

**MANAGEMENT MOU**

**MEMORANDUM OF UNDERSTANDING**

**BETWEEN**

**THE CITY OF AVALON**

**AND**

**MANAGEMENT**



**EMERGENCY REVISIONS**

**ADOPTED AUGUST 4, 2020**

**ORIGINAL ADOPTED JULY 16, 2019**

**JULY 1, 2018 – JUNE 30, 2022**

MANAGEMENT MOU

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## **MANAGEMENT MOU**

### **PURPOSE**

It is the purpose of this Memorandum of Understanding (also referred to herein as “MOU” and “Agreement”) to promote and provide for harmonious relations, cooperation and understanding between the City of Avalon (referred to hereinafter as “Employer” or “City”) and the Non-Represented Management Employees (referred to hereinafter as “Union”) and the employees covered herein; to provide orderly means of attempting to resolve misunderstandings or differences which may arise under this Memorandum of Understanding; and to set forth the understanding of the parties reached as a result of good faith negotiations regarding the wages, hours and other terms and conditions of employment of the employees covered hereby.

### **ADDITION OF EMERGENCY AMENDMENTS**

Due to the COVID-19 pandemic, the City faces a significant and real financial crisis. On July 14, 2020 the City Manager amended existing MOUs in order to realize significant cost savings for the City’s general fund. The changes were effective immediately and will be in place until June 30, 2022 or until the City regains financial stability. Unless otherwise noted, all areas of the 2018-2021 MOU between the City and the Association remain in full effect.

### **NON-DISCRIMINATION**

The City and Union recognize the right of the employees to form, join or participate in lawful activities of employee organizations and the equal alternative right of employees to refuse to form, join or participate in employee organization activities. No employee shall be intimidated, coerced, restrained or discriminated against by the City or the Union in any manner which is unlawful pursuant to state or federal law. This Article is not to be subject to the Grievance Procedure.

The City and the Union agree that no employee will be promoted, demoted, transferred, by-passed for promotion, disciplined, or discharged or in any way discriminated against because of race, color, sex, age, national origin, disability, veteran status, marital status, mental or physical disability, sexual orientation, medical condition, political or religious opinions or affiliations. The City and the Union shall reopen any provision of this Agreement for the purpose of complying with any final order of the federal or state agency or court of competent jurisdiction requiring a modification or change in any provision of this Agreement in compliance with state or federal anti-discrimination laws. Equal employment opportunity will be extended to all persons in all aspects of the employer-employee relationship, including recruitment, hiring, upgrading, training, promotion, transfer, discipline, layoff, recall, and termination.

Whenever the masculine gender is used in this Memorandum of Understanding, it shall be understood to include the feminine gender.

### **FULL UNDERSTANDING, MODIFICATION, AND WAIVER**

This MOU contains all of the covenants, stipulations and provisions agreed upon by the parties, and any other prior existing understanding or agreements by the parties, whether formal or

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informal, regarding any such matters contained in this MOU are hereby superseded or terminated in their entirety.

Any agreement, alteration, understanding, variation, waiver or modification of any of the terms or provisions contained herein shall not be binding upon the parties hereto unless made and executed in writing by all parties hereto, and approved and implemented by Avalon's City Council.

The waiver of any breach, term or condition of this Memorandum of Understanding by either party shall not constitute a precedent in the future enforcement of all its terms and provisions.

For the life of this MOU, Union and the City mutually agree that to reopen negotiations with respect to any subject or matter covered in this MOU requires mutual consent by both parties. Without such mutual consent, the parties shall not be required to meet and confer regarding same.

### **MUTUAL RECOMMENDATION**

This Memorandum of Understanding constitutes a mutual recommendation to be submitted to the Avalon City Council. This Memorandum of Understanding shall not be binding upon the parties in whole or in part unless and until said Avalon City Council formally approves said Memorandum of Understanding. Additionally, this MOU shall not be binding in whole or in part unless and until it is ratified by the Union's members/employees.

### **PLEDGE OF COOPERATION**

The parties to this MOU realize that the things that would be in the best interest of both the Union, employees and City, in the long run, are largely identical and all parties will benefit from a continuous, peaceful relationship and intelligent, constructive efforts to resolve any differences that may arise.

The City and the Union have entered into a partnership that will ensure efficient operations while pledging to work together to best serve the needs of the City's citizens.

### **EXCLUSIVE CITY RIGHTS AND AUTHORITY**

The City reserves, retains and is vested with, solely and exclusively, all rights of management as allowed by law, unless modified by this Memorandum of Understanding. The rights of the City include, but are not limited to, the exclusive right to:

- A. To manage the City generally and to determine the issues of policy.
- B. To determine the existence or non-existence of facts which are the basis of the management decision.
- C. To determine the necessity and organization of any service or activity conducted by the City and expand or diminish service.
- D. To determine the nature, manner, means, and technology and extent of services to be provided to the public.
- E. Methods of financing.

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- F. Types of equipment or technology to be used.
- G. To determine and/or change the facilities, methods, technology, means and size of the work force by which City operations are to be conducted.
- H. To determine and change the number of locations, relocations and types of operations, processes, and materials to be used in carrying out all City functions including, but not limited to, the right to contract for or sub-contract any work or operation.
- I. To determine the size and composition of the workforce, to make provisional appointments when it is in the best interest of the City, when a provisional appointment of an at-will employee is made during the period of suspension of an employee or pending final action on proceedings to review the suspension, demotion or discharge of an employee.
- J. To assign work to and schedule employees in accordance with requirements as determined by the City, and to establish hours of work and change work schedules and assignments.
- K. To relieve employees from duties for lack of work or similar non-disciplinary reasons.
- L. To establish and modify productivity and performance programs and standards.
- M. To discharge, suspend, demote or otherwise discipline employees for proper cause in accordance with the provisions and procedures set forth in City's Personnel Rules and Regulations.
- N. To determine job classification, assign positions to job classifications, to reclassify employees without competition as long as the employees are qualified and employment laws are followed, to create new classification positions, and/or salary ranges as needed, and/or to under fill any allocated position.
- O. To hire, transfer, promote and demote employees for non-disciplinary reasons in accordance with the City's Personnel Rules and Regulations.
- P. To determine policies, procedures and the standards for selection, training and promotion of employees.
- Q. To establish and manage to employee performance standards including, but not limited to, quality and quantity standards; and to require compliance therewith.
- R. To maintain order and efficiency in its facilities and operations.
- S. To establish and promulgate and/or modify rules and regulations to maintain order and safety in the City, which are not in contravention with this Agreement.
- T. To take any and all necessary action to carry out the mission of the City in emergencies.

Where management makes any changes in working conditions because of the requirements of Federal and State law, the City shall not be required to negotiate the matter or manner of compliance with such law where the manner of compliance is specified by such law. Except in emergencies, or where the City is required to make changes in its operations because of the requirements of Law, whenever the contemplated exercise of management's rights shall impact on a significant number of employees of the bargaining unit, the City agrees to meet and confer with the Union on all matters relating to employment conditions and employer-employee relations including wages, hours and terms and conditions of employment of employees within the bargaining unit unless the matter of the exercise of such rights is provided for in this Memorandum of Understanding. Nothing in this Article is intended to modify the City's obligations under the Meyers-Milias Brown Act.

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### **RECOGNITION/UNION MEMBERSHIP**

The City recognizes the Union pursuant to the provisions of the Avalon Municipal Code Section 2-6.101 et. seq. as the exclusive bargaining representative for all employees employed by the City who are members of the Management Division only, and no other employees, in full-time employment of the City. The MOU shall apply to classifications and positions represented by the Management Division, which are not reservists, seasonal, temporary or contract employees, or who are otherwise employed in an at-will classification.

General Unit:

1. Assistant City Manager
2. Community Services Director
3. Finance Director
4. Fire Chief
5. Harbor Master
6. Planning Director
7. Public Works Director

### **PERSONNEL RULES AND REGULATIONS**

It is understood and agreed that there exists within the City, in written or unwritten form certain personnel rules, policies, practices and benefits, generally contained in the "City of Avalon's Personnel Rules and Regulations," as amended thereafter by City resolutions and Memoranda of Understanding. Those rules, policies and benefits, which are subject to the meet and confer process, will continue in effect, except for those provisions modified by this Agreement, unless and until modified by mutual agreement of the parties and enacted by the Avalon City council, if necessary, in accordance with state laws, orders, regulations, official instructions or policies. Where the terms of the City of Avalon's Personnel Rules and Regulations and this Memorandum of Understanding are in conflict, the terms of this MOU shall prevail.

### **LAYOFFS AND SEPARATION**

Shall be conducted in accordance with the City's Personnel Rules and Regulations with layoffs, displacements and separations in each class series or in the same classification, within the bargaining unit where the affected employee held regular status, according to seniority.

Recall from layoff shall be in direct order of seniority within the family of jobs. Temporary, provisional, and probationary employees shall be called back to work after regular employees in a previously held status within their bargaining unit, covered by this agreement. Employees in good standing with their performance may be reinstated within two (2) years to a position in which they have the availability, qualifications, experience and satisfactory work performance to fulfill the requirements of the position and must serve a new probationary period of six (6) months. Examination may be waived and take precedent over established lists for reinstatement to the same position as long as the employee meets the qualifications for the position but in no way shall it be mandatory for the department head to reappoint a former employee, and only providing the

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employee was in good standing in the performance of assigned job duties at the time of layoff, should he or she desire not to do so. Appointment shall otherwise be in the manner as for original employment based on qualifications to determine the most highly qualified individual for the position and shall be based on merit and ability. Upon reinstatement, any employee so appointed shall be considered a new appointee and shall have no vested interest in or be entitled to reinstatement of any benefits accrued during any previous employment with the City. An employee may be terminated by the Department Head when deemed necessary or convenient as a result of substantial changes in duties or organization, abolition of position, shortages of work funds, or completion of work for which employment was made. Such termination shall not be subject to appeal.

### **SECTION 125 PLAN**

The City shall continue the Section 125 Flexible Spending Plan adopted by the City Council effective January 1996.

### **PEACEFUL PERFORMANCE OF CITY SERVICES**

The Association, its officers, agents, representatives and/or members agree that during the term of this Agreement, they will not cause or condone any strike (including sympathy strikes), walkout, slowdown, sickout or any other job action or stoppage of work by withholding or refusing to perform services by union employees during the life of this Memorandum of Understanding.

The City agrees that it shall not lock out its employees during the term of this Agreement. The term "lockout" is hereby defined so as not to include the discharge, suspension, termination, layoff, failure to recall, or failure to return to work of employees of the City in the exercise of its rights as set forth in any of the provisions of this Agreement or applicable ordinance or law.

Any employee who participates in any conduct prohibited as described above may be subject to disciplinary action, up to and including termination.

### **HEALTH AND SAFETY**

The City will comply with state and federal law and regulations relating to Occupational Safety and Health and endeavor to provide a safe and healthful work environment. Likewise, it is the duty of each employee to comply with all health and safety regulations of the City and to practice good safety habits in the performance of their duties. All persons who drive City Vehicles shall be subject to the DMV driving record Pull Notice.

The City of Avalon, endeavors to maintain a drug free environment. Shall the City and the Union mutually agree to reopen negotiations regarding this specific article, both parties agree to limit negotiations solely to this Article.



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### SAVINGS CLAUSE

It is understood and agreed that all provisions of this Agreement are subject to applicable laws, and if any provision of any Article in the Agreement is held or found to be in conflict therewith, said Article shall be void and shall not bind either of the parties hereto. However, such invalidity shall not affect the remaining Articles of this Agreement. In the event that any provision shall be held unlawful and unenforceable by any court of competent jurisdiction, the parties agree to meet forthwith for the purpose of renegotiating such provision and attempt to reach a valid agreement.

### DURATION OF AGREEMENT

Except as herein provided, this Memorandum of Understanding shall be in effect from the date of its ratification until 12 o'clock midnight on June 30, 2022.

~~In the event either party hereto desires to negotiate the provisions of a successor Memorandum of Understanding, such party shall serve upon the other, ninety (90) days prior to the termination date of this Agreement, its written request to commence negotiations, and, to the extent reasonably possible, its full and entire written proposal for such successor Memorandum of Understanding. Upon receipt of such written notice and proposals, negotiations shall begin thereafter not later than sixty (60) days prior to the termination date of this Agreement.~~

### ASSOCIATION CONSIDERATIONS

City employees who are official representatives of the Association shall be given reasonable time off with pay to attend meetings with management representatives, or to be present at hearings where matters within the scope of representation or grievances are being considered. The use of official time for this purpose shall be reasonable and shall not interfere with the performance of City services as determined by the City.

Reasonable access to employee work locations shall be granted to officers of the Association as their officially designated representatives for the purpose of conducting business within the scope of representation. In the event an outside business agent or legal representative need be present, the Association shall provide the City with advanced notice. It is agreed that the Association representative(s) are permitted to conduct Association business during working hours and may use City facilities accessible to the public provided that such activity does not interfere with the normal operations of the department or with established safety or security requirements. An employee is entitled to representation in the preparation and presentation of a grievance at any step in the grievance procedure. Only an employee who is a member of the Association may be represented by the Association. The grievant(s) and one representative are entitled to be released from work for a reasonable period of time in order to prepare for and present the grievance.

Except in case of emergency, reasonable advance written notice shall be given to the Association of any ordinance, rule, resolution or regulation directly relating to matters within the scope of representation proposed to be adopted by the City Council and shall be given the opportunity to meet with such body prior to adoption. In case of emergency when the City Council determines

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that an ordinance, rule, resolution or regulation must be adopted immediately without prior notice or meeting with the Association, the City shall provide such notice and opportunity to meet at the earliest practical time following the adoption of such ordinance, rule, resolution or regulation.

### **PARITY**

Parity as it relates to healthcare benefits shall remain the same between Management, IAFF, AHEA and AMEA.

### **DUES DEDUCTIONS**

Upon receipt of a lawfully executed written authorization from an employee, the City agrees to deduct the current regular Union dues each payroll period and remit such deductions once each payroll period to the duly elected treasurer of the Association within seven (7) working days following the end of the payroll period. The Association will notify the City, in writing, ten (10) working days prior to any change in the regular Union dues structure. The City is expressly prohibited from any involvement in the collection of fines, or penalties and shall not honor any request of this nature other than for Union dues. Deduction of dues will be made by the City when other payroll deductions are made and will begin with the pay for the first full pay period following receipt of the authorization by the Association.

Any employee, upon ten (10) working days' notice to the City and the Association, may revoke his/her dues deduction and shall submit such revocation form to the City's payroll division. The City and the Association agree to provide Dues Deductions Authorization forms and Notice to Stop Dues Deduction forms to its members.

The Association agrees to indemnify and hold the City harmless against any and all claims, suits, orders and judgments brought and issued against the City as a result of any action taken or not taken by the City on account of payroll deduction of Union dues.

### **RETIREMENT & BASE COMPENSATION**

Upon separation of employment, an employee will receive a retirement agreement that will address all facets of compensation based on the applicable MOU in place at the time of separation.

Base Compensation: Over the term of the 2015-2018 MOU agreement, the City agreed to increase pay, for all CalPERS Management bargaining unit employees to fund 5% for Public Safety Employees and 7% for Misc. Employees of the employee's share of the contribution (EPMC) for their retirement in accordance with the Public Employee's Pension Reform Act (PEPRA). Rather than highlight this separate EPMC Category, the City will establish two tiers of salary schedules for employees hired before December 31, 2012 (Tier 1) and employees hired after January 1, 2013 (Tier 2) with the previously stated EPMC absorbed accordingly.

CalPERS Contribution for Misc. Members:

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Any employee hired after January 1, 2013 and who meets the definition of a “new member” as defined by Government Code section 7522.04(f) will be required to pay 50% of the “normal cost” of the defined benefit, rounded to the nearest quarter of 1 percent, or the current contribution rate of similarly situated employees, whichever is greater, as specified in Government Code section 7522.30. Any new member who has not become vested by having paid the employee’s contribution to PERS for the first five (5) years of continuous service as of January 1, 2013, will be required to pay the employee’s share of the contribution (EPMC) to fund a portion of the cost of the 2% at age 62 retirement formula an amount equal to 8% of compensation earnable on a pre-tax basis for safety, as specified in Government Code Section 20516.5(f). Retirees will be eligible to begin receiving retirement benefits once they are deemed qualified in accordance with the PERS retirement system.

Any employee who established CalPERS membership prior to January 1, 2013 who is already vested after having paid the employee’s contribution to PERS for the first five (5) years of continuous service, will be required to pay the employee’s share of the contribution (EPMC) to fund a portion of the cost of the 2% at 55 retirement formula an amount equal to 8% of compensation earnable on a pre-tax basis, in accordance with Section 20516(f). Effective January 1, 2018, the employee’s pre-tax contribution pursuant to Section 20516(f) shall be increased such that the employee will be required to contribute a full 8% of pay for miscellaneous members, as specified in Government Code section 20516.5. Retirees will be eligible to begin receiving retirement benefits once they are deemed qualified in accordance with the PERS retirement system.

### CalPERS Contribution for Safety Members:

Any employee hired after January 1, 2013 and who meets the definition of a “new member” as defined by Government Code section 7522.04(f) will be required to pay 50% of the “normal cost” of the defined benefit, rounded to the nearest quarter of 1 percent, or the current contribution rate of similarly situated employees, whichever is greater, as specified in Government Code section 7522.30. Any new member who has not become vested by having paid the employee’s contribution to CalPERS for the first five (5) years of continuous service as of January 1, 2013, will be required to pay the employee’s share of the contribution (EPMC) to fund a portion of the cost of the 2.7% at age 57 retirement formula an amount equal to 12% of compensation earnable on a pre-tax basis for safety, as specified in Government Code Section 20516.5(f). Retirees will be eligible to begin receiving retirement benefits once they are deemed qualified in accordance with the CalPERS retirement system.

Any employee who established CalPERS membership prior to January 1, 2013 who is already vested after having paid the employee’s contribution to CalPERS for the first five (5) years of continuous service, will be required to pay the employee’s share of the contribution (EPMC) to fund a portion of the cost of the 2% at 50 retirement formula an amount equal to 9% of compensation earnable on a pre-tax basis, in accordance with Section 20516(f). Effective January 1, 2018, the employee’s pre-tax contribution pursuant to Section 20516(f) shall be increased such that the employee will be required to contribute a full 12% of pay for safety members, as specified in Government Code section 20516.5. Retirees will be eligible to begin receiving retirement benefits once they are deemed qualified in accordance with the CalPERS retirement system.

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### Retirement Calculations:

Tier I- 36 Consecutive Months - For employees hired prior to December 31, 2012 and in accordance with the City's contract with CalPERS, the final compensation provision of Public Employees Retirement Law shall use your highest average full-time monthly pay rate for 36 consecutive months of employment.

Tier II - Three (3) highest year average - For employees hired on or after January 1, 2013 the provision of Section 7522.32(a) of the Public Employees Retirement Law (three (3) consecutive years of employment) shall apply to safety members.

### Retirement Formula:

Tier I – 2% at 55 – All employees covered under this provision of this MOU hired prior to December 31, 2012 shall have their final percentage of final compensation to be provided for each year of credited prior and current service determined in accordance with Section 21354.3 of the Public Employees Retirement Law (2% at 55).

Tier II – 2% at 62 - All employees covered under this provision of this MOU hired on or after January 1, 2013 shall have their final percentage of final compensation to be provided for each year of credited prior and current service determined in accordance with Section 7522.20 of the Public Employees Retirement Law (2% at 62) based on Article 4. California Public Employee's Pension Reform Act of 2013.

Purchase of Military Service Credit as Public Service: Pursuant to Section 21024 of the Public Employee's Retirement Law, an employee may elect to purchase up to four (4) years of service credit for any continuous active military or merchant marine service prior to employment provided, however, the employee must contribute an amount equal to the contribution for current and prior service that the employee and the City would have made with respect to that period of service.

Post Retirement Survivor Allowance: Pursuant to the provisions of Section 21624 and 21626 of the Public Employee's Retirement Law, an allowance may be continued to a surviving spouse upon the death of a member after retirement.

Retiree Medical: Retirees who have twenty (20) or more years' service with the City shall have the same medical, dental, and vision retirement benefits up to the City paid maximum contribution (City maximum) or the premium of the health plan selected by the employee (whichever is lower) as compared to current active employees enrolled in the PORAC for eligible employees and PERS Choice Blue Cross plan for Misc and Safety Employees. Once a retiree becomes eligible for Medicare the City shall reimburse for the CalPERS supplemental medical premium for employee only coverage.

Distributions for Qualified Health, and Long-term Care Premiums: Retired or disabled Firefighters may elect to have a maximum of \$3,000 per year subtracted from their 457 plan distributions and sent directly to a health or long term care provider to pay premiums. A retired or disabled Firefighter may elect to have these amounts excluded from gross income for federal income tax purposes. To receive this favorable tax treatment, the retired or disabled public officers must make this election on their federal income tax returns.

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### CATASTROPHIC LEAVE

A permanent employee may be granted a Catastrophic Leave for up to 8 weeks, if the employee or eligible family member has suffered a catastrophic illness or injury, and exhausted all applicable accrued paid time. An eligible family member includes the employee's spouse, parent, child, sibling, grandparent, grandchild; in-laws and step-relatives in these relationships; and other persons residing in the employee's household for whom there is a personal obligation.

Catastrophic illness or injury is a serious non-work-related health condition which incapacitates the employee, or their eligible family member, and which creates a financial hardship because the employee has exhausted their sick and vacation leave, as well as any compensatory time off if employed in a non-exempt position. A catastrophic illness or injury is defined as a serious illness, injury, impairment, or physical or mental condition that is present for a minimum of seven calendar days, and that involves:

1. A period of incapacity or treatment connected with inpatient care (e.g., an overnight stay) in a hospital, hospice, or residential medical care facility; or
2. A period of incapacity requiring absence of more than seven calendar days from work, and that also involves continuing treatment by (or under the supervision of) a licensed health care provider; or
3. A period of incapacity (or for treatment) due to a chronic serious health condition (e.g., asthma, diabetes, epilepsy, etc.); or
4. A period of incapacity that is long-term due to a condition for which treatment may be ineffective (e.g., stroke, terminal disease, etc.); or
5. An absence to receive multiple treatments (including any period of recovery therefrom) either for restorative surgery after an accident or other injury, or for a chronic condition such as cancer or kidney disease.

All medical conditions are considered to be confidential information. No details regarding personal medical information will be provided in response to inquiries.

A permanent employee may donate up to 40 hours of accrued paid leave hours (sick leave, overtime, holiday, administrative leave, comp time, vacation), in a calendar year, to a City employee(s), when an employee or the employee's family member has suffered a catastrophic illness or injury.

## II. ELIGIBILITY

A. The Personnel Officer must determine that the RECIPIENT:

1. is unable to work;
2. has exhausted all applicable accrued paid leave hours;
3. has provided sufficient documentation of need for himself/herself, or immediate family member;
4. has met the requirements outlined by the IRS and FLSA;
5. receives no more than 8 weeks in accrued paid leave hours for any one catastrophic illness or injury; and
6. has completed a "Request for Catastrophic Leave" form.

B. A Personnel Officer must determine that the DONOR:

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1. will donate no more than 40 hours in total donations in a calendar year;
2. is donating in whole-hour increments; and
3. has completed a “Donation for Catastrophic Leave” form; and
4. the donor’s bank cannot drop below 40 hours.

Notes:

- Once donated, hours cannot be returned to the donor.
- Donations are exchanged for an hour-for-hour basis regardless of pay rate.
- Donor participation will be confidential.
- An employee that has applied to receive Worker’s Compensation benefits is not eligible to apply for Catastrophic Leave.
- All requests for Catastrophic Leave must be approved by the City Manager and Finance Director.

### ALLOWANCES

**Uniform Allowance:** Employees required in the course of their duties to wear specific standard uniforms, (Harbor Master, Fire Chief and Public Works Director) will be provided those uniforms on an as needed basis as deemed essential by the City Manager.

Employees that leave the City’s service shall return their uniforms to the City on their final day of employment. Items not deemed necessary to personal health and safety will be subject to CALPers and will be reported to CALPers as special compensation for “Classic” or “Tier 1” employees.

**Cell Phone Reimbursement:** Employees whose job duties include the regular, frequent or ongoing need for a device may receive \$85 compensation for a cell phone or smart phone, data plan, tablet and hot spot device, in the form of a monthly Stipend to cover City business-related costs (Option 1), or may be issued a City-owned mobile device (Option 2) up to the City allowable maximums and with approval in accordance with policy.

### HEALTH CARE

Health Insurance. The City shall pay the cost of employee’ health insurance premiums. as well as spouse/registered domestic partner insurance costs, except that the maximum amount paid by the City shall be no more than \$1,600.00 for a family rate up to the City paid maximum, as defined below.

The following monthly City maximum contribution benefits shall apply effective January 1, 2019:

Full-time employees hired before December 31, 2015:

Status	*City Maximum
Employee Only	\$777.99
Employee + 1	\$1,283.21
Employee + Family	\$1,600.00

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### Full-time employees hired after January 1, 2016:

Status	*City Maximum
Employee Only	\$667.69
Employee + 1	\$1,171.91
Employee + Family	\$1,501.22

The City will only pay up to the maximum contribution (City maximum) or the premium of the health plan selected by the employee, whichever is lower. The employee must pay either the cost of the premium not covered by the City Maximum or the minimum contribution (Employee minimum) as stated above, whichever is higher.

Once a covered dependent is no longer eligible because of age limitations in the policies or deceased, said coverage shall cease. Dependent is defined as spouse or child who meets the criteria set forth by the medical insurance provider.

Dental Benefits: The City shall continue to pay 100 % of the employee and eligible dependent's dental coverage. Once a covered dependent is no longer eligible because of age limitations in the policies or deceased, said coverage shall cease. Dependent is defined as spouse or child who meets the criteria set forth by the medical insurance provider.

Life Insurance: The City shall pay one hundred percent (100%) of the premium for a term life insurance policy for each eligible employee which shall be based upon a formula of one times the employee's annual salary rounded up to the nearest thousand dollars, up to a maximum City paid coverage of \$50,000 (i.e., an employee who earns \$20,100 would receive \$21,000). This group term insurance is on a non-participating basis, with option to convert coverage upon termination of employment. Payment of benefits is subject to all the provisions of the master policy. This benefit replaces any other life insurance coverage.

Vision Benefits: The City's contribution for vision insurance shall be 100% employer-paid for family coverage for the term of this MOU. Once a covered dependent is no longer eligible because of age limitations in the policies or deceased, said coverage shall cease. Dependent is defined as spouse or child who meets the criteria set forth by the medical insurance provider.

Long-term Disability: All active, full-time employees working thirty (30) or more hours per week on a regular basis may purchase Long Term Group Disability Insurance on the first day of the month following the date of hire. The amount of insurance will be 66 2/3 % of basic monthly earnings, excluding overtime, up to age 70 not to exceed a maximum monthly benefit of \$3,000; including amounts payable by Social Security and workers' compensation benefits; the elimination period is 365 days. Benefits will begin after a sixty-day waiting period and payment of benefits is subject to all provisions of the master policy.

Opt Out Benefit: An employee cannot be enrolled in the City's dental, vision or PERS health plan if a spouse is enrolled in the same agency or enrolled in an agency with PERS health, unless the employee (or the spouse) is enrolled without being covered as a family member. Additionally, an

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employee may choose to not be enrolled in the City's dental, vision or PERS health plan. In such cases, the City, after determining that a minimum amount of health coverage is provided to the employee (by their spouse or other coverage), shall pay an employee that has waived coverage a cash allowance of \$300 per month or pay into the employee's deferred compensation plan (a plan administered by the City) \$300 per month. If the employee wants to have all or a portion of the deferred compensation payment to be credited towards the dependent coverage cost, then the remaining balance, if any, shall be credited to the employee's deferred compensation account. To be eligible for this "opt out benefit" payment, the employee must provide proof, as determined by the City, that comparable medical insurance is in full force and effect. In the event the employee loses eligibility (with documentation) then the employee may re-enroll in the plan pursuant to the PERS health plan rules.

Physical Exams: The City may authorize annual physical examinations for all covered employees. The City shall pay the costs of any such examination not covered by the Employee's health insurance.

### **ADMINISTRATIVE PAID TIME OFF**

Administrative Paid Time Off: Employees exempt from the overtime pay requirements of the Fair Labor Standards Act shall not be entitled to, nor be paid, overtime compensation of any kind. Exempt employees shall be granted up to 72 hours of administrative leave per year upon the approval of the City Manager. Employees may carry over up to 40 hours of unused administrative paid time off each year. ~~With written approval of the City Manager and Personnel Officer, payouts of up to 32 hours shall be made annually by the last pay period of each year.~~

### **HOLIDAYS**

Paid holidays are authorized and observed as set forth in the City's Personnel Rules and Regulations. During the term of this MOU, there shall be twelve (12) regularly scheduled holidays. Holiday time shall constitute eight (8) hours paid at straight time. Employees shall not be required to be in attendance on paid holidays.

Employees whose work load or responsibilities demand they work on designated Holidays may elect to bank the Holiday time (8 hours) to be used within 30 calendar days of the date.

### **COST OF LIVING**

Cost of Living Increases: ~~During fiscal year 2018-19, No City of Avalon labor association or union will receive a cost of living increase. Beginning in May 2019, shall the City and the Union mutually agree to reopen negotiations regarding this specific article, both parties agree to limit negotiations solely to this Article.~~

~~In accordance with the City of Avalon Personnel Rules and Regulations a market (classification and compensation) study will be conducted before the end of 2020. At the time the study is completed, before the terms of the MOU expire, shall the City and Union mutually agree to reopen~~



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~~negotiations regarding this specific article, both parties agree to limit negotiations solely to this article. The City agrees to meet with the Union and consider all proposals until which time the City and Union agree to bring forth a Policy for Council adoption. The City and Association shall sign a side letter once there is an agreement on this item.~~

~~Additionally, per the negotiations of this MOU a Cost of Living Study, specific to the City of Avalon, will be budgeted and conducted by the end of 2020. The City Manager's Office will make its best effort to expedite the study to make the findings available for negotiations as soon as possible.~~

### **GRIEVANCE PROCEDURE**

A grievance shall be any matter for which appeal is not otherwise provided or prohibited, concerning:

1. A dispute about the interpretation or application of this MOU and Personnel Rules and Regulations;

A. Informal Grievance Procedure:

An employee who has a problem or complaint should first try to get it settled through discussion with his immediate supervisor without undue delay – within one or two workdays of the event grieved. If, after this discussion, he/she does not believe the problem has been satisfactorily resolved, he/she shall have the right to promptly discuss it with the supervisor's immediate superior, if any, in the administrative service. Every effort should be made without delay to find an acceptable solution by informal means at the lowest possible level of supervision. If the employee, or the Union, is not in agreement with the decision reached by discussion, he/she shall then have the right to file a formal grievance in writing within ten (10) calendar days after receiving the informal decision of his/her supervisor or the supervisor's immediate superior on matters within the statutory scope of representations.

B. Formal Grievance Procedure:

1. First level of Review: A grievance shall be presented in writing to the employee's immediate supervisor within ten (10) calendar days of the informal process decision or of the event giving rise to the grievance, whichever is later. The supervisor shall render his/her decision and comments in writing and return them to the employee within ten (10) calendar days after receiving the grievance. In the event that the supervisor does not render a decision within the 10 days or within a mutually agreed upon extension of the timeline, the employee has the right to move the grievance up to the next level of review.

2. Further Level or Levels of Review as Appropriate: The supervisors immediate superior receiving the grievance shall review it, render his/her decision and comments in writing, and return them to the employee within ten (10) calendar days after receiving the appeal. In the event that the supervisor does not render a decision within the 10 days or within a mutually agreed upon extension of the timeline, the employee has the right to move the grievance up to the next level of review.

3. Department Review: The Department Head receiving the grievance, or his/her designated representative, should discuss the grievance with the employee, his

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representative, if any, and with other appropriate persons. The Department Head shall render his/her decision and comments in writing, and return them to the employee within ten (10) calendar days after receiving the appeal. If the employee, or the union, does not agree with the decision reached, or if no answer has been received within ten (10) calendar days, he may present the appeal in writing to the City Manager. Failure of the employee to take further action within twenty (20) days after receipt of the decision, or within a total of twenty (20) days if no decision is rendered, will constitute withdrawal of the grievance.

4. City Manager: The City Manager or his/her designee should discuss the grievance with the employee, his/her representative, if any, and with other appropriate persons. The City Manager may designate an "investigation committee," or an officer not in the normal line of supervision, to advise him/her concerning the grievance. The appointing power shall render a decision in writing to the employee within twenty (20) days after receiving the grievance.

### C. Grievance Arbitration:

1. Within ten (10) working days of the receipt of the City Manager's final decision, the Union may request arbitration by filing a written request. The request for arbitration shall be in writing to the Department Head with a copy sent to the Personnel Officer.
2. If either the City or the Union so requests, the arbitrator shall hear the merits of any issue raised regarding the arbitrability of a grievance first. No hearing on the merits of the grievance shall be conducted until the issue of arbitrability has been decided.
3. The parties shall request a list of five (5) arbitrators, within ten (10) working days after receipt of the employee's request for arbitration, from the California State Mediation and Conciliation Service.
4. Within five (5) working days of receipt of the list, the parties shall mutually agree upon the person on the list who shall be the Arbitrator. If one person is not mutually agreed upon, the parties shall within five (5) days after receipt of the list of names alternately strike names from such list with the last remaining name to be the person serving as Arbitrator. The party having first choice to strike a name from the list shall be determined by lot.
5. The City and the Union shall share the fees and expenses of the arbitrator and the certified court reporter equally. The services of the certified court reporter are optional. Both parties must agree if the certified court reporter is to be employed and that the cost shall be equally shared. Financial responsibility shall be established before the selection of an arbitrator. All other expenses shall be borne by the party incurring them, and neither party shall be responsible for the expense of witnesses called by the other. However, if either party declines the use of a court reporter, the party requesting the court reporter shall pay the entire cost of employing the court reporter.
6. The arbitrator's review is limited to the interpretation of this MOU and/or City's Personnel Rules and Regulations.

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7. Decision: The decision of the arbitrator shall be made in writing within thirty (30) working days of the close of the hearing or the submission of written briefs. The decision of the arbitrator shall be final.
- D. Conduct of Grievance Procedure:
1. The time limits specified above may be extended to a definite date by mutual agreement of the employee and the reviewer concerned. If an employee receives no response at a particular level, he/she may proceed to the next appropriate level of review.
  2. The employee may request the assistance of another person of his/her own choosing in preparing and presenting his grievance at any level of review.
  3. The employee and his representative may be privileged to use a reasonable amount of work time as determined by the appropriate Department Head in conferring about presenting the grievance.
  4. Employees shall be assured freedom from reprisal for using the grievance procedure.

### VACATION AND SICK LEAVE

In the last pay period of each quarter, full time employees may sell back to City at one-for-one cash out a portion of his or her accumulated vacation time, up to a maximum of 12 vacation days per year. City shall grant paid vacation leave for all probationary and regular employees represented by the Union according to the following schedule:

<u>Years of Service Completed</u>	<u>Accrual Rate</u>
0 - 4 years	10 days (2 weeks)
5 - 9 years	15 days (3 weeks)
10+ years	20 days (4 weeks)

The cut-off date for vacation accrual shall be May 31st of each year. No vacation shall be taken for a period exceeding the maximum hours accumulated at any given time. Vacation leave only accrues when an employee is in a paid status and not when an employee is on a Leave of Absence for more than thirty (30) days.

An employee may accumulate a maximum of 60 work days (480 hours) of vacation leave. If an employee's vacation leave balance exceeds 480 hours on May 31st of any year, the employee shall cease earning vacation leave until the balance is 479 hours or less at the beginning of the month. Except as otherwise set forth herein, accrual and use of vacation leave shall be subject to the Personnel Rules and Regulations.

An employee may accumulate a maximum of 60 work days (480 hours) of sick leave. If an employee's sick leave balance exceeds 480 hours, the employee shall cease earning sick leave until the balance is 479 hours or less at the beginning of the next pay period. In 2026, an employee may elect to contribute the value of all unused and/or already accumulated sick leave pay in excess of 240 hours, into the City's 457 plan, HSA, or to elect to receive a taxable cash distribution. The City shall cash out up to one half of this bank at 100% of its value on or before December 31, 2026.

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Vacation Leave Buy Down: During the term of this MOU an employee may elect to contribute the value of all unused and/or already accumulated vacation pay in excess of 240 hours, into the City's 457 plan, HSA, or to elect to receive a taxable cash distribution. The City shall cash out up to one half of this bank at 100% of its value on the last pay period each quarter. Said distributions may not exceed the normal maximum allowed deferral limits as set forth by the IRS for the 457 plan.

Sick Buy Down: The City wishes to reduce its financial liability of accrued sick compensated time off by buying down accrued sick balances as of December 31, 2015. Employees with existing hours in the sick bank may cash-out the balances in the form of an annual contribution to their 457 account, up to the maximum allowable contribution in accordance with IRS regulations over the next two years. Any remaining time will be forfeited on June 30, 2021.

Sick Leave Use: Sick leave pay shall be requested only in cases of actual personal sickness or disability, medical or dental treatment, or as authorized by the Personnel Officer under the provisions of the Federal Family Medical Leave Act and/or the California Family Rights Act, or California Labor Code Section 233 (use of sick leave). Use of accrued sick leave shall be allowed for the purpose of preventative medical, dental, and care of a parent, spouse, registered domestic partner or child. An employee contemplating to be off work due to illness or injury for an extended period of two (2) weeks or more may be required to provide a comprehensive health statement as to the length of absence from the employee's health care provider stating any duties the employee cannot perform and any restrictions or light duty requirements. In such events, FMLA and sick leave shall run concurrent. Employees requesting sick leave shall notify their immediate supervisor or department head prior to the time set for reporting to work. Sick leave with pay shall not be allowed unless an employee has met and complied with the provisions of this Memorandum of Understanding and the department head or the Personnel Officer has approved such payment. Sick leave may be used for absence reasonably required by complications of pregnancy, continuing through delivery and reasonable period of recovery therefrom, to be determined in accordance with written reports from the employee's physician, specifying the expected date of delivery and the date that the employee should cease work. In no event shall an employee return to work after pregnancy prior to a date fixed by the physician in a signed statement that she is physically able to perform the duties of her position. Every regular employee shall be able to use accrued vacation, compensatory time, or holiday time when sick leave has been exhausted due to extended illness or injury unless they are on a medical certification program.

Pursuant to Kin Care legislation, employees may use up to 50% of their annual sick leave accrued to attend to the illness of their child, parent, spouse, or registered domestic partner of the employee.

Sick Leave Abuse: Sick leave shall not be abused. The City reserves the right to require a satisfactory statement of a licensed physician whenever an employee misses work due to an illness, injury or disability. The Department Head or Personnel Officer may require a written statement from the attending physician or dentist, or a physician or dentist to whom the department head or Personnel Officer directs the employee to report, to establish that the employee is or was incapacitated and unable to perform his duties. The Department Head or Personnel Officer may require a written statement from the attending physician or dentist, or from the physician or dentist

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to whom the department head or Personnel Officer has required the employee to report and be examined by, that the employee is capable of and released to return to the performance of all of the duties of his position. The physician's statement must verify that an injury or disability exists or existed, its beginning and ending dates and/or the employee's ability to return to work without presenting an immediate and significant risk to his own health or safety, or the health and safety of others, and any other requirement in accordance with the City's Sick Leave policy located in the Personnel Rules and Regulations. Abuse of sick leave shall be subject to progressive discipline, up to and including termination.

Management may not require doctor's verification for sick leave of less than three (3) days unless sick leave abuse is strongly suspected and reasonably demonstrated.

Sick leave shall be administered in accordance with the City of Avalon Personnel Rules and Regulations unless provided otherwise by a current MOU.

Separation: Upon separation from City employment, an employee is entitled to receive payment for unused sick leave in accordance with the following schedule:

<u>Years of Service</u>	<u>Balance Payable</u>
2-4	25 % of accrued and unused sick leave
5-9	50% of accrued and unused sick leave
10+	75% of accrued and unused sick leave

When calculating the total amount payable to an employee upon separation for his or her accrued and unused sick leave, the Personnel Officer shall determine the total amount of accrued and unused sick leave, allocate an equal portion of such leave to each year of service, and determine the highest hourly pay rates for each year of service.

Retirement Health Premium Reimbursement Plan: Upon retirement from City employment, an employee may transfer unused sick and vacation time accrued amounts to pay for future medical premiums.

An employee is entitled to receive payment for unused sick leave in accordance with the following schedule:

<u>Years of Service</u>	<u>Balance Payable</u>
2-4	25 % of accrued and unused sick leave
5-9	50% of accrued and unused sick leave
10+	75% of accrued and unused sick leave

When calculating the total amount payable to an employee upon separation for his or her accrued and unused sick leave, the Personnel Officer shall determine the total amount of accrued and unused sick leave, allocate an equal portion of such leave to each year of service, and determine the highest hourly pay rates for each year of service.