential in premium costs to the City for such coverage. Before requiring employee contributions, the City shall initiate a "Section 125" plan allowing employees to utilize pre-tax dollars for their contributions. Coverage will cease upon non-payment of premium or if payment is not received in a timely manner. The City will provide affected employees with a sixty (60) days' notice and grace period to cure prior to exercising the discretion to terminate coverage. Premiums may be paid from Catastrophic Leave Donations applied to employee.
- 3.) Employees who are on an approved, protected leave will receive City-paid health benefit. Employer-paid health coverage will cease upon exhaustion of protected leave and employee is on unprotected, unpaid leave of absence.

D. POST-RETIREMENT HEALTH INSURANCE COVERAGE

- 1.) Any affected employee who retires and meets the minimum requirements listed below shall receive and continue to receive after the term of this MOU, paid health insurance for such retired employee and his/her dependents. The amount of the City's contribution shall be set at the same level as the amount set for active employees. Any required co-payment for active employees will also be required for retirees. This benefit shall accrue to the spouse upon the death of an employee who is insured under this provision.
- 2.) **CLASSIC CALPERS MEMBERS:** Upon simultaneous retirement from the CITY and from the CalPERS Retirement system, a full-time "Classic" employee who has reached the age of fifty-five (55) shall continue to receive CITY paid health insurance based on the following terms of eligibility and level of City payment for the benefit:
 - i. All full-time Classic employees **hired prior to March 15, 2000** shall be eligible for City paid health insurance for the employee and his/her spouse if they have at least thirteen (13) years of full-time City service.
 - ii. For all full-time Classic employees **hired between March 15, 2000 and December 31, 2008**, with a minimum of thirteen (13) years of full-time City service the cost of the employee coverage shall be paid by the City with the cost of such insurance for spousal coverage paid by the employee at a rate of one-hundred seventy-five dollars (\$175) per month.
 - iii. For all full-time Classic employees **hired on or after January 1, 2009**, with a minimum of thirteen (13) years of full-time City service, the cost of the employee coverage shall be paid by the CITY with the cost of such insurance for spousal coverage shall be set at a base rate of two hundred and fifty dollars (\$250) per month.
 - (i) This rate shall be adjusted annually upwards or downwards at the beginning of each Health Plan Year by half of the percentage change in the City's contribution to the Health Insurance Plan compared to the prior year with the first rate adjustment in February 2009.
 - (ii) At no time should the retiree's cost exceed 50% of the City's actual cost.

3.) All full-time Classic employees **hired on or after July 1, 2021** who meet the minimum requirements listed below shall receive the allotted health insurance coverage for the retired employee based on the City's self-funded health insurance plan rate for single party premium.

- (i) Twenty (20) years of full-time service with the City receives seventy-five percent (75%) of the single party rate; or
- (ii) Twenty-five (25) years of full-time service with the City receives one-hundred percent (100%) of the single party rate; and
- (iii) Age fifty-five (55) years for full CalPERS service retirement; and
- (iv) Retiree coverage for this tier shall terminate upon the date retiree becomes Medicare eligible or death of retiree, whichever occurs first.

3.) **PEPRA CALPERS MEMBERS:** Upon simultaneous retirement from the CITY and from the CalPERS Retirement system, a full-time "PEPRA" employee hired on or after January 1, 2013 who has reached the age of sixty-two (62) shall continue to receive CITY paid health insurance based on the following terms of eligibility and level of CITY payment for the benefit:

(a) For any full-time PEPRA employee hired on or after January 1, 2013, the CITY shall pay its premium contribution toward health insurance of such full-time PEPRA employee who upon retirement has reached the age of 62 years, has at least twenty (20) years of service with the city, and actually commences to receive CalPERS retirement benefits.

(i) The cost of spousal coverage shall be \$250 per month. This rate shall be adjusted downward or upward annually by half of the City's percentage change compared to the prior plan year. This rate adjustment shall be effective for Plan Year beginning 2019.

(ii) At no time should the retiree's cost exceed 50% of the City's actual cost.

(b) All full-time PEPRA employees **hired on or after July 1, 2021** who meet the minimum requirements listed below shall receive the allotted health insurance coverage for the retired employee based on the City's self-funded health insurance plan rate for single party premium.

- (i) Twenty (20) years of full-time service with the City receives seventy-five percent (75%) of the single party rate; or
- (ii) Twenty-five (25) years of full-time service with the City receives one-hundred percent (100%) of the single party rate; and
- (iii) Age sixty-two (62) years for full CalPERS service retirement; and
- (iv) Retiree coverage for this tier shall terminate upon the date retiree becomes Medicare eligible or death of retiree, whichever occurs first.

E. MEDICARE: Any such retired employee who becomes eligible for coverage under Medicare and/or comparable governmental program shall thereupon no longer receive the full benefits available under the City's Health Insurance Plan but instead shall receive, at the City's expense, supplemental health insurance coverage equal to the difference between the coverage available under the City's Plan and the coverage available through Medicare and/or comparable governmental program.

- F. COBRA:** Any covered employee who retires from the City, or otherwise honorably separates from City service with less than the minimum requirements specified in Section D. of this Article shall be offered the opportunity to continue his/her participation in their group health insurance in effect at the time of such separation as provided for in the Consolidated Omnibus Reconciliation Act (COBRA). The cost of such participation by such separated employee shall be borne by the employee and paid directly to the health insurance carrier.
- G. INDUSTRIAL DISABILITY:** In addition to the rights provided in COBRA, all covered employees who retire from the City on industrial disability with less than the minimum requirements specified in Section D above shall be offered the opportunity to continue their participation in the group health insurance in effect at the time of such separation.
- 1.) The cost of such participation shall be borne by the retiree, and the premium shall be the same as the group composite rate (or the applicable rate of the multi-rate structure) in effect when each premium payment is due. The premium shall be paid directly to the City. Coverage will cease upon non-payment of premium or if payment is not received in a timely manner.
 - 2.) This benefit shall accrue to the spouse upon the death of such retiree who is insured under this provision. Coverage under this provision will cease if the retiree becomes eligible for another group health insurance plan through another employer or upon non-payment of premium or if payment is not received in a timely manner.
 - 3.) Should the City's group health insurance carrier no longer permit continuation, the City shall be under no obligation to continue allowing disability retirees to make self-payment to the City. In each of these instances, the retiree shall receive those benefits provided for in the COBRA.

SECTION 5. WELLNESS STIPEND

- A.** All affected employees will receive a wellness stipend of up to five hundred dollars (\$500.00) per fiscal year to use towards wellness related programs such as the cost of physical examinations, smoking cessation, diabetes management programs, weight loss programs, preventative health screenings, stress management programs, gym memberships, fitness trackers etc. The Human Resource Officer and/or designee shall make the determinations of eligibility for items not listed. This amount shall be cumulative to a total of one thousand dollars (\$1,000) every two years.
- B.** Any doctor of the employee's choice may provide said examination.
- C.** Employees shall provide acceptable proof of participation in a wellness program such as a doctor's certification, certificate of completion from the wellness related program, statement/receipt for gym membership, etc.

SECTION 6. LIFE INSURANCE

- A.** In addition to the respective amount of salary or compensation herein provided, all affected employees covered under this MOU shall be provided Term Life Insurance in an amount equal to one and one-half (1-1/2) times the actual annual salary of the covered employee.

- B. In lieu of term life insurance equal to one and one-half (1-1/2) times their actual annual salary; affected employees may elect to convert the term life to a Universal life policy. The premium amount paid by the City shall be equal to the amount of the term life insurance premium.

SECTION 7. STATE DISABILITY INSURANCE (SDI)

- A. City will reimburse affected employee for the cost of State Disability Insurance, up to the limits set by law, for each employee who qualifies for such benefit program.

SECTION 8. WORKERS' COMPENSATION

- A. The City will pay 90% of full salary in lieu of temporary disability payments for all full-time employees covered herein for leave of absence due to injury arising out of and in the course of employment as follows:
 - 1.) Sixty (60) calendar days off for every year of full-time employment with the City, to a maximum of twelve (12) months.
 - 2.) Employees who are on industrial injury leave with pay as a result of an injury or illness out of and occurring in the course of his/her employment with the City, shall continue to accrue longevity, vacation, sick leave, holidays and all such other benefits as set forth in this MOU the same as if they have been present for duty.

SECTION 9. EMPLOYEE SICK LEAVE

- A. **Sick Leave Earned:** Ten (10) hours of paid sick leave shall be earned for each calendar month or major fraction thereof of employment by all full-time probationary and permanent employees and shall be credited to the employee based on the employee's pay rate at the time the sick leave is earned.
- B. **Sick Leave Used:** Sick leave used (i.e. days/hours off work on sick leave status) shall be at the employee's rate of pay at the time the sick leave is used. The employee shall continue to accrue sick leave at his/her rate of pay at the time that the sick leave is earned.
- C. **Conversion of Sick Leave:** Subject to the limitations on conversion contained in Article II Section 2.B hereof:
 - 1.) All unused sick leave shall accrue from year to year on an unlimited basis except that after five (5) years of continued service, an employee may convert unused sick leave to cash or time off, subject to the following conditions:
 - 2.) Conversion, whether to cash or time off, shall be on the basis of one-half (1/2) day for each full day of unused sick leave. The time off option shall be at the employee's discretion with the approval of the department head.
 - 3.) No conversion shall be made until the employee has accrued more than ninety-six (96) hours of unused sick leave, nor shall any conversion be permitted which will reduce the amount of hours accrued below ninety-six (96) hours.

- 4.) Any employee who meets the above conditions may convert not more than sixty-four (64) hours sick leave in any one calendar year. Employees who have used less than one scheduled workday of sick leave in any one year and meet the above conditions may convert not more than eighty (80) sick leave hours in any twelve (12) month period. The exception to the annual conversion shall be in the event of termination, retirement, or death.

D. Conversion of Sick Leave at Time of Separation from City Service

- 1.) **Conversion at Separation:** Upon separation from the City, and completion of at least five (5) years of service, employees may be paid at the rate of fifty percent (50%) for up to seven-hundred-twenty (720) accrued hours of sick leave. Employees shall be denied sick leave payoff when leaving the City, only if he/she was either:
 - (a) Terminated for cause, or
 - (b) Resigned in lieu of termination
- 2.) Such payment shall be made at the employee's pay rate at the time of separation. That is:
 - i. If an employee has seven-hundred-twenty hours (720) or more accrued, payment shall be for three-hundred-sixty (360) hours.
 - ii. If an employee has less than seven-hundred-twenty hours (720) accrued, payment shall be at half of the employee's accrual at the time of separation.
- 3.) **Conversion at Retirement:** Upon simultaneous retirement from the City and from CalPERS, employees shall have the option of applying unused sick leave to their CalPERS account up to the limits set by CalPERS. The conversion rate will be at the employee's pay rate at the time of retirement.
- 4.) **Reinstatement to Full-Time Service:** Any permanent, full-time employee who is reinstated pursuant to the City Personnel Rules and Regulations shall be entitled to have restored to him/her any previously earned and unused sick leave not previously paid for pursuant to this MOU. Such reinstatement shall be at full value at the rate of pay at the time of separation.
- 5.) The freeze on converting unused sick leave to cash is rescinded.

SECTION 10. FAMILY LEAVE BENEFITS

A. Family Sick Leave is a negotiated benefit for eligible full-time employees.

- 1.) A full-time permanent employee may use accrued sick leave hours up to a maximum of sixty (60) hours in any one calendar year when the employee's presence is required elsewhere because of sickness or disability of members of the employee's immediate family.
- 2.) Immediate family shall be defined as the employee's spouse, child, father, mother, brother, sister, grandfather, grandmother, grandchild, father-in-law, mother-in-law, brother-in-law, sister-in-law, legal guardian or registered domestic partner.

B. Family Medical Leave Act (FMLA) and California Family Rights Act (CFRA)

- 1.) The City shall comply with the provisions of the FMLA and CFRA and any subsequent amendments to such.

- 2.) The FMLA and CFRA statues shall supersede and be implemented in lieu of any MOU language or City policy or practices that provides a lesser benefit.
- 3.) Before the issuance of any administrative directive pertaining to leaves under FMLA and CFRA the City agrees to consult with GMEO regarding the impact of such directive on affected employees covered by this MOU.

C. MATERNITY AND PATERNITY LEAVE

- 1.) The department head with the concurrence of the Human Resources Officer may request a written certification from a competent medical authority that a pregnant employee is medically able to perform the duties of her position without risk to herself, her unborn child or potential liability to the City.
- 2.) Should the pregnant employee be required to be off work for medical necessity her leave time shall be charged in compliance with applicable FMLA and CFRA. The employee shall be reinstated in the position held at the time such leave was granted consistent with the provisions of FMLA and CFRA. Failure to return to work at the expiration of the approved leave of absence will constitute grounds for termination.
- 3.) A permanent employee shall be granted a leave of absence in accordance with FMLA to bond with a newborn, or placement of an adopted or foster child and be reinstated in his/her position held at the time such leave was granted according to the provisions of FMLA. Should both parents work for the City both employees shall qualify for such leave. Failure to return to work at the expiration of the approved leave of absence will constitute grounds for termination.

D. BEREAVEMENT LEAVE (DEATH-IN-FAMILY)

- 1.) In the event of a death of a member of the immediate family, immediately after such death has occurred an employee may be absent without loss of pay for five (5) consecutive workdays based on the employee's regular work schedule.
- 2.) If family circumstances necessitate, the employee may request in writing that Bereavement Leave be deferred to a later specified date. The employee shall submit the request in writing to the department head stating the reason such accommodation is needed, i.e. to accommodate out of state services for the deceased or other circumstances related to the loss of the family member, and the future date that such leave is expected to be taken.
- 3.) If needed and approved by the department head, five (5) additional leave days chargeable to sick leave may be taken along with the scheduled bereavement leave.
- 4.) Immediate family shall be defined for this purpose to include the employee's spouse, child, father, mother, brother, sister, grandfather, grandmother, grandchild, father-in-law, mother-in-law, brother-in-law, sister-in-law, legal guardian or registered domestic partner.
- 5.) As soon as possible considering the circumstances, the employee shall submit to the department head the name of the deceased, date of death and relationship to the employee. The department head shall forward such information to the Human Resources Officer for inclusion in the employee's personnel record. Unless otherwise requested by the employee, the Human Resources Officer shall see that the deceased family member is remembered in memoriam at the closing of the next City Council meeting.

SECTION 11. HOLIDAYS

A. CITY HOLIDAYS: All affected employees shall have the following paid holidays off:

- 1.) New Year's Day: January 1 or the first regular City Hall workday of the year;
- 2.) Martin Luther King Jr. Birthday: Third Monday of January;
- 3.) Presidents Day: Third Monday of February;
- 4.) Memorial Day: Last Monday of May;
- 5.) Independence Day: July 4;
- 6.) Labor Day: First Monday of September;
- 7.) Veterans Day: November 11;
- 8.) Thanksgiving Day: Fourth Thursday of November;
- 9.) Friday after Thanksgiving Day;
- 10.) Christmas Eve: December 24;
- 11.) Christmas Day: December 25; and
- 12.) New Year's Eve: December 31.

B. SATURDAY/SUNDAY HOLIDAYS: If a scheduled holiday falls on a Saturday, City Hall will be closed the Friday prior to the holiday; if the holiday falls on a Sunday, City Hall will be closed the Monday after the holiday. Any exceptions to this shall be determined by the City based on practical levels of service to the community.

C. ADJUSTED HOLIDAY HOURS/FLOATING-DAY COMPENSATION CREDIT (FC)

- 1.) If a Holiday falls on an employee's regular 9/80 day-off, as described in Article III, Section 2, B. hereof, the employee will be credited with Floating-Day Compensation Credit (FC) on an hour for hour basis for that day. Based on City Hall operating hours under the 9/80 Plan, FC when earned will be credited as follows:
 - i. If the holiday falls on a Monday, Tuesday, Wednesday or Thursday, nine (9) hours of FC will be credited;
 - ii. If the holiday falls on a Friday, eight (8) hours of FC will be credited.
- 2.) Should City Hall hours of operation change, the number of hours of FC credited under this circumstance shall be adjusted accordingly so that FC is credited on an hour for hour basis.
- 3.) FC earned because of the employee's regular 9/80 day-off shall be used within the fiscal year earned or be forfeited on July 1 of the following fiscal year.
- 4.) With the approval of the department head, Floating-Day Compensation hours may be taken as the employee desires with Department Head approval and may be taken in any hour or partial hour amount and in combination with any other accrued leave type.

D. FLOATING HOLIDAY (FH)

- 1.) In addition to the twelve (12) scheduled holidays, each January 1st represented employees shall be credited with twenty (20) hours of Floating Holiday time.
- 2.) Such FH shall be used within the calendar year or be forfeited.
- 3.) With the approval of the department head, Floating Holiday hours, may be taken as the employee desires with the department heads approval and may be taken in any hour or partial hour amount and in combination with any other leave type.

SECTION 12. VACATION

A. VACATION EARNED

- 1.) Affected employees who have completed the following years of service shall receive vacation benefits per month or major fraction thereof. Earn rates shall become effective on the employee's anniversary date as follows:

Completed Service From Date of Hire (DOH)	Hours Earned Per Month	Total Hours Earned Annually	Maximum Hours Allowable Accrual
From DOH	10.00	120	240
5 years of service	14.00	168	336
10 years of service	16.50	198	396
15 years of service	18.25	219	438
20 years of service	15.25	183	360
25 years of service	12.00	144	360
30 years of service	9.00	108	360

- 2.) Vacation time shall be available for use immediately after it has been earned; provided however that new City employees may not use vacation time until after such employee has successfully completed his/her probationary period and been granted permanent status.
- 3.) When an employee permanently separates from service with the City, he/she shall receive compensation equal to the full value of all unused and accrued vacation time based on his/her then current regular base compensation. This shall likewise apply in the case of death of the employee in which event the amount shall be paid to the legally recognized beneficiary of the estate of the deceased. "Regular Base Compensation" shall mean the employee's regular base salary as provided for in Article II of this MOU.
- 4.) The employee, subject to approval by the department head or the City Manager, shall determine the time of taking vacations. In the event of conflict between two or more employees' vacation requests within a department or a classification, the principle of seniority shall govern.

- 5.) Periods of absence from work because of sickness or other reasons mutually agreed upon during the employment term shall be considered as time worked in computation of the vacation credit. Employees shall also continue to earn and accrue vacation time credit during paid legal holidays or when they are on vacation or jury service.
- 6.) Accrued vacation leave balances shall appear on the employee's regular pay statement.

B. VACATION ACCRUALS

- 1.) An eligible employee may accrue into the succeeding calendar year an amount of vacation leave equal to the maximum number of hours stated in accordance with Article IV. Section 13 A.
- 2.) It shall be the employee's responsibility to monitor personal leave accruals and to maintain such accruals within the limits agreed to in this MOU.
- 3.) In January of each year, the Human Resource Officer shall review the accrued leave balance for each employee and identify all employees who on January 1st had accruals in excess of the authorized maximum. The Human Resources Officer shall notify in writing the affected employee and his/her department head.
- 4.) If an employee exceeds his/her maximum accrual as of December 31st of any calendar year, said employee shall have a thirty-day grace period within which to reduce the excess hours to an amount below the maximum accrual level. If, after the grace period has expired, an employee has accrued hours in excess of the maximum accrual amount, then the employee shall cease to accrue vacation leave until the employee reduces his/her accrued leave balance to an amount below the maximum accrual level.
- 5.) An employee who has excess vacation accrual hours as of January 1st each year shall eliminate the overage in accordance with Article IV. Section 13. H.

C. VACATION BUY-BACK

- 1.) Any employee who on January 1 of each year has an accrued leave balance that exceeds the maximum vacation accrual allowance as provided in Article IV. Section 13 A. hereof shall enter into a written agreement with the department head, and with the concurrence of the Human Resources Officer, to eliminate such excess hours. It is the intent of this provision to maintain all accrued leave balances at or below the authorized accrual rate.
- 2.) Any such excess vacation leave hours shall be fixed at the employee's current rate of pay as of said date and shall be reduced through a combination of leave taken leave paid, as determined by mutual agreement between the City and the employee.
- 3.) Subject to the limitation on conversion contained in Article II Section 2.B hereof.
- 4.) Any affected employee who has twenty (20) years of more of full time service with the City may request and shall be paid for up to a maximum of one-half (1/2) the employee's annual vacation accrual each year, provided however, that for every hour that the employee cashes out, the employee must take an equal amount of vacation leave time off.

- 5.) Employees will have the opportunity to cash out a maximum of 80 vacation hours per calendar year. Employee will be required to maintain a minimum of 120 vacation hour balance at time of cash out.
- 6.) The maximum vacation accrual pay-off upon separation from the City of Gardena after January 1, 2018 shall be 500 hours. Within two years of service retirement, employees in excess of 500 hours' vacation, may enter into a mutual agreement with their Department Head, to reduce their vacation accrual balance by establishing a time off schedule. Said agreement must be in writing and all time off according to the agreed upon schedule, must be completed prior to pay-off of any remaining vacation accrual balances. Any mutually agreed upon time off that is subsequently denied by management due to business necessity will be paid in full equal to the amount of time off denied.
- 7.) The freeze on payment of vacation accruals in excess of the maximum allowable number is rescinded.

SECTION 13. BILINGUAL BONUS PAY

- A. Employees, whose use of a language other than English is of significant benefit to the operations of the department and the City as determined by the department head and the Human Resources Officer, shall receive bilingual bonus pay subject to the following rules:
 - 1.) To qualify for Bilingual Bonus pay, an employee must have completed probation and successfully passed a language proficiency test that is job related to his/her duties and responsibilities. The test need not be written, but may test verbal skills in communication with non-English speaking persons.
 - 2.) The Human Resources Officer may require that a qualified employee re-test and successfully pass an annual language proficiency test in order to remain eligible for the Bilingual Bonus.
 - 3.) The Human Resources Officer shall determine the languages which shall qualify and the specific tests to be given to certify eligibility.
- B. Bilingual Bonus shall be paid at the rate of thirty-one dollars (\$31.00) per pay period as long as the employee is eligible for this bonus.

SECTION 14. PER DIEM

- A. Affected employees covered under this MOU shall receive, pursuant to Resolution 3100 as may be amended, a per diem in the amount of forty-five (\$45.00), when required to attend conferences, seminars, workshops, training sessions or similar other events when such are held out of the City requiring travel of one-hundred (100) miles or overnight stay.

SECTION 15. JURY DUTY

- A. Any affected employee who is summoned for jury service at any court during regularly scheduled hours of work will continue to receive regular compensation while on jury service.

ARTICLE V. GRIEVANCE PROCEDURE AND FACT-FINDING

SECTION 1. DEFINITIONS

- A. The procedure set forth herein shall be used to resolve any grievance for which no other methods or solution are provided by law.
- B. A grievance is defined as a complaint by one or more employees concerning the application or interpretation of ordinances, resolutions, personnel rules and regulations, policies, practices, procedures, or this MOU affecting the employee's wages, hours and working conditions.
- C. The grieving employee(s) may be represented by an attorney, GMEO, or both, at the formal stages of the grievance procedure.
- D. The time periods set forth in this procedure are mandatory, unless the grieving employee and the City waive such time period(s) by mutual written consent. Employees shall be assured of freedom from reprisal for using these grievance procedures.

SECTION 2. PROCEDURES

A. EMPLOYEE RESPONSIBILITY

- 1.) In any instance of grievance, the grieving employee(s) shall first make efforts to resolve such grievance with his/her immediate supervisor or the department head.
- 2.) In the event such are not productive of a mutually satisfactory solution, the grieving employee(s) and/or GMEO representative may reduce the complaint to writing.
- 3.) Said complaint shall set forth all the facts necessary to the understanding of the issues involved.
- 4.) The complaint shall be signed by the employee(s) and shall be submitted in three (3) copies to the employee's immediate supervisor or department head.

B. INVESTIGATION AND FACT-FINDING

- 1.) The supervisor or department head shall hold a meeting with the aggrieved employee(s).
- 2.) The department head will make such investigation of the facts and issues as deemed necessary and upon reaching a conclusion, and within five (5) working days of receipt of the grievance statement, shall reply in writing, stating his/her determination. The two (2) copies of such reply shall be made, one of which shall be transmitted to the employee(s), and the other one retained by the department head.
- 3.) The use of the fact-finding step by GMEO shall be elective and may be bypassed if the affected employee or GMEO desire to do so.

C. SUBMISSION OF COMPLAINT TO HUMAN RESOURCES OFFICER

- 1.) If the employee(s) wishes to process the grievance beyond the department level, the employee(s) shall, within ten (10) working days of the receipt of the department head's determination, so notify the department head. The department head shall immediately submit to the Human Resources Officer two (2) copies of the employee's original grievance complaint and the department head's determination.

- 2.) The Human Resources Officer shall, without delay, arrange a meeting with GMEO representative and the employee(s). At such meeting, discussion shall be limited to the issues raised in the grievance complaint, and an earnest effort shall be made at a satisfactory resolution of the complaint.
 - (a) Such notes and memoranda as the Human Resources Officer deems required, shall be made of the substance of the issues and conclusions and findings of the meeting.
 - (b) The conclusions and findings of this meeting shall be reduced to writing and shall be final, except that in cases which involve the alleged violation of this MOU, the City's Personnel Rules and Regulations, ordinances, resolutions, policies and procedures, GMEO may, within ten (10) working days, request submission of the issue to an impartial arbitrator who shall ascertain the facts and make a recommendation which shall not be binding on either party.

D. SUBMISSION OF COMPLAINT TO AN ARBITRATOR

- 1.) The fees and expenses of the arbitrator shall be borne equally by the parties with the arbitrator selected as follows:
 - (a) GMEO may request a panel of five (5) arbitrators from the California State Conciliation and Mediation Service.
 - (b) Upon receipt of the names, the first party to strike a name shall be determined by lot; thereafter each party shall alternately strike names until only one (1) name remains; that individual shall be the arbitrator.
- 2.) The arbitrator shall determine the facts in a manner mutually agreed upon and shall, within thirty (30) calendar days submit his/her findings and recommendations to the parties.
- 3.) Within ten (10) calendar days of the receipt by the parties of the arbitrator's findings and recommendation, the City Manager shall review the grievance in its entirety and render a decision to GMEO.
- 4.) Should the findings and determination of the City Manager not satisfy GMEO, the grievance may then be referred to the City Council for final determination in accordance with this Article.

E. SUBMISSION OF COMPLAINT TO THE CITY COUNCIL

- 1.) A complaint, which is requested to be submitted to the City Council, shall be submitted by the Human Resources Officer at the next regularly scheduled meeting of the City Council.
- 2.) The decision of the City Council shall be final.

ARTICLE VI. MISCELLANEOUS

SECTION 1. DUES DEDUCTION

- A. GMEO shall provide a list of employees who are members of GMEO and who has authorized dues deductions.
- B. GMEO will provide the CITY with a list of GMEO members who have provided written authorization for payroll dues deductions to GMEO. The CITY agrees to deduct from the net amount due each pay day the monthly dues of each

employee in the list. If there are any changes to the list, GMEO will provide the CITY with an updated list.

- C. GMEO shall indemnify, defend and hold the City harmless from any and all claims, demands, or suits, or other action arising from the organizational security provisions contained herein, including, claims for deductions made in reliance on GMEO's representations and certifications regarding valid written employee dues deduction authorizations

SECTION 2. NEW EMPLOYEE ORIENTATION

City will provide the Association with 10 calendar days advanced notice, or as soon as practicable, of all new employee orientations within the bargaining unit. The Association will select its representative to meet with the new employee, outside of the presence of a City representative, at the completion of the City orientation. When selecting its representative, the Association will make reasonable efforts to minimize disruption to department operational needs.

SECTION 3. EMPLOYEE RELATIONS AND TIME-OFF FOR AGENCY BUSINESS

- A. GMEO authorized representatives shall be allowed reasonable time off without loss of pay to prepare for and attend negotiation sessions, to attend GMEO membership meetings, and to participate in grievance and disciplinary action appeal hearing, etc.
- B. In addition to the above, authorized GMEO representatives shall collectively receive a total of no more than two-hundred-eighty (280) hours per calendar year of GMEO time-off without loss of pay in order to prepare for grievance and disciplinary proceedings, and to attend conferences, seminars, workshops, etc.
- C. Advance notice of the need for time off under this Article shall be given to the Department Head at least twenty-four (24) hours prior to use of such time.
- D. If it is not possible for GMEO representative desiring the time off to give such advance notice or in the absence of the Department Head, he/she must receive express authorization from the Human Resources Officer for such time.
- E. The City shall make available to GMEO a meeting room for membership and/or Board meetings as may be necessary from time to time.

SECTION 4. CITY RIGHTS

- A. During the term of this MOU, the City shall have the exclusive right to determine the mission of its constituent departments, commissions and boards; set standards of service; direct its employees; take disciplinary action for cause; maintain the efficiency of governmental operations; determine the methods, means and personnel by which government operations are to be conducted; take all necessary actions to carry out its mission in emergencies; exercise complete control and discretion over its organization and the technology of performing its work, and determine the procedures and standards of selection for employment and promotion, provided.
- B. However, the exercise of such rights does not preclude affected employees or their representatives from meeting and conferring with the City or filing grievances about the consequences that decisions in these matters may have on wages, hours and other terms and conditions of employment.

SECTION 5. NONDISCRIMINATION, EQUAL OPPORTUNITY, AFFIRMATIVE ACTION

- A. The City and GMEO agree that both parties have a crucial role in the development and implementation of equal employment opportunities. Both parties mutually accept the responsibility for carrying out these provisions.
- B. The parties agree to cooperate actively and positively in supporting the concept of affirmative action designed to accomplish equal opportunity for all employees and to seek and achieve the highest potential and productivity in employment situations.
- C. The City and GMEO agree to provide encouragement, assistance and appropriate training opportunities so that all employees may utilize their abilities to the fullest extent.
- D. The City will exert every effort possible to encourage upward mobility of employees now at lower grade levels so that they may work at their fullest potential.

SECTION 6. CONFLICT OF MOU AND RESOLUTION

- A. The parties understand and agree that the City's Personnel Rules and Regulations, adopted by Resolution #4171 and as may be amended, shall continue in effect, except as modified herein with respect to affected employees covered under this MOU.
- B. In the event of proposed changes to said Rules and Regulations, GMEO shall be advised, for the purpose of enabling the City and GMEO to meet and confer as soon as possible with respect to any such proposed changes.
- C. The parties further agree that at no time shall any proposed changes to said Rules and Regulations affecting employees covered under this MOU be adopted or acted upon without first having the parties meet and confer.

SECTION 7. BINDING UPON SUCCESSORS

- A. This MOU shall be binding upon any other employee organization, which, during the term of this MOU, succeeds as GMEO as the recognized employee organization to represent the employees covered by this MOU.

SECTION 8. TERM OF AGREEMENT AND REOPENERS

- A. The term of this MOU shall be July 1, 2021 to June 30, 2025.
- B. In recognition of the intent of the Preamble of this MOU, the City and GMEO agree to meet and confer if any condition arises that substantially impacts the City's continued financial stability and to work together to ensure the continuous delivery of quality public services while protecting employee salaries and benefits to the highest extent possible.

SECTION 9. OTHER ITEMS

- A. Other issues within the scope of bargaining, including, but not limited to, determination of appropriate survey cities, merit increases and incentive options, leave schedules, salary surveys, retirement options and other benefits may be negotiated separate from the terms of this MOU.
- B. Should the parties subsequently agree to additional language changes on any matter that will further future negotiations, such language shall be adopted as an addendum to the ratified MOU and incorporated into the MOU at the appropriate time.

ARTICLE VII. IMPLEMENTATION

SECTION 1. ADOPTION OF RESOLUTION: Following ratification of this MOU by GMEO and the City, its terms and conditions shall be implemented by appropriate resolution or other lawful action adopted of the City Council.

SECTION 2. AMENDMENTS TO MOU: The CITY and GMEO shall continue to work to further clarify all definitions, references, and language within this MOU to facilitate understanding and implementation of agreed upon terms and shall document any subsequent agreement by separate letter, amendment or revised MOU as determined by the parties.

EXECUTED by and between the parties on this 14th day of December 2021, at Gardena, California.

CITY OF GARDENA (CITY)

GARDENA MANAGEMENT
EMPLOYEES ORGANIZATION (GMEO)

By: Tasha Cerda
TASHA CERDA, Mayor

By: Donny Harris
DONNY HARRIS, GMEO President

By: Kevin Thomas
KEVIN THOMAS, GMEO Vice-President

ATTESTED:

APPROVED AS TO FORM:

By: Becky Romero
for MINA SEMENZA, City Clerk

By: Carmen Vazquez
CARMEN VAZQUEZ, City Attorney

EXHIBIT "A"
CLASSIFICATION AND COMPENSATION PLAN – as of July 1, 2021

EXHIBIT A is hereby amended concurrently with any adopted amendments to the City Classification and Compensation Plan, applying all pay category adjustments referenced in this MOU.

Positions	Steps Grade	*1*	*2*	*3*	*4*	*5*	*6*
Administrative Management Analyst I	118	6,659	6,992	7,342	7,709	8,094	8,499
Administrative Management Analyst II	120	6,996	7,346	7,713	8,099	8,504	8,929
Administrative Services Manager	126	8,113	8,519	8,945	9,392	9,862	10,355
Community Development Manager	126	8,113	8,519	8,945	9,392	9,862	10,355
Economic Development Analyst	108	5,202	5,462	5,735	6,022	6,323	6,639
Economic Development Manager	126	8,113	8,519	8,945	9,392	9,862	10,355
Equipment Maintenance Superintendent	128	8,524	8,950	9,398	9,868	10,361	10,879
Facilities Maintenance Supervisor	119	6,825	7,166	7,524	7,900	8,295	8,710
Family Child Care Manager	126	8,113	8,519	8,945	9,392	9,862	10,355
FCC Therapist/Trainer II	132	9,408	9,878	10,372	10,891	11,436	12,008
Finance and Administrative Services Mgr.	128	8,524	8,950	9,398	9,868	10,361	10,879
Fleet Maintenance Supervisor	119	6,825	7,166	7,524	7,900	8,295	8,710
Information Technology Manager	130	8,955	9,403	9,873	10,367	10,885	11,429
Park Maintenance Superintendent	130	8,955	9,403	9,873	10,367	10,885	11,429
Plan Check Engineer	131	9,179	9,638	10,120	10,626	11,157	11,715
Principal Civil Engineer	138	10,910	11,456	12,029	12,630	13,262	13,925
Recreation & Human Services Superintendent	126	8,113	8,519	8,945	9,392	9,862	10,355
Recreation Program Administrator	130	8,955	9,403	9,873	10,367	10,885	11,429
Recreation Services Manager	119	6,825	7,166	7,524	7,900	8,295	8,710
Senior Administrative Analyst	124	7,722	8,108	8,513	8,939	9,386	9,855
Senior Planner	122	7,350	7,718	8,104	8,509	8,934	9,381
Street Maintenance Superintendent	130	8,955	9,403	9,873	10,367	10,885	11,429
Transit Training and Safety Supervisor	119	6,825	7,166	7,524	7,900	8,295	8,710

Transportation Administrative Manager	126	8,113	8,519	8,945	9,392	9,862	10,355
Transportation Operations Supervisor	117	6,497	6,822	7,163	7,521	7,897	8,292

EXHIBIT "B"
LAYOFFS AND RECALL PROCEDURES

SECTION 1. REDUCTION IN WORKFORCE

- A. Sixty (60) days prior to the implementation of this section, the CITY will notify GMEO of the CITY's intent. During the 60-day period prior to the required 30-day notice, the CITY and GMEO will meet to discuss voluntary separation incentive programs and other alternatives to layoffs.
- B. **Designating Positions for Layoff.** The City shall designate the positions for layoff by classification and Department.
- C. **Order of Layoff** – When a position is to be designated for layoff, the order of layoff shall be as follows:
 - 1. Permanent employees shall be laid off in inverse order of seniority in each classification. For the purposes of layoff, seniority is defined as the length of total service in all classifications as a permanent City employee, including probationary and non-probationary status, but not including time served as a temporary employee.

In the event of a tie, the City will review the employees' most recent annual performance evaluations. The employee with the lower overall rating on the most recent annual performance evaluation shall be laid off first. If all the ratings are equal, then priority shall be determined by a flip of a coin, performed in the presence of a representative of the City and GMEO.

- D. **Written Notice of Layoff.** Any employee to be laid off will be given written notice of layoff not less than 30 days prior to the effective date of such layoff. A copy of the layoff notice will be simultaneously provided to GMEO. The City will meet and confer with GMEO regarding the impacts of the proposed layoff as required by the MMBA.

SECTION 2: BUMPING RIGHTS

- A. **ELIGIBILITY.** Only permanent, non-probationary employees shall be eligible to exercise bumping rights. A permanent, non-probationary employee who is subject to layoff shall be eligible to exercise bumping rights, unless the City Manager and Department Head refuse to permit bumping because:
 - 1. The employee is on a Performance Improvement Plan at the time of layoff; or
 - 2. The employee has received discipline of suspension or higher within the last two years.
- B. **POSITIONS INTO WHICH EMPLOYEE MAY BUMP**
 - 1. Permanent employees who are displaced from their positions due to reduction in work force shall be entitled to placement in any department 1) in the same or lower classification represented by GMEO in the same class series, or 2) in a lower classification represented by GMEO in which the affected employee once had permanent status.
 - 2. The employee who exercises a bumping right can only do so if he or she has more seniority than the incumbent in the lower classification. If an employee exercises this right, this employee bumps the employee with the least seniority in

that lower classification.

3. The following positions are exempt from the bumping procedure, and an employee may not exercise his or her right to bump into these positions:
 - a. A position that is grant-funded;
 - b. A Confidential position; or
 - c. A position held by an employee in the following at-will status: part-time, temporary, provisional, transitional, and emergency.
- C. **Notice to Exercise Bumping Right.** An employee who is eligible and wishes to exercise his or her bumping right must do so in writing to the Human Resources Manager within five (5) calendar days of receiving the notice of layoff.
- D. Permanent employees who are displaced by other employees under this section are entitled, in turn, to the placement rights contained in this section.

SECTION 3. REHIRING OF LAID-OFF WORKERS

- A. **Recall List.** Any employee who is laid off or who bumps into a lower classification shall be placed on a Recall List for a period of two years.
- B. **Order of Recall.** If the City is able to rehire into a position that was previously designated for layoff, the CITY shall rehire those employees who are on the Recall List and who previously held the position into which the City is rehiring. The City shall rehire the employee with the most seniority at the time of layoff first.
- C. **Recall Notice.** The City shall send a Recall Notice to employees on the Recall List who are eligible to be rehired. The Recall Notice to an employee who has been laid off shall be sent by Registered Mail, Return Receipt Requested to the last known address of the employee and sent by email to the last known email address of the employee. It is the employee's responsibility to keep the City updated with his or her most current contact information.
- D. **Responding to Recall Notice.** An employee must respond within 10 calendar days after receiving the Recall Notice by Registered mail or receiving the email in order to be rehired into his or her previously held position. An employee recalled from layoff shall assume the same salary step and seniority that he or she held at the time of layoff. Failure to respond within the deadline, unless due to actual illness or accident (the City may require proof of illness or accident), will cause the employee to be removed from the Recall List.
- E. If there are no employees on the Recall List that are eligible to be rehired into a vacant position, then the City will conduct an open recruitment to fill the position.