

**MEMORANDUM OF
UNDERSTANDING
(MOU)**

**San Fernando
Part-time Employees Bargaining Unit (SFPEBU)
Service Employees International Union Local 721**

**City of San Fernando
(City)**

SFPEBU REPRESENTATION

Wendy Thomas

MOU TERM

July 1, 2016 – June 30, 2020

CITY CONTRACT NO.

1838

ADOPTION DATE

November 21, 2016

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ARTICLE 1 — INTRODUCTION

1.01 Preamble

Management representatives of the City Council of the City of San Fernando (City), staff representatives of the Service Employees International Union SEIU Local 721 (Union, SEIU, or SEIU Local 721), and employee representatives from the San Fernando Part-Time Employees' Bargaining Unit (SFPEBU or Unit) have met and conferred in good faith regarding wages, hours, and other terms and conditions of employment.

1.02 Recognition

Pursuant to applicable sections of the City's Employer-Employee Relations Resolution (EERR) and the Meyers-Milias-Brown Act (MMBA or Government Code §3500), the City recognizes SEIU Local 721, as the exclusive representative of the part time employees in the SFPEBU.

1.03 Implementation of the Memorandum of Understanding (MOU)

This MOU constitutes an agreement and joint recommendation for approval by the City Council of the City of San Fernando and part time general membership of the SFPEBU in SEIU Local 721. This MOU shall be binding upon the parties, whenever the following conditions are met:

A. SEIU Local 721 has notified the City that its members in the SFPEBU have formally approved this contract in its entirety; and

B. The City Council has approved this MOU in its entirety.

Approval of this MOU by the City Council shall constitute a temporary contract bar to implementation of the decertification process outlined in Section 11(B) of the EERR. This contract bar shall not infringe on an employee's right to the decertification process, which is provided by the MMBA, during the window period of ninety (90) to one hundred and twenty (120) days prior to the expiration of this MOU.

Whenever any ordinance, rule, regulation, resolution or other action is required for the implementation of this MOU, such ordinance, rule, regulation, etc. will provide for an effective date the same as provided for in this MOU or make other equivalent provisions.

Except as specifically provided herein, the parties to this MOU do not waive their rights to meet and confer in good faith during the term of this MOU with respect to any other matters within the scope of the meet and confer process.

1.04 Duration of the MOU

The previous MOU between SFPEBU/SEIU and the City expired on June 30, 2014, and the terms and conditions of that MOU remained in effect until this successor agreement was reached

between the parties.

All of the current terms and conditions, including any side-letter agreements, in the MOU shall remain in effect until a successor agreement is reached between the parties.

Unless otherwise stated herein, this MOU shall be effective for the period from July 1, 2016 through midnight on June 30, 2020, and thereafter shall continue in effect year-by-year unless either party (the Union or the City) notifies the other party in writing, no later than April 1, 2020 (or succeeding year), of the request to modify or amend the MOU.

1.05 Full Understanding

SEIU and the City agree that during the negotiations which resulted in this MOU, each had the unlimited right and opportunity to make proposals with respect to any subject or matter within the scope of bargaining and that this present document represents the full and complete understanding and agreement of the parties on terms and conditions of employment specifically addressed herein.

1.06 Prevailing Rights

To the extent that they are not expressly or by necessary interpretation and application covered by the purpose, intent, and language of this agreement, all rights, privileges, obligations, and working conditions of employment within the scope of representation presently enjoyed by the employees within the unit shall remain in effect and be operative during the term of this agreement, unless eliminated, enlarged or otherwise modified after a meet and confer process to the extent that such procedures are required by the laws of the State of California.

1.07 City Rights

There are no provisions in this agreement that shall be deemed to limit or curtail the City in any way in the exercise of the rights, powers, and authority which the employer had prior to June 30, 2016 unless and only to the extent that the provisions of this agreement specifically curtail or limit such rights, powers, and authority.

1.08 Employee Rights

The parties mutually reaffirm their respective policies of non-discrimination in the treatment of any unit member because of race, religious creed, color, sex, age, disability, sexual orientation, national origin or ancestry.

The City shall ensure a safe and respectful workplace for all workers. The City also affirms its respect for its workers and shall not condone any unfair treatment of any employee.

1.09 Part-Time Definition

A part-time employee works in a specified position in City service and is paid on an hourly basis. A "part-time employee" is defined as an employee who works less than forty (40) hours per week for a majority of the weeks in a year.

1.10 Pre-Emptive Laws

If any article or section of this document or any addition thereto should be held invalid by operation of law, or by any tribunal or office of competent jurisdiction, or if compliance with or enforcement of any article or section should be restrained by such tribunal or office, the remainder of this document shall not be affected thereby, and the parties shall upon request, enter into the "meet and confer" process to endeavor to agree to an alternate and economically equitable replacement for such article or section.

ARTICLE 2 — INSURANCE BENEFITS

2.01 Health Benefits

1. Effective up to and including December 31, 2016, the City shall continue to pay the full cost (100%), up to the highest single HMO premium for medical insurance of the employee's choice, for each eligible employee based on the following formula:
 - A. Employees who have worked two thousand (2,000) hours or more within twenty-four (24) months of continuous employment.
 - B. Employees who have worked two thousand-seven hundred (2,700) hours or more within thirty-six (36) months of continuous employment.
2. Effective on January 1, 2017, the City shall implement a full flex cafeteria plan in accordance with Internal Revenue Service (IRS) Code Section 125 for all eligible employees.

Eligible unit employees shall receive a monthly flex dollar allowance to apply toward the payment of medical, dental, and vision benefits offered through the City's insurance plans, as follows:

- A. Beginning January 1, 2017 the monthly dollar allowance shall be eight hundred and twenty dollars (\$820.00).
- B. On January 1st of each subsequent year, the monthly dollar allowance, inclusive of the City's statutory Public Employee's Medical and Hospital Care Act (PEMHCA) minimum contribution, will be adjusted based on the average change from the prior year's monthly premiums for all plans offered to CalPERS contracting agencies in the Los Angeles Area Region. This annual adjustment will not be less than zero percent (0%) and will not exceed four percent (4%).

The monthly flex dollar allowance may be used to purchase health benefits, for the employee and his/her eligible dependents, offered under the cafeteria plan.

In the event that premiums and/or costs for the selected benefits exceed the monthly flex dollar allowance, the balance will be paid by the employee through automatic pre-tax payroll deduction.

In the event that premiums and/or costs for the selected benefits are less than the monthly flex dollar allowance, there shall be no payment of the remaining funds to the employee.

3. The medical coverage provided by the City during the term of this MOU shall be the same as currently provided to employees by existing City insurance plans.
4. Any employee who was eligible for insurance benefits under Section 2.01(1) as of July 1, 2016 shall retain a vested right to participate in the cafeteria plan and receive the monthly flex dollar allowance in Section 2.01(2) at any time he/she is employed by the City.
5. Any employee who would have become newly eligible for insurance benefits on January 1, 2017 under Section 2.01(1) shall be allowed to participate in the cafeteria plan and receive the monthly flex dollar allowance in Section 2.01(2) for the duration of 2017. In 2018 and thereafter, such employee shall be required to meet the service hour eligibility requirements as set forth in Section 2.01(6) below.
6. Any employee who was not eligible for insurance benefits prior to December 31, 2016 shall only become eligible to participate in the cafeteria plan, and receive the monthly flex dollar allowance, if he/she works more than one thousand five hundred (1,500) hours in the prior calendar year. This annual hourly requirement is in accordance with the Affordable Care Act (ACA).

2.02 Life Insurance

The City shall provide all unit members with a twenty-five thousand dollar (\$25,000) Basic Life and AD&D insurance policy, at no cost to the employee.

Employees may opt to purchase, at their own expense via payroll deduction, an additional twenty-five thousand dollars (\$25,000) in coverage at the City's most current policy rate (approximately \$4.00 per month in 2016).

ARTICLE 3 — LEAVE BENEFITS

3.01 Vacation Leave

1. Rate of Accrual

In order to facilitate the transition in methodology from accruals based upon continuous

years of employment to accruals based upon actual hours of service, the parties agree to the following:

- A. Effective until December 31, 2016, except as otherwise provided in Section 3.01(4)(B) below, each employee that works at least one thousand (1,000) hours during a calendar year shall be credited with a paid time off bank beginning on January 1st of the following calendar year based upon his/her continuous years of employment with the City as follows:
 - 1) An employee with less than two (2) years of service earns no (0) hours.
 - 2) An employee with two (2) and up to five (5) years of service earns twenty-four (24) hours.
 - 3) An employee with six (6) and up to eight (8) years of service earns forty-eight (48) hours.
 - 4) An employee with nine (9) and up to eleven (11) years of service earns sixty (60) hours.
 - 5) An employee with twelve (12) years or more of service earns seventy-two (72) hours.
- B. Effective January 1, 2017, each employee shall accrue vacation leave based upon hours actually worked each pay period and calculated at a rate based upon total hours of City service, as follows:
 - 1) An employee with less than ten thousand (10,000) total hours of City service shall not accrue any vacation leave.
 - 2) An employee with ten thousand (10,000) and up to twenty thousand (20,000) total hours of City service shall accrue 0.04 hours of vacation leave for each hour actually worked.
 - 3) An employee with twenty thousand (20,000) and up to twenty-five thousand (25,000) total hours of City service shall accrue 0.06 hours of vacation leave for each hour actually worked.
 - 4) An employee with twenty-five thousand (25,000) or more total hours of City service shall accrue 0.07 hours of vacation leave for each hour actually worked.

2. Maximum Accumulation of Vacation

- A. The maximum vacation leave accumulation for each unit employee shall be one hundred (100) hours.
- B. Except as otherwise provided in Section 3.01(2)(C) below, employees shall cease to accrue any additional hours until the vacation leave bank falls below the maximum accumulation cap.
- C. An employee denied vacation leave due to department staffing issues, who exceeds the maximum vacation accumulation cap due to such denial, shall continue to accrue vacation leave in excess of the cap until the department is able to allow sufficient vacation leave to bring the employee under the cap.

This provision shall not apply if an employee does not request vacation leave until twenty-four (24) hours or less of reaching the maximum accumulation cap.

3. Payout of Vacation

Upon death, retirement, or separation from service, an employee or his/her designated beneficiary, shall be paid out for one hundred percent (100%) of his/her accumulated vacation leave. Such vacation hours shall be paid out at the employee's current hourly base salary at the time of the payout.

4. Deposit of Previously Earned Paid Leave

- A. An employee with a paid leave balance as of December 31, 2016, that was earned under the provisions of Section 3.01(1)(A) above, shall have such leave hours deposited into his/her new vacation leave bank no later than the first full pay period after January 1, 2017.
- B. An employee that did not receive a credit of paid leave on January 1, 2016, but would have become eligible on January 1, 2017 under the provisions of Section 3.01(1)(A) above, shall have such leave hours deposited into his/her new vacation leave bank no later than the first full pay period after January 1, 2017.
- C. Paid leave deposited into the new vacation leave bank shall still be subject to the maximum accumulation cap outlined in Section 3.01(2) above.

3.02 Sick Leave

1. Rate of Accrual

Each employee shall be credited with up to twenty-four (24) hours of sick leave upon hire. The exact amount of credited hours may be prorated based upon the date of hire.

Thereafter, on July 1st of each subsequent year, the employee shall be credited with twenty-four (24) hours of sick leave, provided that the employee's total accumulation does not exceed the maximum forty-eight (48) hours allowed in Section 3.02(2).

2. Maximum Accumulation of Sick Leave

The maximum sick leave accumulation for each unit employee shall be forty-eight (48) hours.

3. Payout of Sick Leave

There shall be no payout of accumulated sick leave upon death, retirement, or separation from service.

4. Reinstatement of Sick Leave

An employee who is re-hired within one (1) year from the date of separation shall have any unused accumulated sick leave reinstated.

5. Use of Sick Leave

An employee may use sick leave for personal illness/injury or preventative care which prevented his/her attendance on the job and performance of duties on the day of the absence, or for any other reason required by law.

An employee may also use sick leave if he/she is compelled to be absent due to the illness/injury or preventative care of a qualified family member.

For the purpose of sick leave, a "qualified family member" is defined as a child, parent, sibling, spouse, registered domestic partner, or step/in-law/grand relationship of these same familial relationships.

6. Required Notice for Sick Leave Use

An employee using sick leave should attempt to notify his/her supervisor at least one (1) hour prior to his/her scheduled shift, but in no event any later than one (1) hour after the start time of his/her scheduled shift.

7. Medical Certification

Both parties agree that sick leave is a privilege and shall only be allowed in the case of necessity, actual disability, or in accordance with State and Federal law. Further, both parties agree that abuse of this privilege is not only detrimental to the City, but to the unit and its members.

Therefore, the parties agree that the City may require a medical certificate from a verifiable healthcare provider before allowing an employee a paid leave of absence under sick leave if, in the opinion of a supervisor or the Department Head, there is reasonable basis to believe an employee is abusing the sick leave privilege (i.e. discernable pattern of use around holidays, in conjunction with weekends or days off, etc.). Upon such a request, the City will articulate in writing the grounds for its reasonable basis and the employee will receive written notice that further absences will require medical certification prior to approval of paid sick leave.

The presentation of a medical certificate, issued in accordance with the healthcare provider's guidelines, will resolve the question as to whether the use of paid sick leave is appropriate. If a medical certificate is not presented, the use of paid sick leave may be denied and progressive disciplinary action may be warranted.

An employee placed on medical certification shall have his/her sick leave usage reviewed at least once each quarter and shall be removed from this requirement upon evidence of improved attendance. An employee who disputes his/her placement on medical certification may seek to resolve the dispute under the grievance procedures in Article 14.

Use of sick leave and placement on medical certification may only be mentioned on performance evaluations in accordance with applicable State and Federal law.

3.03 Catastrophic Leave Donation Program

The City shall continue the Catastrophic Leave Donation Program for unit employees in conformance with the City's policy in effect as of July 1, 2016.

The parties agree that unit employees may participate in this program as follows:

- A. As a donor, by donating accumulated vacation leave to a part-time or full-time employee.
- B. As a recipient, by receiving a donation of accumulated vacation leave from another part-time employee; and/or a donation of accumulated vacation, sick, annual or management leave, compensatory time, or holiday from a full-time employee; and/or by requesting to receive unused leave hours from the Catastrophic Leave Reserve Fund.

3.04 Maternity/Paternity Leave

An employee shall be eligible for Maternity/Paternity Leave as per guidelines stipulated in the City's Maternity/Paternity Leave Policy in effect as of July 1, 2016, and as may be required by applicable law.

The City will continue to contribute to the employee's health benefits, if applicable, for twelve (12) weeks in any twelve (12) month period and there shall be no lapse in the employee's health insurance coverage during this time. The twelve (12) month period which determines the duration of leave to which an employee is entitled will be a rolling twelve (12) month period beginning on the date a leave under this policy is first taken.

3.05 Time Off for Promotional Tests or Interviews

1. Employees shall be required to utilize their own accumulated leave time for the purpose of taking tests or participating in interviews for other employment outside of the City.
2. For promotional tests or interviews for the City, the City shall either:
 - A. Schedule such tests or interviews for the employee's non-working hours; or
 - B. Allow employees who are scheduled to work during the time of a promotional test or interview for the City, to participate without any loss of compensation or benefits.

3.06 Leave for Child-Related Activities

Upon request, an employee may take off up to forty (40) hours per year, up to eight (8) hours per month, for child-related activities if the employee is a parent with one or more children attending kindergarten, grades 1 to 12, or is at a licensed child care provider. This includes finding, enrolling, or re-enrolling a child in school or with a licensed child care provider, addressing a child care provider, and responding to a school/child care provider emergency including a request for a child to be picked up from school/child care, behavioral/discipline problems, closure or unexpected unavailability of the school/child care (excluding planned holidays), or a natural disaster. An employee desiring to be paid for such leave must use accrued leave to cover the absence.

For the purpose of this section, a "parent" is defined as a parent, legal guardian, step-parent, foster parent, grandparent, or a person who stands in loco parentis to the child.

3.07 Bereavement Leave

The City shall authorize an employee to utilize up to twelve (12) hours of paid bereavement leave per incident of imminent death or following the death of an immediate family member. The employee may utilize other accrued leave time during the bereavement period for additional time off if needed.

For the purpose of this leave, an "immediate family member" shall mean a grandparent, parent, registered domestic partner, spouse, child, sibling, step and in-law relationships of the same categories, or any person living in the same household.

Proof of residence and/or verification of imminent death or death may be requested.

ARTICLE 4 — EMPLOYEE ASSISTANCE PROGRAM

The City shall continue to maintain the privacy provisions of the insured Employee Assistance Program (EAP) and permit unit employees to visit a City designated EAP Specialist without having to go through Personnel.

ARTICLE 5 — SALARY

5.01 Salary

The City shall increase the base salaries for classifications represented by SEIU as follows:

A. Classifications with a Full-Time Equivalent (FTE)

Classifications which have an FTE shall receive the same increases in base salary as the FTE positions. Such increases shall be effective on the same date as the FTE positions.

B. Classifications without a Full-Time Equivalent (FTE)

Classifications which do not have a FTE and which have salary ranges above the required minimum wage shall receive an increase in base salary which is equal to the average increase received by classifications in the City's full-time non-sworn and non-management bargaining units (i.e. SFPEA and SFPCA). Such increases shall be effective on the same date as the classifications with an FTE.

C. Minimum Wage Standard

As a result of SB 3 which was signed into California law on April 4, 2016, any classification with a salary range that includes an hourly rate less than the required minimum wage on January 1st of each year shall be increased as follows:

- 1) Effective the pay period which includes January 1, 2017, base salaries shall be increased by five percent (5.0%).

The minimum hourly wage is ten and one-half dollars (\$10.50).

- 2) Effective the pay period which includes January 1, 2018, base salaries shall be increased by four and eight-tenths percent (4.8%).

The minimum hourly wage is eleven dollars (\$11.00).

- 3) Effective the pay period which includes January 1, 2019, base salaries shall be increased by nine and one-tenth percent (9.1%).

The minimum hourly wage is twelve dollars (\$12.00).

- 4) Effective the pay period which includes January 1, 2020, base salaries shall be increased by eight and three-tenths percent (8.3%).

The minimum hourly wage is thirteen dollars (\$13.00).

- 5) Effective the pay period which includes January 1, 2021, base salaries shall be increased by seven and seven-tenths percent (7.7%).

The minimum hourly wage is fourteen dollars (\$14.00).

- 6) Effective the pay period which includes January 1, 2022, base salaries shall be increased by seven and two-tenths percent (7.2%).

The minimum hourly wage is fifteen dollars (\$15.00).

D. Salary Compaction

In order to prevent salary compaction, any family of classifications that has a classification in the series receive a salary increase shall also receive an increase to base salary in order to maintain the percentage of pay separation, in existence as of January 1, 2016, between the classifications in the same series.

Example:

As of July 1, 2016, if a Recreation Leader I was on Salary Range 44 in Schedule H of Resolution No. 7716, it would have an entry level Step A of \$10.00 per hour.

If a Recreation Leader II was on Salary Range 47, there would be a 4.8% pay separation between the classifications in the series.

In accordance with Section 5.01(C)(1) above, the minimum wage will increase to \$10.50 on January 1, 2017; therefore, Step A of Salary Range 44 would increase to \$10.50 and Step A of Salary Range 47 would increase to \$11.00.

Employees would receive the increases at their current salary step on their respective salary ranges upon the effective date of such increases.

5.02 Definition of Base Salary

“Base salary” shall be defined as the salary classification, range, and step to which an employee is assigned. It excludes any additional allowances, special pay, and non-cash benefits.

5.03 Calculation of Other Compensation

If applicable, other compensation that is calculated as a percentage of salary will be applied to the employee's base salary only. If an employee is entitled to multiple percentage based compensation, each item will be calculated against base salary independently (i.e. compensation will not be compounded).

5.04 Salary Advancement

The City shall maintain a minimum of a five percent (5%) separation between salary steps in each salary range. An employee's advancement within a salary range shall not be automatic, but shall be contingent upon merit.

An employee shall be evaluated for merit salary advancement after six (6) months in service in the classification to which he/she was appointed, promoted, or reemployed. Thereinafter, the employee shall be eligible for merit salary advancement(s) to the next step(s) in the salary range after twelve (12) months of service in the classification.

If the employee's job performance requires improvement and the employee does not receive a salary increase on the scheduled merit date, such employee shall be reevaluated within at least a six (6) month period commencing on the merit date.

An employee promoted to a higher classification shall receive a minimum salary increase of five percent (5%) upon such promotion, provided the salary increase does not exceed the maximum salary step for the salary range of the classification.

ARTICLE 6 — BILINGUAL PAY

The City shall pay a bilingual bonus at the end of each month worked, to those unit employees that qualify in accordance with the following conditions:

- A. The employee has demonstrated to the satisfaction of the City his/her fluency in the Spanish language based on a written and/or oral testing procedure selected by the City; and
- B. The employee is required, in the normal course of his/her duties, to communicate in Spanish with members of the public, as determined by the Department Head and approved in writing by the City Manager.

The bonus shall be paid as follows:

- A. An employee who works seventy-nine (79) hours or less per month shall be paid fifty dollars (\$50.00) per month.
- B. An employee who works eighty (80) hours or more per month shall be paid one

hundred dollars (\$100.00) per month.

ARTICLE 7 — WORK SCHEDULE

Should an employee's schedule/hours require a change, the City will provide the affected employee with written notice a minimum of one (1) week prior to the required schedule change.

The City will provide a minimum of one (1) week written notice to employees who will be required to work special events, which is any event falling within the fiscal year that is not calendared and requires City resources.

ARTICLE 8 — WORKER'S COMPENSATION

8.01 Worker's Compensation

1. Paid Leave on Disability

In those instances when an employee experiences an injury that is recognized as job-related by the City or the Worker's Compensation Appeals Board, and the employee is absent from work because of the injury, the employee shall receive full pay for the first ten (10) regularly scheduled working days of disability without charge against accumulated paid leave.

Thereafter, the injured employee shall have the following options:

- A. Remain on full pay with time charged against accumulated paid leave (sick leave or vacation leave). The injured employee shall remit his/her worker's compensation check to the City, and the City shall then credit back the appropriate leave time in relation to the amount of the check. Upon using all accumulated paid leave time, the injured employee shall retain the disability time off. Employees may choose to only use sick leave and not vacation leave under this provision; or
- B. Accept the worker's compensation check as compensation during the period of disability with no time charged against accumulated paid leave time.

2. Continuation of Insurance Benefits on Disability

The City agrees to continue to provide insurance benefits in accordance with Article 2 for the duration of any job-related injury or illness regardless of whether or not the employee is on payroll.

3. Disability Retirement

In accordance with stipulations set forth by the California Public Employees Retirement System (CalPERS), as soon as it is believed that a unit employee is unable to perform his/her

job because of an illness or injury that is expected to be permanent or last longer than six (6) months, the City shall have the option to submit an application for disability retirement on the employee's behalf, provided that the employee is vested in CalPERS. However, nothing in this provision, takes away the employee's option to waive the right to retire for disability and/or elect to resign and withdraw his/her share of retirement contributions. If the employee has attained normal service retirement eligibility, he/she shall have the right to elect service retirement as provided in Government Code §20731. The injury or disease causing the incapacity or disability need not be job-related.

8.02 Modified Duty Work

The City shall make every effort to accommodate ill or injured workers consistent with all applicable provisions of the law.

ARTICLE 9 — UNIFORMS AND EQUIPMENT

9.01 Uniforms

1. The City shall provide each employee, who is required to wear a uniform, with three (3) complete sets of uniforms upon hire and in July of each fiscal year.
2. The City will replace up to two (2) sets of uniforms per fiscal year due to damage or excessive wear and tear.
3. The uniforms shall consist of those that the department deems necessary.
4. All purchases shall be made in accordance with the City's purchasing policy.
5. For the purpose of cleaning and laundering such uniforms, the City will continue to provide non-sworn part-time employees in the Police Department with an annual uniform allowance equal to fifty percent (50%) of the amount received by non-sworn full-time employees in the Police Department. As of July 1, 2016, this amount is currently one hundred and fifty dollars (\$150.00) for eligible employees in this unit.

9.02 Inclement Weather Gear

The City shall provide appropriate gear to employees assigned to work in inclement weather, including but not limited to rain gear and jackets.

9.03 Shoe/Boot Allowance

Employees who are required to wear specific shoes/boots for their position (i.e. Community Service Officers, Cadets, Enforcement Officers, and Public Works field employees, etc.) shall receive reimbursement for the purchase of such work shoes/boots of up to one hundred dollars (\$100.00) in July of each fiscal year.

ARTICLE 10 — OTHER COMPENSATION

10.01 Working Out of Class

Any assignment to perform duties of a higher level position, or act in a higher capacity outside the employee's job classification, will be paid at the rate of at least five percent (5%) higher than the employee's current base salary for the duration of such assignment.

The City shall ensure that an employee working in a higher capacity is adequately trained to fulfill the requirements of that higher class.

Assignments to perform higher-level duties must be formally approved, in writing, by the Department Head.

10.02 Overtime

1. Definition of a Work Week

The City shall comply with the provisions of the Fair Labor Standard Act (FLSA) in defining a work week.

2. Payment of Overtime

Overtime hours shall be paid as follows:

A. Time and One-Half

An employee who actually works forty (40) hours or more in a work week shall be paid at the rate of one and one-half (1½) times his/her regular rate of pay for the overtime hours worked in excess of forty (40) hours in that same work week.

or

B. Straight Time

An employee who does not actually work forty (40) hours or more in a work week shall be paid at the straight (1) time rate of his/her regular rate of pay for the overtime hours worked in excess of his/her regularly scheduled shift(s), but less than forty (40) hours in that same work week.

10.03 Callback

An employee who performs any work on behalf of the City outside of his/her regularly scheduled hours shall be compensated at the appropriate rate, which may be paid at time and one-half or straight time, in accordance with Section 10.02(2) above. This includes, but is not

limited to, making, receiving and/or responding to telephone inquiries to/from other City personnel during off-duty time, reporting to work earlier than scheduled, or reporting to work on a regularly scheduled day off.

The minimum period to be compensated for any such "callback" time shall be two (2) hours.

10.04 Deferred Compensation

Employees may make voluntary contributions, up to the legal limits, in a City sponsored deferred compensation plan.

10.05 Holiday Pay

An employee shall receive an additional one-half (0.5) hour of pay, at his/her regular current rate of pay, for each hour actually worked on New Year's Day, Thanksgiving Day, and Christmas Day.

ARTICLE 11 — REIMBURSEMENTS

11.01 Tuition Reimbursement

The City shall reimburse employees for tuition on approved courses, to a maximum of one thousand-five hundred dollars (\$1,500) per fiscal year.

Employees must submit tuition reimbursement requests to their Department Head between March 1st and March 30th of each year. Department Heads should make every effort to submit accurate requests for tuition reimbursement during the annual budget process and in accordance with the City's policy on tuition reimbursement.

Tuition reimbursement shall be contingent upon an employee satisfactorily completing course(s) with a minimum of a "C" grade and a commitment to continued service with the City for the equivalent of the school units, not to exceed two (2) years.

Employees enrolled in an approved tuition reimbursement program may charge mileage beyond ten (10) miles against tuition reimbursement at the current City rate.

11.02 Mileage Reimbursement

Employees who are required by the City to use their private vehicles on City business shall be reimbursed for mileage at the prevailing IRS rate.

ARTICLE 12 — NEPOTISM

The City shall implement and enforce a policy prohibiting nepotism as defined below:

- A. No person shall be appointed, promoted or hired into a position in the same department when that person's relative already holds a position in the same department, and such employment would result in a direct supervisor-subordinate relationship.
- B. A direct supervisor-subordinate relationship is one in which one person is responsible for the day-to-day supervision and control of the other person, or is in their direct chain of command. Collateral assignments and occasional, overtime or temporary assignments are not considered to violate this policy:
- C. For purposes of this section, a "relative" means a spouse, child, step-child, parent, grandparent, grandchild, brother, sister, half-brother, half-sister, aunt, uncle, niece, nephew, parent-in-law, brother-in-law or sister-n-law.
- D. If a supervisor and subordinate in the same department are in an intimate relationship, the department reserves the right to transfer the employee with the least City seniority to another assignment within the department that is consistent with this policy, without loss of pay. If no such assignment exists in the department that will remedy this supervisor-subordinate relationship, the employee with least seniority may be transferred to another department. If no such transfer is possible, that employee may be separated from service.

ARTICLE 13 — JOINT LABOR-MANAGEMENT COMMITTEE

The City and the Union agree to establish a Joint Labor-Management Committee (JLMC) to consult on issues of mutual concern. The JLMC shall be limited to a total of four (4) members unless the parties mutually agree otherwise. Two (2) members shall be appointed by the City and two (2) shall be appointed by the Union.

The JLMC shall have authority to develop its own internal procedures, including the scheduling of meetings. The JLMC will make recommendations to the City Council for implementation once the City Council concurs with its recommendation.

This committee will not have the authority to change or amend the MOU or discuss issues of potential discipline.

ARTICLE 14 — GRIEVANCE PROCEDURE

14.01 Statement of Intent

The City and the Union have a mutual interest in resolving workplace issues appropriately,

expeditiously and at the lowest level possible. In recognition of this mutual interest, the parties acknowledge that the grievance process is not a replacement for daily communication between the employee and the supervisor, nor is it inherently an adversarial process. Rather, it is a process to mutually resolve workplace issues to the maximum extent possible within the organization.

14.02 Definitions

A “grievance” is defined as a dispute concerning the interpretation or application of this written MOU, disciplinary action or departmental rules and regulations governing personnel practices or working conditions applicable to employees covered by this MOU including disciplinary actions against employees in this unit.

A “business day” shall be defined as Monday thru Friday, exclusive of City holidays.

14.03 Grievance Process Rights

The parties agree that the following shall not be subject to the grievance procedure:

- A. An impasse in meeting and conferring upon the terms of a proposed MOU.
- B. Any issue that the parties agree to refer to another administrative resolution process.

No grievant shall lose his/her right to process his/her grievance because of City-imposed limitations in scheduling meetings.

The Union may elect to file a group grievance on behalf of two (2) or more employees. The facts and issues of the grievance must be the same. A group grievance will begin at Step 3 of the grievance procedure.

14.04 Time Limits and Waivers

Time limits between steps of the grievance procedure provided herein may be extended by mutual agreement, not to exceed sixty (60) business days. In addition, the grievant and the City may jointly waive one step of review from this grievance procedure.

14.05 Expedited Issues

To resolve issues at the appropriate level, the following issues will be automatically waived to Step 3 of the grievance procedure:

- Group Grievances
- Allegations regarding violations of Article 15 – Union Rights
- Suspensions without pay

- Terminations
- Allegations of failure to accommodate medical restrictions
- Allegations of retaliation
- Whistleblower complaints

Any additional issues may be waived to Step 3 upon mutual agreement of the Union and the City.

14.06 Step 1 – Initial Filing and First Administrative Response

Within ten (10) business days after the employee knew of, or reasonably should have known of, the occurrence of the facts upon which the grievance is based, the grievance must be presented in writing to the employee's immediate supervisor, signed and dated by the employee. The employee shall have the affirmative responsibility to forward a copy to the Personnel Office. The grievance must state the facts upon which the grievance is based, identifying the specific provisions of the MOU and/or Personnel Rules that are alleged to have been violated, and the specific remedy requested.

The immediate supervisor shall meet with the employee within ten (10) business days of receiving the written grievance to secure clarification of the issue, consider the employee's proposed solution, and discuss possible alternative solutions and/or other administrative remedies. The immediate supervisor shall respond in writing within ten (10) business days following the meeting with the employee. The decision shall be personally served upon the employee or mailed to the employee's last known address or as otherwise specified by the employee. Failure of the supervisor to respond within the time limit shall entitle the employee to advance the issue to the next step.

14.07 Step 2 – Second Administrative Response

If the issue is not resolved at Step 1, or jointly advanced to another administrative procedure for resolution, the employee may, within ten (10) business days of receiving the response from the immediate supervisor, present a signed and dated grievance to the Department Head within the ten (10) day filing period, with a copy forwarded to the Personnel Office. The grievance must state the facts upon which the grievance is based, identifying the specific provisions of the MOU and/or Personnel Rules that have been violated, and specify the remedy requested.

The Department Head, or appropriate designee, shall meet with the employee within ten (10) business days of the date of service of the grievance at this Step to discuss the facts and solicit information on possible solutions or other appropriate administrative procedures. The Department Head or appropriate designee shall investigate as necessary to allow fair consideration of the situation and will provide a written response to the employee within the (10) business days of meeting with the employee. Failure of management to respond within the time limits shall entitle the grievant to advance the grievance to the next step.

14.08 Step 3 – Third Administrative Response

1. Individual Grievance

If the grievance is not resolved at Step 2, the employee may serve a written appeal to the City Manager, or designee, within ten (10) business days following (a) receipt of the written response at Step 2, or (b) the last day of the response period provided for in Step 2. The City Manager, or designee, shall meet with the employee within ten (10) business days of the date of service of the appeal, discuss the facts, and solicit information on possible alternative solutions. A written response will be provided to the employee within twenty (20) business days from the date of meeting with the employee.

2. Group Grievance

The Union shall file the grievance in writing with the City Manager, or designee, of the affected department within twenty (20) business days following the day the issue arose. To the extent possible, the filing shall include the issue of the grievance, proposed solution(s), the names of the employees impacted by the issue, and the specific facts pertaining to each grievant. All employees participating in the grievance must waive their respective rights to file an individual grievance on the same issue by completing an individual grievance waiver form prior to the meeting with the City Manager.

The City Manager, or designee, shall provide written notification to the affected department of the receipt of the grievance. The City Manager, or designee, shall meet with the Union within twenty (20) business days of receipt of the grievance to review the facts, solicit information on the proposed solution(s), or consider other appropriate administrative procedures. The City Manager, or designee, may include department managers who have knowledge of the grievance issues in the meeting with the union. The City Manager, or designee, shall prepare a written response within twenty (20) business days of the meeting.

14.09 Step 4 — Mediation

The Union or the City may request mediation, by letter to the City Council. Within ten (10) business days of receipt of a request for mediation, the receiving party shall request that the Union obtain the services of a mediator from the State Mediation and Conciliation Service (SMCS) at no cost to either party.

The primary goal of the mediator shall be to assist the parties in settling the grievance in a mutually satisfactory fashion. The mediation procedure shall be informal in nature (i.e., court reporters shall not be allowed, the rules of evidence shall not apply, and no formal record shall be made). The mediator shall determine whether witnesses are necessary in the conduct of the proceedings.

If settlement is not possible, the mediator may be requested to provide the parties with an immediate oral opinion as to how the grievance would be decided if it went to arbitration. Such opinion shall be advisory only. Upon mutual agreement of the parties, the mediator may be requested to furnish such opinion in writing, along with a brief statement of the reasons for the opinion. Such opinion shall not be used during any subsequent arbitration.

Notwithstanding the above, the parties may mutually agree to accept the opinion of the mediator as binding.

If mediation does not resolve the issue, the grievant has ten (10) business days to file an appeal to advance to the next level in the procedure.

14.10 Step 5 — Binding Arbitration

If the written response at Step 3 or mediation at Step 4, does not settle the grievance, or management fails to provide a written response within thirty (30) business days of the Step 3 meeting, the Union may elect to serve a written request for arbitration with the City Council. A copy of this notice shall be served upon the Personnel Manager. The request for arbitration must be filed with the City Council within twenty (20) business days following (a) the date of service of the written response of the City Manager, or the designee, or (b) the last day of the response period provided for in Step 3. Failure of the Union to serve a written request for arbitration with the City Council within said period shall constitute a waiver of the grievance.

If such written notice is served, the parties shall jointly select an arbitrator from a list of seven (7) arbitrators furnished by the SMCS, within ten (10) business days following receipt of said list. Failure of the Union to notify the City Council of the selected arbitrator within sixty (60) business days of receipt of said list shall constitute a waiver of the grievance.

Arbitration of a grievance hereunder shall be limited to the formal grievance as originally filed by the employee to the extent that said grievance has not been satisfactorily resolved. The proceedings shall be conducted in accordance with applicable rules and procedures adopted or specified by the SMCS, unless the parties hereto agree to other rules or procedures for the conduct of such arbitration. The fees and expenses of the arbitrator shall be paid by the losing party, it being mutually understood that all other expenses including, but not limited to, fees for witnesses, transcripts, and similar costs incurred by the parties during such arbitration, will be the responsibility of the individual party incurring same.

The decision of an arbitrator resulting from any arbitration of a grievance hereunder shall be binding upon the parties concerned.

The decision of an arbitrator resulting from any arbitration of grievances hereunder shall not add to, subtract from, or otherwise modify the terms and conditions of this MOU.

ARTICLE 15 — UNION RIGHTS

15.01 Union Stewards

SEIU shall designate a reasonable number of stewards, but not to exceed ten percent (10%) of the unit. A certified steward may represent a grievant at all steps of the grievance procedure. The Union shall provide to the City Manager a written list of employees who have been so designated. Management will accept on a quarterly basis any changes to the list.

15.02 Protection Against Discrimination and Retaliation

Management recognizes stewards as official representatives of the Union, and such representatives are entitled to all rights and protections as defined by law and this MOU.

No steward shall be discriminated against or retaliated against in any manner because of the exercise of rights and duties as protected by law and this MOU.

The employer shall provide equal rights to stewards with disabilities.

Stewards who are assigned to work an evening shift, night shift, rotating shift, or weekend shift shall be accorded full and equal rights under release time, including paid time status on employer's time, and shall not be discriminated against because of shift assignment.

Grievances filed under this section shall be expedited to Step 3 of the grievance procedure.

15.03 Union Release Time

1. Union Stewards

Stewards shall be allowed necessary time off without loss of any compensation and benefits to perform the responsibilities of their positions, including but not limited to the investigation and processing of grievances, representation at Skelly hearings, Weingarten meetings, informal meetings with Management, pre-disciplinary interviews where there is a reasonable expectation that disciplinary action will follow, all levels of the grievance procedure, JLMC meetings, new employee orientations, negotiations, steward trainings, steward meetings, paid time off for lost-time status, and to observe working conditions.

Management is responsible for staffing to accommodate paid release time for union activities upon receipt of two (2) weeks advance written notice for release time.

An employee and his/her steward may have a reasonable amount of paid time off for the above-listed activities.

If a steward must leave his/her work location to represent an employee, he/she shall first obtain permission from his/her supervisor. Permission to leave will be granted unless such

absence would cause an undue interruption of work. If such permission cannot be granted promptly, the steward will be informed when time can be made available. Such time will not be more than forty-eight (48) hours, excluding scheduled days off and/or legal holidays, after the time of the steward's request unless otherwise mutually agreed to. Denial of permission to leave at the time requested will automatically constitute an extension of time limits provided in the grievance procedure herein, equal to the amount of the delay.

Before leaving his/her work location, the steward shall call the requesting employee's supervisor to determine when the employee can be made available. Upon arrival, the steward will report to the employee's supervisor who will make arrangements for the meeting requested.

Time spent on grievances, or the pre-disciplinary representation activities described above, outside of regular working hours of the employee or his/her steward shall not be counted as work time for any purpose. Whenever these activities occur during the working hours of the employee and/or the steward, only that amount of time necessary to bring about a prompt disposition of the matter will be allowed.

2. Membership Meetings

The City agrees to release any employee, who is regularly scheduled to work, for up to one (1) hour per month, to attend a bargaining unit membership meeting without loss of compensation or benefits.

The City agrees to provide the Union with a meeting room for this purpose. The date, time and location of such meetings will be mutually agreed upon by the City and the Union.

15.04 Payroll Deductions

It is understood and agreed that SEIU has the right to payroll deductions of membership dues, agency service fees, charitable contributions, voluntary political contributions and any other applicable premiums from bargaining unit employees. Such deductions shall be made monthly and forwarded to the SEIU Local 721 office.

Employee authorization for payments shall be made on a form provided by the Union. The City, however, will deduct the appropriate amounts from an employee's paycheck, which has been identified by the Union, whether or not the appropriate deduction form has been received.

SEIU agrees to hold the City of San Fernando harmless against any and all claims, demands, suits, and other forms of liability that may arise out of or by reason of such payroll deductions.

15.05 Reporting Requirements

Management will provide SEIU with a list of represented employees in the unit in alphabetical

order, on a quarterly basis.

The list shall include the following information for each employee: employee full name, employee identification number, class title, department, home address, mailing address (if different), telephone number, date of hire, union status (i.e. dues paying member, agency fee payer, or religious objector), salary step, rate of pay, and identify any changes in employment status (i.e. new hire, promotion, demotion, separation from service, etc.) and the effective date(s) of such changes.

This list shall be provided in an unformatted electronic format, preferably Excel, to the designated SEIU representative(s).

15.06 Agency Shop

1. Agency Shop Arrangement

The City and the Union mutually understand and agree that, pursuant to Government Code §3502.5, there exists an agency shop arrangement between the parties and all employees in the unit have the right to join, or not join, the Union.

The parties have agreed to an agency shop arrangement, which requires that as a condition of continuing employment, within thirty (30) days of entering the bargaining unit, employees in the unit must either join the Union, pay to the Union a service fee in lieu thereof, or establish a religious exemption there from.

2. Membership Dues

An employee who chooses to join the Union shall pay the membership dues uniformly required of SEIU Local 721 members.

3. Agency Fee Payers

Any employee who chooses not to join the Union, and who is employed in the bargaining unit, shall make payment of service fees in lieu of dues to the Union beginning no later than thirty (30) days of entry into the unit. Such payments shall not exceed the periodic dues uniformly required of members.

4. Religious Objectors

Any employee, who because of bona fide religious tenets or teachings of a church or religious body which has historically held conscientious objections to joining or financially supporting public employee organizations and of which such employee is a member, may request a religious exemption. To be considered for such exemption, the employee is required to submit a written request for exemption, in accordance with the Union's policies regarding religious objectors. Upon approval of such request, the Union shall submit the withheld funds, deducted in an amount equal to dues/service fees, to a non-religious, non-

labor charitable organization exempt from taxation under Section 501(c)(3) of the Internal Revenue Code, to be chosen by the employee.

5. Record Keeping

SEIU shall keep an adequate itemized record of its financial transactions and make a detailed written financial report available to the employees who are members of the organization within sixty (60) days after the end of the fiscal year. A copy of financial reports required under the Labor Management Disclosure Act of 1959 or Government Code §3456.6 shall satisfy this requirement.

6. Hold Harmless/Indemnity Clause

SEIU agrees to hold the City harmless and indemnify the City against any claims, causes of action, attorney's fees, or lawsuits arising out of the deductions or transmittal of such funds to the Union.

15.07 Maintenance of Membership

All unit members who, on the 15th day following the effective date of this MOU or thereafter, are members of the Union in good standing shall maintain membership in the Union, including payroll deductions in Sections 15.04 and 15.06 above, for the term of this MOU.

Every employee who is a member of the Union shall have a right to withdraw from membership between April 1st and April 15th in the year of expiration of this MOU. To withdraw from membership, the employee shall notify SEIU, in writing, of their termination of authorization for union dues payroll deductions. Such notification shall be delivered in person, or by United States mail, and should be in the form of a letter, signed and dated by the individual employee, containing the following information: employee full name, employee identification number, job classification, employer's name, and a statement of request to cancel union dues payroll deductions for SEIU.

15.08 Voluntary Political Contributions

The City agrees to allow unit employees to make voluntary political contributions to the SEIU Local 721 Committee on Political Education (COPE) through payroll deductions. Any unit employee interested in making such contributions shall authorize the City in writing on a form, which clearly indicates that the funds will be used for political activities, and that the contribution is voluntary in nature. The Union shall abide by all Federal and State laws relating to such contributions, and indemnify the City in the event of litigation.

15.09 Bulletin Boards

The City shall grant the Union reasonable access to bulletin boards in all work locations to post notices as needed, for the purpose of notifying members of meetings, elections, events, and other relevant union activities. Such access shall not unduly interfere with the normal

operations of the City or with established safety or security requirements.

15.10 Visits by Union Representatives

The City agrees that union representatives shall have reasonable access to the premises of the City during working hours for the purpose of assisting in the administration of this MOU. Such access shall not unnecessarily disrupt the work of City employees.

15.11 New Employee Orientation

A representative from SEIU will be allowed to speak to and provide new employees to the bargaining unit with SEIU enrollment information during the employee's orientation. The City agrees to furnish each new employee with a copy of the current MOU.

ARTICLE 16 — LAYOFFS

16.01 Layoffs

Whenever the City Council determines that employees are to be laid off due to curtailment of work, reorganization, lack of funds, or because the necessity for a position no longer exists, the city shall meet and confer prior to the layoffs with SEIU 721 to take appropriate action to mitigate such negative consequences of the City's action to bargaining unit employees. Such mitigation may include, but not be limited to, job placement assistance, and severance compensation subject to the meet and confer process.

The City Council may authorize the City Manager to layoff or transfer or demote in lieu of layoff. The City Manager shall notify those employees to be laid off at least ten (10) working days prior to the effective date of any such layoff. If less than a ten (10) working day notice is given, the City shall pay commensurate pay up to ten (10) days total.

16.02 Seniority in Layoffs

Layoff shall be by seniority. Seniority for purpose of layoff shall be determined by the date of original appointment to the class. The seniority list shall include all permanent employees. When seniority is equal, the employee with the earliest hire time (original appointment in department for General Employees and original appointment in department to non-sworn position for Police) shall be determined to have the most seniority.

All temporary and probationary employees in the class involved shall be separated prior to provisional or permanent employees.

Permanent employees shall be laid off in the reverse order of seniority.

16.03 Bumping Rights

Any employee scheduled for layoff shall have the right to bump within a classification (should the job classification change, the employee will be able to use the new/current comparable classification to bump) in which he/she formally held. Seniority in this instance would be time served in this class and time in higher classification.

16.04 Re-Employment Lists and Call Back

Upon submission of the approved form to the Personnel Manager, employees laid off or demoted in lieu of layoff or transfer in lieu of layoff shall have their names placed on a re-employment list for their former class. The name of any employee on a re-employment list shall be ranked in order of the effective date of the layoff or demotion in lieu of layoff. A laid-off employee reappointed from a re-employment list shall be considered as having been on leave of absence without pay during the period of layoff. The names of employees on the re-employment list shall be retained for the term of the MOU. If a vacancy is filled from a re-employment list, the appointee shall be the individual whose name appears in the first position on such list.

16.05 Transfer in Lieu of Layoff

Transfers, including lateral, will be by seniority within a classification. The City shall request volunteers first and if there are no volunteers, the employee with the least seniority will be automatically transferred.

The transfer will be held in abeyance and posted in Personnel and respective department for five (5) work days to allow for volunteers to apply.

Should the position that the employee was transferred from become available, the employee who volunteered or was transferred due to his/her seniority shall be offered the available position or shift and will have the right of first refusal.

ARTICLE 17 — PERSONNEL PROVISIONS

17.01 Probationary Periods

Upon initial hire or promotion, each employee shall serve a probationary period of no less than six (6) months and no greater than twelve (12) months.

17.02 Job Classifications and Descriptions

In the event the City desires to establish a new classification, or revise an existing job classification and/or description, during the term of this MOU, the City shall meet and consult in good faith with the Union regarding the proposed change(s). The City agrees to provide the Union with a draft of the change(s) under consideration, prior to making any recommendations

to City Council.

17.03 Privatization/Contracting Out

The City agrees to meet and confer on the impacts of any decision to privatize or contract out any bargaining unit work.

The City will make a good faith effort to provide the Union with at least thirty (30) calendar day's written notice of its intention to privatize or contract out work which is currently being performed by bargaining unit members.

Upon request, the City will meet with the Union to explain the rationale for the decision. If there are formal studies, which were used to determine the feasibility, cost benefit, efficiency or other aspects of the proposal, these reports will be shared with the Union.

The City will consider the Union's proposals to accomplish the same work at competitive efficiency and cost levels, provided such proposals are submitted in writing no later than fifteen (15) days following the City's notice.

The City Council shall retain sole authority to decide whether or not to privatize or contract out the work and the provisions of this section shall not limit the City Council's authority to do so.

ARTICLE 18 — RETIREMENT

The City provides eligible employees with retirement benefits through the California Public Employees Retirement System (CalPERS). Such benefits are subject to applicable law and regulations, including but not limited to the Public Employees' Retirement Law (PERL), the Public Employees' Pension Reform Act (PEPRA) of 2013, and CalPERS.

18.01 Eligibility for Part-Time Employees

Pursuant to CalPERS regulations, a part-time employee shall become eligible for CalPERS membership on the first day of the pay period in which the employee completes one thousand (1,000) hours of service during any fiscal year (July 1st through June 30th). A "part-time employee" is defined by CalPERS, as an employee who works less than forty (40) hours per week for a majority of the weeks in a year.

18.02 CalPERS Membership

For the purpose of retirement benefits, eligible employees are defined as either a "classic" or "new" member of CalPERS as follows:

A. "Classic" Member

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

B. "New" Member

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

18.03 Retirement Plans

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

1. TIER I Miscellaneous Plan

For eligible employees hired on or before November 12, 2005, the City's contract provides a 3% @ 60 modified retirement formula (Government Code §21354.3) based upon the Single Highest Year (Government Code §20965).

No cap on annual salary that can be used to calculate final compensation.

This Plan provides an Annual Cost-of-Living Allowance of five percent (5%).

2. TIER II Miscellaneous Plan

For eligible employees hired between November 13, 2005 and December 31, 2012, the City's contract provides a 2% @ 55 modified retirement formula (Government Code §20475) based upon the Single Highest Year (Government Code §20965).

No cap on annual salary that can be used to calculate final compensation.

This Plan provides an Annual Cost-of-Living Allowance of three percent (3%).

3. TIER III Miscellaneous Plan

For eligible employees hired on or after January 1, 2013, who are not eligible for reciprocity and are considered “new” members of CalPERS, PEPRAs mandates a retirement formula of 2% @ 62 based upon a Three Year Average.

Pensionable compensation cap on annual salary used to calculate final compensation.

This Plan provides an Annual Cost-of-Living Allowance of two percent (2%).

18.04 Rates of Contributions

1. TIER I & TIER II Miscellaneous Plans

Employee contributions shall be paid by the City as an Employer Paid Member Contribution (EPMC), pursuant to Internal Revenue Code 414(h)(2).

The City shall continue to report the value of the EPMC to CalPERS as compensation earnable on behalf of each eligible employee pursuant to Government Code §20636(c)(4).

The City shall pay one hundred percent (100%) of the employee’s contribution as the EPMC and one hundred percent (100%) of the employer’s obligation.

The employee shall not be required to pay any (0%) of the costs.

2. TIER III Miscellaneous Plan

In accordance with PEPRAs, the City and employee will participate in equal sharing of normal costs, with both the City and employee paying fifty percent (50%) of the normal costs.

18.05 Optional CalPERS Benefits

1. The City shall continue to provide the 4th Level of 1959 Survivor Benefits (Government Code §21574).
2. The City shall continue to provide credit for unused sick leave as per CalPERS guidelines (Government Code §20965).
3. The City shall continue to provide Military Service Credit as Public Service as per CalPERS guidelines (Government Code §21024).

EXECUTION OF THE NEW AGREEMENT

This MOU was approved by a majority vote of the City Council of the City of San Fernando on November 21, 2016.

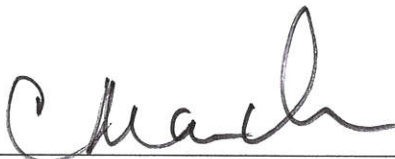
This MOU was ratified on November 29, 2016 by a simple majority vote of unit employees who are in classifications represented by SEIU Local 721 as set forth in this agreement.

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


In witness hereto, the parties have cause for this agreement to be executed December 1, 2016.

CITY OF SAN FERNANDO

SAN FERNANDO PART-TIME EMPLOYEES BARGAINING UNIT (SFPEBU), SERVICE EMPLOYEES INTERNATIONAL UNION (SEIU) LOCAL 721



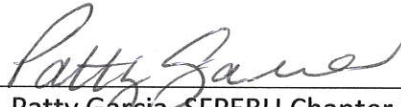
Chris Marcarello, Chief Negotiator
Deputy City Manager/ Public Works Director



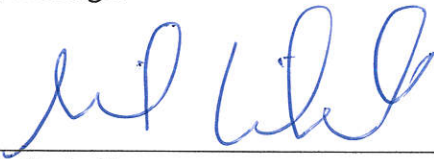
Wendy Thomas, Chief Negotiator



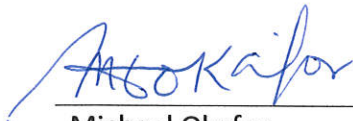
Brian Saeki
City Manager



Patty Garcia, SFPEBU Chapter Representative
Program Specialist



Nick Kimball
Finance Director



Michael Okafor
Personnel Manager