



AGENDA STAFF REPORT

DATE: May 3, 2017

TO: Mayor and City Council

APPROVED BY: Armando G. Villa, City Manager *AGV*

PREPARED BY: Armando G. Villa, City Manager

SUBJECT: Letter of Understanding between the City of Calexico and the Calexico City Supervisors Association

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Recommendation:

Staff recommends approval of Letter of Understanding between the City of Calexico and the Calexico City Supervisors Association.

Background:

The City held a mediation meeting on April 25, 2017 with the Supervisors' Association in an effort to reach agreement on new MOUs. During the meeting, the City and the Supervisors' Association came to a tentative agreement on several proposals.

Discussion & Analysis:

The Letter of Understanding details the following terms agreed upon by both parties:

Existing Bargaining Unit Employees:

1. CalPERS full employee contribution pick-up, effective July 1, 2017 (7% for non-safety members and 9% for safety members).
2. Health insurance employee contribution increase of 15%, for a total of 20% contribution, effective July 1, 2017.

Employees hired, promoted or transferred into bargaining unit as of implementation:

1. 10% salary reduction.
2. CalPERS Full employee contribution pick-up, effective immediately.
3. Health Insurance Employee Contribution increase of 15%, for a total of 20% contribution, effective immediately.

This agreement is subject to ratification by the Association Membership and City Council.

Fiscal Impact:

Salary and benefit concessions will yield saving to the General Fund and Enterprise Fund for FY 017-2018.

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Mayor Real commended persons like Maribel Padilla and Javier Gonzalez for their work in the community. He commented on the issues the City endures which are out of the city's control and the lack of assistance from the state and federal government. He stated commerce in Calexico is most important for growth so the City can once again be up to full staffing.

Ricardo Servin announced the passing of Adriana Lopez, former City Employee.

CITY MANAGER'S REPORT

City Manager Villa addressed the comments by council and the needs clearly stated. He also commented that with regards to the Police issue, he met with HR and the City is making sure it is very careful on who is hired to replace the people that leave because the City does not want a runaway budget as in the past. Special Meeting on May 9, 2017 to address the certified financial statements for 2015-2016 and will be presenting the Capital Improvements Program for next year. On May 17, 2017 the city of Mexicali has requested meeting to re-sign the Sisterhood Agreement with the City of Mexicali at 5:30 p.m. and reconvene as a council following this meeting at 6:30 p.m. or 7:00 p.m.

CONSENT AGENDA

Council Member Hodge pulled Item No. 8 for clarification.

Mayor Real motioned to approve the consent agenda consisting of Item No.'s 5, 6, 7, 9, 10 and 11 as follows: Approval of City Council/Calexico Community Redevelopment Agency Successor Agency/Calexico Financing Authority Minutes for Meetings of February 1, 2017, February 15, 2017, March 1, 2017, March 15, 2017, April 5, 2017, April 19, 2017; Warrants from April 6th to April 20th, 2017 and City Salaries & Benefits from April 1st to April 7; Resolution of the City of Calexico in Support of California Regional Water Quality Control Board Colorado River Basin Region Resolution No. R7-2017-Xxxx Requesting the Federal Government take Decisive and Timely Action to Eliminate Bypasses of Raw Sewage from Mexicali into the New River; Adopt a Resolution of the City Council of the City of Calexico Approving Submittal of Application(s), and Supporting Documents, for All CalRecycle Grants for which City of Calexico is Eligible Between May 3, 2017 and June 30, 2018; Adopt an Environmentally Preferable Practices and Purchases Policy; Letter of Understanding between the City of Calexico and the Calexico City Supervisors Association.

Motion seconded by Council Member Pacheco and passed by the following vote to wit:

AYES:	Real, Pacheco, Escobar, Hodge
NOES:	None
ABSENT:	Hurtado
ABSTAIN:	None

Coordinated With:

City Manager.
City Attorney.

Attachments:

1. Letter of Understanding between the City of Calexico and the Calexico City Supervisors Association.

**Letter of Understanding
Between
The City of Calexico and
The Calexico City Supervisors Association**

The City of Calexico (City) and the Calexico City Supervisors Association (Association) have previously met and conferred and agreed upon the following Letter of Understanding (LOU) dated May 3, 2017. In light of a pending budget shortfall for the fiscal year 2016 through 2017, the parties have agreed to certain fiscal concessions.

1. CalPERS Pick Up

Beginning as of July 1, 2017 and in perpetuity thereafter, in lieu of the retirement benefits as set forth in the MOU, the parties agree that the Association members will pick up their individual CalPERS contribution (7% for non-safety members and 9% for safety members).

As such, Article 14, Section 1 of the MOU shall be revised as of July 1, 2017 to read:

Section 1 – Retirement. The City shall continue its contract with the California Public Employee Retirement System CalPERS. The City shall continue to pay its portion of the cost except as provided for in this section.

All unit members other than "new members" as defined by California Government Code section 7522.04(f) shall individually pay the full member contribution required by CalPERS.

Unit members who are "new members" as defined in California Government Code section 7522.04(f), shall be required to pay a PERS contribution in an amount equal to 50% of the normal cost rate, up to a maximum of 8% for non-safety members and 12% for safety members, for the Defined Benefit Plan provided for by PEPPRA, in which the new member is enrolled, rounded to the nearest quarter of 1% or the current contribution rate of similarly situated employees, whichever is greater, pursuant to Government Code section 7522.30.

Those non-safety "new members" shall be enrolled in the 2.0% at 62 Benefit Plan, as provided for in Government Code section 7522.25(e), with a final compensation measurement period of 36 consecutive months as set forth in Government Code section 7522.32(a).

Those safety "new members" shall be enrolled in the 2.7% at 57 Benefit Plan, as provided for in Government Code Section 7522.25(d), with a final compensation measurement period of 36 consecutive months as set forth in Government Code Section 7522.32(a).

2. Health Benefit Premium Pick Up

Beginning as of July 1, 2017 and in perpetuity thereafter, in lieu of the health benefit premium obligations set forth in the MOU, the parties agree that the Association members will pick up an additional 15% of their premium. In combination with the prior 5% picked up by the Association, the total member pick up will be 20% of the health benefit premium.

As such, Article 13, Section 2 of the MOU shall be revised as of July 1, 2017 to read:

Group Medical/Dental/Vision Insurance. The City agrees to contribute 80% of the health benefit premium for the employee's selected health benefit package.

Employees will be responsible for 20% of any health benefit premium. The City and the Association agree that the City's Health Plan will no longer cover lifestyle (not medically necessary) prescription drugs.

Permanent Part-time Employees Medical Plan. A capitated medical plan is available to permanent part-time employees limited to medical services provided in Mexicali, B.C. Mexico by Almater Hospital and containing a maximum yearly benefit amount of \$15,000.00. The premium of \$75.00 per month for this medical plan will be paid 1/2 by the permanent part-time employee and 1/2 by the City.

3. Transferred, Promoted, or Newly Hired Association Members.

The parties agree that, regardless of the stated effective date of July 1, 2017, the provisions in Sections 1 and 2 of this LOU shall be *immediately* effective and implemented as to any employee who is transferred, promoted, or newly hired into the Association. Likewise, any employee transferred, promoted, or newly hired into the Association shall be subject to a ten percent (10%) reduction to starting position salary. The Association shall not grieve or object to the City's revision of City documents, including the Salary Schedule, to reflect a lower position salary, given that it is understood employees currently holding the positions are grandfathered into the prior salary.

4. Remainder of the Contract Not Affected

While the parties anticipate continued negotiation regarding the terms of a new Memorandum of Understanding (MOU), all other provisions of the current MOU between the City and the Association shall remain unchanged.

IN WITNESS WHEREOF, the parties hereto have executed this Letter of Understanding as of the latest day and year below.

Date: _____

Date: _____

CITY OF CALEXICO

CALEXICO CITY SUPERVISORS ASSOC.

Armando G. Villa, City Manager

Eduardo Gutierrez, Interim Director of Finance

Nick Fenley, Chief Negotiator

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**MEMORANDUM OF UNDERSTANDING BETWEEN
THE CITY OF CALEXICO
AND THE CALEXICO CITY SUPERVISORS' ASSOCIATION
July 1, 2011 to June 30, 2012**

This Memorandum of Understanding (MOU) is by and between the Calexico City Supervisor's Association (Association) and the City of Calexico (City).

ARTICLE 1 – RECOGNITION AND STATUS OF AGREEMENT

Section 1 – Recognition: The City formally recognizes the Association as the exclusive bargaining agent for the bargaining unit composed of all persons employed in a full time Supervisor classification.

Section 2 – Ratification:

This MOU is of no force or effect until ratified and approved by the Association membership and by the City Council through a duly adopted Resolution. Upon ratification, this MOU reflects the sole agreement of the parties thereto and supersedes all prior agreements whether written or oral. Prior to ratification of this MOU by both parties, the MOU previously in place will govern any matters. However, after ratification of this MOU by both parties, this MOU will govern all matters herein described.

Section 3 – Scope of Representation: The scope of representation is as set forth in City Council Resolution No. 2204, entitled: "Resolution of the City Council of the City of Calexico Pertaining to Employer-Employee Relations for the City of Calexico," dated July 7, 1970.

Section 4 – Rules and Regulations: All bargaining unit members shall be subject to the City's Personnel Rules and Regulations. No amendment to the Personnel Rules and Regulations shall amend or modify any provision found in this MOU

ARTICLE 2 – MANAGEMENT RIGHTS

The City retains all its exclusive rights and authority under State law, and expressly and exclusively retains its management rights, which include, but are not limited to:

The exclusive right to determine the mission of its constituent departments, commissions, boards; set standards and levels of service; determine the procedures and standards of selection of employment and promotions; direct its employees; discharge, suspend, demote, reprimand, withhold salary increases and benefits or otherwise discipline employees in accordance with applicable law; establish and modify employee performance and productivity standards including, but not limited to quality and quantity standards established by department policy; enforce dress and grooming

standards established by department policy; determine style and/or types of City-issued wearing apparel, equipment or technology to be used; relieve its employees from duty because of lack of work, lack of funds, or other legitimate reasons; maintain the efficiency of governmental operations; determine the methods, means, and numbers or kinds of personnel by which government operations are to be conducted; determine whether goods or services should be made, purchased, or contracted for; determine the content and intent of job classifications; determine financing methods; determine and or change the facilities, methods, technology, means, organizational structure and size and composition of the work force, and allocate and assign work by which the City operations are to be conducted; determine and change the number of locations and types of operations, processes and materials to be used in carrying out all City functions, including the right to contract for or subcontract City work, functions or operations; assign work to and schedule employees; take all necessary actions to carry out its mission in emergencies; and exercise complete control and discretion over its organization and the technology of performing its work.

The City's exercise, through its City Council and management representatives, of its rights shall not in any way, directly or indirectly, be subject to the grievance procedure. The Association retains the right to grieve whether any particular action constitutes a "management right" as defined here. The Association retains its rights under the Meyers-Milias-Brown Act (MMBA) to request to meet and confer to the extent that the City's exercise of any of these management rights has a significant impact upon the scope of bargaining.

ARTICLE 3 – EMPLOYEE AND ASSOCIATION RIGHTS

Section 1 – Negotiation Team: A maximum of two (2) Association representatives shall be allowed time off for all scheduled meetings mutually set between City and Association.

Section 2 – Bulletin Board: The Association may use up to ¼ of the shop lounge bulleting board:for Association business.

Section 3 – Meetings: The City or the Association can call for a meeting at a reasonable time, date and place regarding any matter of concern in the interest of maintaining good employer-employee relations.

Section 4 – Discrimination: The City and the Association agree not to discriminate against any employee because of his/her activity, membership, or lack thereof in the Association. The City and Association agree that there shall be no discrimination against any employee on the basis of race, color, religion, national origin, sex, age, sexual orientation, or disability.

Section 5 – Safety Equipment: The City agrees to provide each bargaining unit member any and all safety equipment as required by Cal-OSHA and approved by the City Manager.

Section 6 – Personnel Files: A separate file for each employee will be maintained in the Human Resources Department of the City. These files will be made available only to authorized personnel with the approval of the Human Resources Director. Employees will be shown their personnel folder upon written request. In addition to the employee's personal and vital statistical data, resume and/or application, the file will contain a copy of the supervisor's evaluation, copies of letters of commendation or complaint, grievance filing results, reports of disciplinary action or reprimand, reports of training, achievement awards for special recognition, and other documents required to be maintained by law, etc.

ARTICLE 4 – WORK SCHEDULE

Section 1 – Work Week: The City's workweek begins Wednesday at 12:00 a.m. and ends on 11:59 p.m. on Tuesday. The City shall implement a 9/80 work schedule for all non-safety employees. The City agrees to meet and confer with the Supervisors Bargaining Group in the 2009-2010 Fiscal Year regarding a uniform work schedule with employees supervised by members of this bargaining group.

Section 2 – Rest Period: A 15-minute rest period is permitted in the morning and also in the afternoon. When there is a need to maintain continuous service or to answer telephones, employees will develop a coordinate schedule to provide to necessary service without interruption.

Section 3 – Time Away From Work: An employee who is out of his/her regular place of work, during work hours, must notify his/her supervisor, or secretary, where he/she may be reached.

ARTICLE 5 – COMPENSATION AND OVERTIME PAY

Section 1 – FLSA Overtime Pay: The City uses a 40-hour workweek standard to calculate FLSA overtime pay. FLSA overtime pay is compensated at 1.5 times the employee's regular hourly rate of pay. Unit members are not entitled to any type of administrative leave.

Section 2 – Compensatory Time Off: The City may compensate bargaining unit members with compensatory time off (CTO), in lieu of cash overtime, at the bargaining unit member's election, at a rate of 1.5 hours for each hour of FLSA overtime worked. Once a unit member accrues 240 hours of CTO, the City shall pay overtime compensation in cash. The City shall not unreasonably deny a bargaining unit member the use of CTO.

4. **Remainder of the Contract Not Affected**

While the parties anticipate continued negotiation regarding the terms of a new Memorandum of Understanding (MOU), all other provisions of the current MOU between the City and the Association shall remain unchanged.

IN WITNESS WHEREOF, the parties hereto have executed this Letter of Understanding as of the latest day and year below.

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CITY OF CALEXICO

CALEXICO CITY SUPERVISORS ASSOC.

Armando G. Villa, City Manager

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Section 3 – Longevity Pay: Effective December 1, 2001, bargaining unit members are entitled to longevity pay according to the following schedule: \$20.00 per month for 6 years of continuous service; and additional \$30.00 per month for 10 years of continuous service; and additional \$40.00 for 15 years of continuous service; an additional \$50.00 a month for 20 years of continuous service; and additional \$60.00 for 25 years of continuous service. A bargaining unit member is only entitled to that amount of longevity pay listed for his/her current years of continuous service. This benefit shall be deleted for all employees hired on or after January 1, 2002. All existing employees shall be entitled to receive longevity pay until their employment with the City of Calexico is terminated.

Section 4 – Merit Increases: Employees hired on or after January 1, 2003 shall be hired at Step 1 of the salary range and will move to higher steps upon merit in the following manner:

FROM	TO	TIME
Step 1	Step 2	9 months
Step 2	Step 3	1 year
Step 3	Step 4	1 year
Step 4	Step 5	1 year

Employees hired on, or after, January 1, 2002, shall be hired at Step 1 of the salary schedule and move to a higher step based upon merit in the following manner:

FROM	TO	TIME	MERIT EVALUATION
Step 1	Step 2	6 months	“Standard” or better
Step 2	Step 3	1 year	“Standard” or better
Step 3	Step 4	1 year	“Standard” or better
Step 4	Step 5	1 year	“Standard” or better
			“Standard” = 71% or better

Employees hired before January 1, 2002, shall move to higher steps based on merit in the following manner:

FROM	TO	TIME	MERIT EVALUATION
Step 1	Step 2	6 months	“Standard” or better
Step 2	Step 3	6 months	“Standard” or better
Step 3	Step 4	1 year	“Standard” or better
Step 4	Step 5	1 year	“Standard” or better
			“Standard” = 71% or better

Failure of the City to issue a timely Merit Evaluation on a form, prior to the anniversary date, mutually agreed to between the City and the Association shall be treated as a "Standard" evaluation and shall cause the employee to be awarded the appropriate step increase.

Section 5 – Professional Development Program:

For bargaining unit members who were hired prior to January 1, 2006, the member not on initial hire probation shall be paid for all college degrees earned from an accredited institution of higher education, pursuant to the following non-cumulative education incentive pay (an employee transferring from another City department shall be considered an initial hire for the purposes of this section):

- A. A salary increase of 5% upon completion of an AA or AS degree with a grade of "C" or better (but no unit member will receive more than one salary adjustment under this provision);
- B. If the unit member previously received a salary increase of 5% upon completion of an AA or AS degree, the unit member shall receive a salary increase of 5% upon completion of a BA or BS degree (but no unit member will receive more than one salary increase under this provision). If the unit member did not previously receive a salary increase upon completion of an AA or AS degree, the unit member shall receive a salary increase of 10% upon completion of a BA or BS degree (but no unit member will receive more than one salary increase under this provision).

No unit member shall receive more than a total salary adjustment of ten percent (10%) under this section during the member's employment with the City. This provision will apply only to unit members hired prior to January 1, 2006. However a bargaining unit member receiving a stipend for college units (either 2.5, 5 or 7.5 percent), under an MOU effective prior to October 1, 2002, will continue to receive that stipend during his/her employment in the bargaining unit, until he/she qualifies for a higher stipend under this provision. A unit member receiving 5% stipend for units under a former MOU will, upon qualifying for an AA or AS degree salary adjustment receive only one such salary adjustment, as all stipends are non-cumulative.

All unit members hired on or after January 1, 2006 shall not receive any benefits under this Section.

Under this Professional Development Program, eligibility for the above-described stipends and salary increases are subject to the following conditions: (1) The employees interested in career advancement shall submit a request describing the educational opportunities to their department heads for review and consideration. The request must be job related and specific to the employee's position and department. (2) If the department head finds that the educational opportunity or degree obtained is specific to

the employee's position with the City, then the department head will grant the applicable stipend or salary increase.

Section 6– Uniform Allowance:

- A. Any bargaining unit member required to use work safety boots will receive a \$200.00 boot allowance in July of each year for the purchase of CalOSHA safety boots.
- B. Each bargaining unit member will receive \$500 for uniform allowance.
- C. The City will provide the allowance in a separate check on a date between July 1 – 14.

Section 7 – State and Federal Certification:

The City agrees to pay a stipend equal to 5% of base salary pay increase to a bargaining unit member for any Water and Wastewater Operator certification required by the Department over that required by State and Federal agencies, for so long as the employee maintains the valid higher certification. The City agrees to pay the cost of State and Federal certification renewal fees and membership fees in AWWA, CWPCA, WPCF and SWAAAE. This will not result in a reclassification or promotion.

Section 8 – Water/Wastewater Distribution and Collection Certification Pay for Water Treatment Plant Supervisor, Wastewater Plant Supervisor and Operations Maintenance Supervisor:

Upon attaining a Grade III or higher Water Distribution or Grade II or higher Collection certificate from the State of California required by the Department, the bargaining unit member will be paid a stipend equal to 2.5% of base salary, for so long as the bargaining unit member maintains the valid certification. This will not result in a reclassification or promotion. Effective January 1, 2006, possession of the Grade III Water Distribution certificate and the Grade II Collection certificate will be a minimum position qualification for all bargaining unit members in these job classifications and the stipend will be converted into base salary.

Section 9 – Cost of Living Increases:

No cost of living salary adjustment shall be provided for the duration of this MOU.

Section 10 – Work Furlough: Employees are subject to a work furlough for Fiscal Year 2011-2012 in the amount of 208 hours. An amount equivalent to 208 hours will be deducted from each employee's salary in Fiscal Year 2011-2012. The furlough hours shall remain in a furlough leave balance account for each employee, which must be used during fiscal year 2011-2012, according to subsections (A) through (D) below.

- A. Employees' regular paycheck shall be reduced by an amount reflecting the work furlough.
- B. The use of furlough hours must be pre-approved by employee's immediate supervisor. In cases where approvals relating to which employee within a particular classification will work during the furlough period, seniority shall not be the sole determining factor. Consideration shall also be given to employee preferences, equity, and needs of the employee's Department and the City.
- C. Furlough hours will be prorated for new hires, terminating employees, and employees who have an established schedule of three-quarter (3/4) time or less.
- D. Employees scheduled to be off during a furlough period, who are called in to work due to operational necessity, shall have the option of having the appropriate number of hours of furlough leave credited to their furlough leave bank or receiving overtime compensation for the actual hours worked.

ARTICLE 6 – PROBATION

- A. The parties agree to meet and confer in Fiscal Year 09-10 on the subject of extending the probationary period to one year for all new employees hired or promoted on or after July 1, 2009.
- B. All new employees hired on or after January 1, 2003, shall be subject to a probationary period of nine months. This includes promotions which are effective after that date.

ARTICLE 7 – RESIGNATION AND DISCIPLINE

Section 1 – Resignation: A bargaining unit member may voluntarily separate from City employment. A month's notice of intended separation is desired so that management may have sufficient time to obtain a necessary replacement, and a minimum of 2 full weeks is strongly recommended.

Section 2 – Disciplinary Action: A supervisor, who receives prior concurrence of his/her immediate supervisor, may discipline any bargaining unit member for just and valid cause. However, due and careful consideration will be given to all facts surrounding the reason for discipline before the final action is taken. A bargaining unit member shall receive written pre-disciplinary notice of the facts and charges in any proposed disciplinary action that involves a loss of pay.

Section 3 – Appeal of Disciplinary Action: A bargaining unit member has the right to appeal discipline that involves a loss of pay to the Personnel Commission pursuant to Municipal Code Chapter 2.20. A final, written notice of discipline will inform or remind the bargaining unit member of this right.

Section 4 – Exit Interview: The department head or Human Resources Director will schedule an exit interview, with adequate lead time, with any bargaining unit member who is separating from City service. Any bargaining unit member leaving City employment under any circumstances, must clear his or her records through out-processing with the Finance Officer before the final paycheck can be issued.

ARTICLE 8 – GRIEVANCE PROCEDURE

Section 1 – Purposes: To provide the means for employees, recognized employee organizations, and management to resolve grievances in an orderly manner within a reasonable time period. To administer employer-employee relations through uniform and orderly methods of communication between employees and management.

Section 2 – Policy:

- A. Any bargaining unit member has the right to file a grievance without fear, intimidation, or coercion from any party;
- B. Any bargaining unit member may represent him/herself or select whomever he/she wishes to represent him/her at any or all steps in the grievance procedure;
- C. Grievances may be initiated by the employee, or the Association, or by the Association on behalf of the employee or on behalf of the Association;
- D. The bargaining unit member's or Association's first contact regarding job and working conditions is with the immediate supervisor and the supervisor shall attempt to settle grievances informally at that level;
- E. The immediate supervisor is responsible for informing employees about job requirements, personnel policies, and the work unit's relationship to the division, department and the City as a whole;
- F. A grievant may attend a grievance meeting with a supervisor on his/her own behalf without loss of pay. One representative, who the grievant selects, may represent him/her at such grievance meeting without loss of pay.

Section 3 – Definition:

A grievance is a claim, charge or dispute involving the following:

- A. The interpretation or application of any City rules, regulations, ordinance, resolution affecting an employee's wages, hours or conditions of work, or
- B. The interpretation or application of the provisions of this MOU.
- C. Notwithstanding any of the above, a grievance does not include any challenge to a disciplinary action.

Section 4 – Informal Grievance Procedure: The informal complaint procedure must be used before the formal grievance procedure. The grievant shall discuss his/her complaint with his/her immediate supervisor no later than 10 working days after the occurrence of the incident causing the grievance. If the immediate supervisor fails to reply within 5 working days, or the grievant determines he/she is not satisfied with any decision within 5 working days after receiving it, the grievant may utilize the formal grievance procedure.

Section 5 – Formal Grievance Procedure:

- A. The formal grievance procedure shall be initiated not later than 10 working days after the discussion with the immediate supervisor in the informal procedure.
- B. The formal grievance shall be initiated by the filing of a written grievance, within the time period set forth above, on a form provided for this purpose. The form shall contain:
 - 1. Name of Grievant
 - 2. Class Title
 - 3. Department
 - 4. Grievant's mailing address
 - 5. A clear statement of the nature of the grievance citing applicable ordinance, rules, regulations or action
 - 6. The date upon which such grievance occurred
 - 7. The action taken as a result of the informal complaint procedure
 - 8. A proposed solution to the grievance
 - 9. Date of execution of the grievance form
 - 10. Signature of the grievant
 - 11. The name of the organization or individual, if any, representing the grievant, followed by the signature of said organization or individual.
- C. The following steps are to be used to resolve the formal grievance:
 - Step 1. The written grievance shall be filed and presented to the second-level supervisor, who shall investigate the grievance and shall confer with the grievant, his/her representative, and any other employee or employees in

an attempt to resolve the grievance. Within 10 working days after the written grievance is first submitted to second-level supervisor, said second-level supervisor shall make and file a decision in writing with the grievant, his/her representative and the Human Resources Department.

Step 2. If the dispute is not solved in Step 1, grievant may request in writing, within not more than 5 working days from the receipt of the supervisor's response, that the department head review and respond to the grievance. A copy of such request shall be sent to the Human Resources Department. Within 10 working days after the written grievance is first submitted to the department head, the department head shall make and file a decision in writing with the grievant, his/her representative, and the Human Resources Department.

Step 3. If the department head does not resolve the grievance to the satisfaction of the grievant, the grievant may, within not more than 5 working days from receipt of the department head's decision, request in writing that the City Manager or his/her designee consider the grievance. A copy of the request filed by the grievant shall be submitted to the Human Resources Department. Within 10 working days after such request, the City Manager or designee shall investigate the grievance, confer with the persons affected and the grievant's representative, and render a decision in writing to the grievant, his/her representative, and the Human Resources Department.

Step 4. Advisory Arbitration of Grievance: In the event that the grievance is not resolved by agreement between the parties, the Association may, within thirty (30) calendar days after the meeting in which the parties failed to reach agreement, request that the grievance be heard by an arbitrator. A grievance involving a letter of warning shall not be subject to arbitration.

(a) Selection of Arbitrator: The arbitrator shall be selected by mutual agreement between the City and the grievant or his/her representative. If the City and the grievant or his/her representative are unable to agree on the selection of an arbitrator, they shall jointly request the State Mediation and Conciliation Service to submit a list of five qualified arbitrators. The City and the grievant or his/her representative shall then alternately strike names from the list until one name remains, and that person shall serve as arbitrator.

(b) Duty of Arbitrator: Except when an agreed statement of facts is submitted by the parties, it shall be the duty of the arbitrator to hear and consider evidence submitted by the parties and to thereafter make written findings of fact and a proposed disposition of the grievance which shall be submitted to the City

Manager. The decision of the arbitrator shall be based solely on the interpretation of the appropriate provision of **this MOU or** the MOU or Last Best and Final Offer (LBFO) applicable to the grievance, and he/she shall not add to, subtract from, modify or disregard any of the terms or provision of the **applicable MOU or LBFO**. The decision of the arbitrator shall be advisory to the City Manager who shall render a final written decision within ten (10) working days of receipt of the decision of the arbitrator.

The provisions for arbitration are not intended and shall not be construed to empower an arbitrator to change any condition of employment specifically covered by the **applicable MOU or LBFO**, or to revise, modify or alter, in any respect, any provision contained in the **applicable MOU or LBFO**.

- (c) The City Manager's or designee's decision shall be final, and is not subject to appeal.
- (d) Payment of Costs: Each party to a hearing before an arbitrator shall bear his own expenses in connection therewith. All fees and expenses of the arbitrator shall be borne one half by the City and one half by the grievant.

Section 6 – Time Limits:

- A. The time limits of each step may be extended by mutual consent of the parties. The duration of the extension shall be in writing and signed by both parties involved at the step to be extended.
- B. If any grievant is not appealed within the stated time limits, or extensions of any of the above steps, the grievance shall be considered conclusively settled on the basis of the last disposition by appropriate authority. No further City appeal or review is available.
- C. If a supervisor or other appropriate authority fails to furnish a response within the required time limits, or extensions, of any of the above steps, the employee or Association may proceed with the grievance at the next appropriate step.

ARTICLE 9 – HOLIDAYS

Section 1 – Authorized Holidays: Authorized holidays are as follows and, except where the best interests of the City so require, municipal offices shall be closed on such days:

New Year's Day	Veteran's Day
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Martin Luther King Day	Thanksgiving Day
Washington's Birthday	Day after Thanksgiving
Cesar Chavez Day	Christmas Day
Memorial Day	Birthday
Independence Day	Admissions Day
Labor Day	Floating Holiday

If a holiday falls on a Sunday, the following Monday shall be considered a holiday. If a holiday falls on a Saturday, the preceding Friday shall be considered a holiday. Temporary, and seasonal employees shall not receive leave of absence pay for holidays. Every person who is employed in a permanent full-time position shall be allowed leave of absence with pay for every authorized holiday. A bargaining unit member who is employed, on a permanent part-time basis shall be entitled to receive holiday pay at one-half the regular rate.

ARTICLE 10 – SICK LEAVE

Section 1 – Sick Leave Regulations:

- A. Every bargaining unit member who has been continuously employed by the City for 180 days, except temporary, seasonal or part-time employees, shall receive 8 hours sick leave with pay for each full month of employment or major portion thereof.
- B. Sick leave credit may be accumulated without limitation.
- C. A bargaining unit member may use: 1) sick leave for his or her own actual illness or injury; 2) [City proposal] up to 48 hours of sick leave per year to attend to the illness of the employee's child, spouse or parent; and 3) up to 5 days [City proposal 40 hours] of sick leave in the event of the death of any relative of the first degree by blood or marriage.
- D. If sick leave for illness or injury exceeds 3 consecutive working days, the employee, prior to returning to work, shall submit a statement from a physician, surgeon or other person practicing a recognized healing art that has been certified by the State of California. The statement shall certify that the employee's physical or mental condition prevented him/her from performing the duties of his/her position during the period of absence. The physician statement requirement described here also applies to a bargaining unit member who takes sick leave of more than three consecutive days to attend to the illness of the member's child, spouse or parent.
- E. The department head shall approve the use of all sick leave.

- F. Bargaining unit members employed on a permanent part-time basis shall receive sick leave benefits at one-half the regular rate.
- G. If an employee sustains an illness or injury in the course of City employment, he/she shall receive full pay for the seven-day waiting period following such disability as defined by state law.
- H. City agrees to meet and confer with the Bargaining Unit to establish a "Catastrophic Sick Leave" Policy on a citywide basis during the 2009-2010 Fiscal Year.

Section 2 – Sick Leave- Cash Compensation for Occupational Injury: When an employee incurs an on-the-job injury, he/she may request and receive cash compensation in lieu of sick leave to make up the difference between the employee's net salary and the amount he/she receives in workers' compensation insurance benefits while disabled.

Section 3 – Sick Leave- Cash Compensation upon Separation from Employment: Upon separation from City employment, cash compensation shall be paid for accumulated sick leave as follows:

- A. Every bargaining unit member who has 20 to 39 days of accumulated sick leave shall receive ½ of his/her regular monthly pay.
- B. Every bargaining unit member who has 40 or more days of accumulated sick leave shall receive one month full pay.

ARTICLE 11 – VACATION

Section 1 – Accrual: Until capped as described in this Article, vacation shall accrue at the following annual rate for full-time bargaining unit members:

Length of Continuous Employment	Accrual
6 months	8 hours
1 year to 5 years	96 hours
6 years to 10 years	128 hours
11 years to 15 years	144 hours
16 years or more	176 hours

Section 2 – Permanent Part-time: Bargaining unit members employed on a permanent part-time basis shall receive vacation at ½ the accrual listed above.

Section 3 – Scheduling: The department head schedules and approves vacation leave.

Section 4 – Accumulation: A bargaining unit member ceases earning vacation once he/she accumulates the total number of hours that can be earned in his/her prior 2 years of service. The total number of hours that can be earned by a member is based on each member’s length of continuous employment with the City.

Section 5 – Separation from City: Upon separation from City employment, compensation shall be paid for vacation leave that has been earned but not taken

ARTICLE 12 – OTHER LEAVES

Section 1 – Unpaid Leave of Absence: A bargaining unit member may be allowed a leave of absence without pay by his/her department head of no more than 5 working days. A bargaining unit member who has been in the continuous employ of the City for 6 full months or more, except temporary or seasonal employees, may be allowed a leave of absence without pay for no more than 90 days upon the recommendation of the department head and the approval of the City Manager. While on unpaid leave, a bargaining unit member does not earn vacation, holiday, or sick leave, but shall continue to receive the benefits of continuous service.

Section 2 – Military Leave: Military leave shall be granted in accordance with the provisions of state law. Every employee entitled to receive the benefits of military leave shall give his/her department head the opportunity, within the limits of military necessity, to determine when such leave shall be taken.

Section 3 – Funeral/Bereavement Leave: The City agrees to grant 3-paid working days, and up to 5 total working days for out of County travel, with the additional day(s) taken from accrued time, for funeral/bereavement leave for the following immediate family members:

Fathers (includes step-father)	Grandfather
Father-in-law or Mother-in-law	Grandmother
Mother (includes step-mother)	Daughter-in-law or Son-in-law
Sister	Grandchildren
Sister-in-law	Niece
Brother	Aunt
Brother-in-law	Uncle
Wife	Nephew
Husband	Cousin
Son (includes step-son)	Daughter (includes step-daughter)

An employee shall be excused from work by the City, upon the employee’s request, for an additional two days, and up to a maximum of 5 total working days, following the death of a relative as defined herein, on the condition that the employee uses existing vacation leave, sick leave, or other accrued leave time.

Section 4 – Other Required Leaves: The City will provide other leaves as required by state and federal laws.

Section 5 – Jury Duty: City employees are not excused from jury duty. Leave for jury duty shall be granted with pay.

ARTICLE 13 – HEALTH BENEFITS

Section 1 – Life Insurance: The City shall provide \$50,000 in life insurance coverage and \$50,000 for accidental death and dismemberment for each bargaining unit member. The City will also provide life insurance in the amount of \$2,500 for each of each bargaining unit member’s dependents.

Section 2 – Group Medical/Dental/Vision Insurance: The City agrees to contribute up to the following amounts toward medical/ dental/ vision insurance coverage:

Family:	\$ 827.00
Single:	\$ 361.00

The City and the Union agree to a change in the City’s Health Plan.

The City agrees to pay 100% of the employee portion of the medical premiums.

The City and the Association agree that the City’s Health Plan will no longer cover lifestyle (not medically necessary) prescription drugs.

The City and the Association agree to address the Medical Insurance fund and potential employee contributions by _____(date) and to be completed by _____(date). Any agreement will be memorialized in a side letter to this MOU.

Permanent Part-time Employees Medical Plan: Beginning January 1, 2002, a capitated medical plan will be made available to permanent part-time employees limited to medical services provided in Mexicali, B.C. Mexico by Almater Hospital and containing a maximum yearly benefit amount of \$15,000.00. The premium of \$75.00 per month for this medical plan will be paid ½ by the permanent part-time employee and ½ by the City.

Section 3 – Disability Insurance:

A. State Disability Insurance (SDI): The City will make State Disability Insurance(“SDI”), a partial wage-replacement insurance plan available to city employees effective Fiscal Year 2006-2007. SDI will be funded through employee payroll deductions. SDI will provide short-term benefits to city employees who suffer a loss of wages when they are unable to work due to a NON WORK-RELATED illness or injury, or a medically disabling condition from pregnancy or childbirth.

Section 4 – Employee Cafeteria Plan- The City will offer a flexible benefit plan also known as a “cafeteria” plan available to employees based on the concept of employee choice. Under this plan, employees have the opportunity to individually select the type of benefits and the level of coverage desired from a menu of options offered by the City during the annual open enrollment period.

The City’s cafeteria plan will offer pre-tax and after-tax options and is not subject to ERISA.

The only permitted choices of benefits for employees authorized under the Employee Cafeteria Plan are benefits from those providers, which have a contractual relationship with the City.

Open Enrollment Period: The City will allow an annual open enrollment period of not less than 30 days for employees prior to the start of the plan year for the next fiscal year, so that employees can choose benefits from the cafeteria plan.

Section 6- Waived Health Insurance Benefit: The City provides a health allowance for those employees who opt out of the health insurance coverage for the following reasons: 1) employee’s spouse has a more attractive benefit package through the spouse’s employer; and/or 2) employee is married to another City employee. The monthly health allowance is \$385.10 for family and \$182.24 for single. Employees may use the health allowance to enhance their dental program or to purchase additional supplemental coverage through contracted medical providers with the City. Employees will have an opportunity to change their coverage only during open enrollment.

Section 7 – Retiree Health Plan:

- A. The Retiree Health Plan Policy adopted by the City Council in May 18, 1993 outlines the criteria for the retiree health for those hired on or after May 18, 1993.
- B. Post-1993 Retiree Health Coverage: Any employee hired on or after May 18, 1993 shall pay a medical contribution based on the current cost of the City’s health plan and upon the years of City service upon their retirement from City service. The medical coverage will cap at age 65.
- C. Pre-1993 Retiree Health Coverage: For those employees who were hired before May 18, 1993 and who elect to continue coverage with the City’s health plan upon their retirement from City service, they shall be entitled to lifetime medical coverage. Cost of the coverage shall be \$120.00 a month. At age 65, the City’s health plan shall become secondary and Medicare shall be primary, and all claims shall be adjudicated accordingly. Any eligible employee, hired before May 18, 1993, who retires from City service after July 1, 2008, shall have the option of either selecting Pre-1993 Retiree Health Coverage, as described herein, or, in

the alternative, if the employee chooses, the employee may elect the Post-1993 Retiree Health Coverage.

- D. Employees who are hired after July 1, 2008 shall not be entitled to medical insurance coverage when they retire from City service.
- E. Any employee who separates from City service shall be provided with COBRA notification by the City's Third Party Administrator. The City's Third Party Administrator shall handle the processing and collecting of retiree health contributions.
- F. Any retiree who is three (3) months delinquent from paying retiree health contributions shall be removed from the retiree medical coverage. Any retiree removed from the health plan for non-payment shall not be allowed to re-enroll in the health program. Any retiree who is removed from the health plan for non-payment shall be provided with COBRA notification by the City's third party administrator.

ARTICLE 14 – RETIREMENT

Section 1 – Retirement: Bargaining unit members are eligible for the PERS 2% at age 60 retirement plan. The City agrees to pay retirement benefits for each employee totaling 7% of base pay. It is the City's goal and commitment to research different retirement formula options to benefit the employees. Therefore, throughout the term of this MOU, the City will actively research possible retirement formula options. However, the City is not obligated to adopt any different retirement formulas during the term of the MOU, unless mutually agreed upon by both the employer and bargaining group.

Section 2 – Old Age Survivor's Insurance: All employees agree to pay the employee's full share of the OASI benefit.

Section 3 – Social Security: All employees shall be responsible for payment of the employee's full share of the Federal Insurance Contribution Act (FICA) tax, which includes Social Security and Medicare, at the contribution limits established by federal law.

ARTICLE 15 – PAYROLL DEDUCTION

Section 1 – Payroll Deduction: It is mutually agreed that the City will, when established by the bargaining unit, during the term of this MOU, deduct any authorized payroll deductions and remit the money to the Association.

Section 2- Processing Fees: If an employee requests that the City make a payroll deduction to allow for payment of a service or benefit through a non-medical and/or

non-contracted provider with the City, a biweekly processing fee of \$5.00 will be added by the City to pay for the processing of the payroll deduction and payment. This \$5.00 processing fee shall not apply to payroll deductions for union dues.

ARTICLE 16 – TRAINING

Section 1 – Training: Responsibility for developing training programs for employees shall be assumed by the department head. Such training programs shall include lecture course, demonstrations, assignments of reading matter or other such devices as may be available for the purposes of improving the effectiveness and broadening the knowledge of municipal officers and employees in the performance of their respective duties. An accredited training academy may also be used from time to time for present and newly hired employees, at the discretion of the department head.

ARTICLE 17 – SAVINGS, ZIPPER, DURATION

Section 1 – Savings Clause: If any provision of this MOU or the application of such provision should be rendered invalid by existing or subsequently enacted legislation, the remaining portion shall remain in full force and effect, and the City and the Association shall meet and confer to address any impact that the legislation has on the terms and conditions of employment.

Section 2 – Zipper Clause: This MOU sets forth the full and entire understanding of the parties regarding matters set forth herein, and any and all prior or existing MOU's understandings, or agreements that conflict with the matters set forth herein, whether formal or informal, are hereby superseded and terminated in their entirety. Existing policies, rules, ordinances and resolutions that do not conflict with the matters set forth herein remain in effect.

Section 3 – Term of MOU: The term of this MOU shall be effective July 1, 2011, and shall remain in full force and effect through June 30, 2012, at which time all terms and conditions of this MOU shall be terminated.

Section 4 – Layoff/Reduction in Force: The parties agree to continue to meet and confer regarding Layoff/Reduction in Force procedures. Effective June 21, 2011 subject to any noticing requirements, and to follow the Personnel Rules and Regulations Section 9.04 Termination of Employment Lack of Work or Funds governing any potential layoffs of permanent positions.

CALEXICO SUPERVISORS ASSOCIATION



President

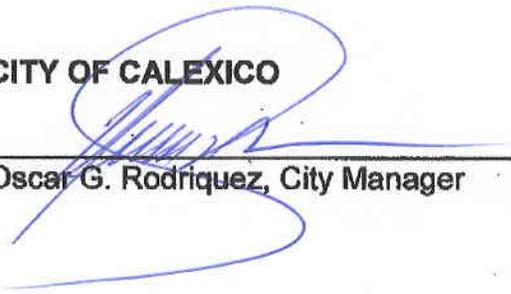
3-6-12

Date


Vice-President

March 6, 2012
Date

CITY OF CALEXICO


Oscar G. Rodriguez, City Manager

4/9/12
DATE