

RESOLUTION NO. 15-160, SERIES 2015

**RESOLUTION ADOPTING A MEMORANDUM OF UNDERSTANDING
WITH PROGRAM ADMINISTRATIVE AND SUPPORT EMPLOYEES ASSOCIATION**

WHEREAS, the City Council of the City of Davis, pursuant to California Government Code sections 3500 et seq., enacted an employer-employee relations policy with its adoption of Resolution No. 1303, Series 1973, dated June 26, 1973; and

WHEREAS, under the terms of that policy the City Manager and his representatives and the Program Administrative and Support Employees have met and conferred in good faith; and

WHEREAS, the City Council of the City of Davis previously passed a Memorandum of Understanding with Program Administrative and Support Employees, in 2012; and,

WHEREAS, in accordance with said Memorandum, the City Manager and his representatives and the Program Administrative and Support Employees have reached agreement in regards to a successor agreement; and,

WHEREAS, these parties have reached agreement on matters relating to the employment conditions of the said employees, as reflected by the written Memorandum of Understanding, which is attached hereto and made a part hereof; and


WHEREAS, this Council finds that the provisions and agreements contained in said Memorandum, as amended, are fair and proper and in the best interests of the City.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Davis that the terms and conditions contained in said Memorandum of Understanding are hereby adopted, subject to ratification by Program, Support and Administrative Employees.

PASSED AND ADOPTED by the City Council of the City of Davis on this 1st day of December, 2015, by the following vote:

AYES: Frerichs, Lee, Swanson, Wolk

NOES: Davis


Daniel M. Wolk
Mayor

ATTEST:


Zoe S. Mirabile, CMC
City Clerk

MEMORANDUM OF UNDERSTANDING

WITH

PROGRAM, ADMINISTRATIVE AND SUPPORT EMPLOYEES ASSOCIATION

PREAMBLE

This Memorandum of Understanding is made and entered into by and between the CITY OF DAVIS, hereinafter referred to as "CITY", and PROGRAM, ADMINISTRATIVE AND SUPPORT EMPLOYEES ASSOCIATION, hereinafter referred to as "PASEA" or "ASSOCIATION", on behalf of all employees of the Program, Administrative and Support and the Confidential Units represented by ASSOCIATION, pursuant to California Government Code sections 3500 et seq., and City Resolution No. 1303, Series 1973, dated June 26, 1973, for submission to the City Council of the City of Davis for ratification as set forth in Government Code Section 3505.1 and Article VIII of City Resolution No. 1303, Series 1973.

The parties agree that this Memorandum of Understanding shall be submitted to the City Council with the joint recommendation of the designated representatives of the parties that the body resolve to adopt its terms and conditions and to take such other and additional action as may be necessary to implement its provisions.

The parties have met and conferred in good faith through their designated representatives concerning those matters set forth in Government Code § 3504 and have reached agreement thereon as set forth below.

The term "Agreement" as used herein means the written agreement provided for under §3505.1 of the Government Code.

ARTICLE I

RECOGNITION

The City recognizes PASEA as the exclusive bargaining representative for employees holding job classifications assigned to the Program, Administrative and Support bargaining unit and the Confidential bargaining unit.

ARTICLE II

ASSOCIATION RIGHTS

PAYROLL DEDUCTIONS

The City agrees to deduct and transmit to PASEA all authorized sums from the pay warrants of PASEA bargaining unit members who sign authorization cards for such deductions in a form agreed upon by the City and PASEA. The City shall continue its implementation of the agency shop provisions of this Agreement in accordance with California Government Code §3502.5.

CONFERENCE LEAVE

The City agrees to grant one paid leave of up to three (3) consecutive days during the fiscal year covered by this Agreement to two (2) members of PASEA selected by the Association from among the employees in the unit covered by this Memorandum of Understanding to attend one (1) conference that is specifically directed to the subject of employer-employee relations. The City shall assume no obligation whatsoever for any costs or expenses that are incurred in connection with the attendance of the designated Association members at such conference; nor will the City grant any benefits of any kind to the extent that such designated employee members of the Association attend the conference while not regularly scheduled to be on duty.

MEMBER COUNSELORS

The City recognizes that PASEA assigns regular, full-time City employees to serve as "Member Counselors" who represent the Association and its members and handle grievances pertaining to the employer-employee relations resolutions (Resolution No. 1303, Series 1973). A current list of Member Counselors shall be made available to the City together with any changes thereto.

The Member Counselors' duties during their regular work hours shall be as follows: (1) to investigate and discuss a grievance with any employee within his or her area of representation. If, after a discussion, there is a valid reason for the grievance to be filed, the Member Counselor may assist the employee in presenting the grievance at the appropriate step of the procedure; (2) to

represent employees during meetings conducted by or on behalf of the City involving the employee's performance or conduct.

It is agreed that Member Counselors shall keep to a minimum the on-duty time spent in the performance of their duties as outlined in this section and at all other times continue to perform their assigned jobs.

A Member Counselor shall request permission from his or her supervisor to conduct, on City time, Association business falling within the provisions of this section. The supervisor may grant such activity time after considering the needs of the City and the individual Member Counselor's work assignment. The Member Counselor shall state the nature of his or her activity and the approximate amount of time requested. He or she shall report to his or her supervisor upon completing such activity. Every effort shall be made by the Member Counselor to conduct ASSOCIATION business at the end of his or her regularly assigned shift.

ASSOCIATION LEAVE

Upon request of the Association of not less than two (2) working days, the City may grant five (5) days per contract year of Association leave to the President, Vice President, Secretary, and Treasurer of PASEA. Such leave will not result in loss of compensation or benefits, including credit for vacation, holiday, and sick leave. Such leave will not constitute a break in the employee's continuous service for the purposes of salary adjustments, sick leave, vacation or seniority. The five (5) days per contract year shall be transferable between the officers of PASEA. The City reserves the right to refuse PASEA leave requests due to work requirements.

AGENCY SHOP

It is recognized that PASEA owes a duty of fair representation to all employees in the representation units regardless of their membership in PASEA.

All employees in the representation units shall, as a condition of continued employment, beginning with the second full pay period following employment with the City, either:

- (1) Become and remain a member of PASEA and pay the dues and fees uniformly required of members; or
- (2) Pay to PASEA a monthly agency/ fair share fee for the representation services provided by the ASSOCIATION in an amount that does not exceed 90% of the regular membership dues.; or

(3) (a) Execute a written declaration that the employee is a member of a bona fide religion, body, or sect which holds a conscientious objection to joining or financially supporting any public employee labor organization as a condition of employment; and

(b) Pay an amount equal to the agency/fair share fee described in Subsection (2) to a non-religious, non-labor charitable fund chosen by the employee from those charities listed below:

American Cancer Foundation

American Heart Association

American Red Cross

March of Dimes

United Way

Any recognized local non-religious charity operating in the City of Davis or Yolo County

The employee shall furnish written proof to the CITY and PASEA that this contribution has been made.

Bargaining unit employees shall be relieved of the obligation to pay membership dues and agency/fair share fees while separated from the representation units. Employees are separated from the representation unit when they transfer out of the unit, are laid off, or on are unpaid leaves of absence with a duration of more than two full pay periods. Upon return to the representation units, bargaining unit employees shall immediately resume the obligation to pay membership dues and agency/fair share fees.

ARTICLE III
EMPLOYEE RIGHTS

Employees of the City shall have the right to form, join and participate in the activities of an employee organization of their own choosing for the purpose of representation on matters of employer-employee relations, including but not limited to wages, hours, and other terms and conditions of employment. Employees of the City also shall have the right to refuse to join or participate in the activities of employee organizations and shall have the right to represent themselves individually in their employment relations with the City. Employees have the rights as provided in the City's Employer/Employee Relations Resolution No. 1303, Series 1973 as amended.

ARTICLE IV

CITY RIGHTS

The rights of the City include, but are not limited to, the exclusive right to determine the mission of its constituent departments; set standards of service; determine the procedures and standards of selection for employment and promotion; direct its employees; take disciplinary action for proper cause; relieve its employees from duty because of lack of work or for other legitimate reasons; maintain the efficiency of governmental operations; determine the content of job classifications; take all necessary actions to carry out its mission in emergencies; and exercise control and discretion over its organization and the technology of performing its work. Provided, however, that the exercise of such exclusive rights is undertaken in accordance with the Meyers-Milias-Brown Act, including the obligation to provide advance notice and the opportunity to meet and confer over the impacts of management decisions on matters within the scope of representation. The ASSOCIATION also retains the right to file grievances with the City regarding the practical consequences that management decisions may have on employees.

ARTICLE V

GRIEVANCE PROCEDURE

The Grievance Procedure currently contained in Article VIII of the City of Davis Personnel Rules & Regulations, passed and adopted by the City Council on September 13, 2000, and may be amended in the future, shall be incorporated herein by reference and shall be applicable to all grievances relating to all disputes arising out of the interpretation of this Memorandum of Understanding. This reference shall not limit, in any way, the rights of any employee to grieve those matters subject to grievance as delineated in Article VIII of the Personnel Rules and Regulations.

ARTICLE VI

COMPENSATION

COST OF LIVING INCREASES

Effective January 1, 2016, employees covered by this Agreement will receive a two percent (2%) cost of living salary increase.

Effective July 1, 2016, employees covered by this Agreement will receive a one percent (1%) cost of living salary increase.

CONFIDENTIAL EMPLOYEES

Under the City of Davis Employee Employer Relations Resolution 1303, Series 1973, "Confidential Employee" is defined as an employee who participates in making or has advanced knowledge of decisions of the city affecting employee relations.

The confidential designation of selected positions protects the confidentiality of the City's bargaining process and strategy, both in general contract negotiations and in day-to-day interaction with employee unions and associations. The employees who occupy positions designated as confidential serve as essential support members to the management team and are restricted from representing any employee organization, which represents other employees of the City of Davis, on matters within the scope of representation.

Employees holding "confidential" classifications and/or positions shall receive an additional five percent (5%) above their base salary.

LONGEVITY

Effective January 1, 2016, the base wages for employees covered by this Agreement shall increase based on their years of continuous employment with the City as follows:

10 years	2.5% of base salary
20 years	2.5% of base salary

Each longevity pay increase shall be built off base salary to a maximum of 5%.

MERIT SALARY ADJUSTMENTS (MSA)

Movement between steps in the salary range shall be paid upon merit and effective performance.

Upon written recommendation of the appropriate supervisor, an employee who is eligible for a MSA may be moved to the next step of the salary range effective on the due date after completion of the required qualifying service after appointment, last MSA, promotion, or reclassification.

MULTI-LINGUAL PAY

The CITY agrees to pay \$150.00 per month per certified employee for bilingual pay under the following conditions:

A. Certification.

1. Certification of proficiency will be accepted upon successful completion of written and oral testing administered on behalf of the City.
2. Employees will pay to be tested the first time. Employees will be reimbursed for 100% of the test if they pass.
3. If an employee fails the initial test, all expenses associated with requests for subsequent re-testing will be paid in full by the employee.
4. Tuition Reimbursement may not be used for costs of actual testing. Tuition Reimbursement may be used for pre-approved courses in approved languages.

B. Approved Languages.

1. Certified competency in the following languages will qualify for bilingual pay:
 - Russian
 - Spanish
 - Cambodian
 - Vietnamese
 - Laotian
 - Mandarin
 - Cantonese

2. Should the City deem it necessary to add additional languages to meet departmental needs, the Human Resources Administrator may request additional languages be approved to the City Manager.

C. Effective Dates.

1. Employees covered by this MOU are eligible from the first day of hire to qualify to be tested and to qualify for receipt of bilingual pay.

COMPENSATION STUDY

CITY agrees to initiate a total compensation study to be completed by December 1, 2016 for the purpose of discussing market adjustments for total compensation for benchmark positions with the comparison agencies as agreed to below. The eight current components used for total compensation analysis shall include the cost borne by the City for: salary, retirement, vacation, holidays, health, dental, life insurance, and long term disability. The current comparison agencies used for negotiation purposes are as follows:

City of Citrus Heights
City of Fairfield
City of Folsom
City of Lodi
City of Napa
City of Rocklin
City of Roseville
City of Vacaville
City of Walnut Creek
City of West Sacramento
City of Woodland
UC Davis

ARTICLE VII

HOURS OF WORK, OVERTIME, AND SCHEDULING

The standard work week for all employees shall be from 12:01 a.m. Monday to midnight the following Sunday. The standard work schedule for full time employees shall be 40 hours per work week.

When an employee is required to work part or all of his or her regularly scheduled meal period, such time will be considered time worked. In such a case, the meal period may be re-scheduled by the supervisor.

REST BREAK FOR 10 HOUR SHIFTS

The basic intent is to provide three daily rest breaks: Two fifteen minute rest breaks, and one ten minute rest break.

The fifteen minute period is the total rest period time for each of two of the day's breaks, and any travel time is to be included as part of the fifteen minute period. The ten minute period is the total rest period for one of the day's breaks, and any travel time is to be included as part of the ten minute period.

The rest break(s) shall be scheduled on as flexible a basis as possible, taking into account the need to provide continuing services and the intent to provide three rest breaks daily, if possible. No more than two such rest periods shall occur in any half of the work period.

If circumstances result in the loss of a rest break, or two or three, on any given day, the break time is lost and shall not be taken on any other subsequent day.

A rest break, or breaks, shall not be accumulated or eliminated on any day as a method of reducing the time in a total daily work period. For example, it is not appropriate to skip a rest break in order to take an extra fifteen minutes at lunch time. It would also not be appropriate to skip a break, or breaks, and come in late at the start of the daily work period, or leave early at the end of the daily work period.

REST BREAKS FOR 8 HOUR SHIFTS

The basic intent is to provide two daily rest breaks of fifteen minutes each: fifteen minutes during the first half of the work period, and fifteen minutes during the last half of the work period. The fifteen minute period is the total rest period, and any travel time is to be included as part of the fifteen minute period.

The rest break(s) shall be scheduled on as flexible a basis as possible, taking into account the need to provide continuing services and the intent to provide two rest breaks daily, if possible.

If circumstances result in the loss of a rest break, or both rest breaks, on any given day, the break time is lost and shall not be taken on any other subsequent day.

A rest break, or breaks, shall not be accumulated or eliminated on any day as a method of reducing the time in a total daily work period. For example, it is not appropriate to skip a rest break in order to take an extra fifteen minutes at lunch. It would also not be appropriate to skip a break, or breaks, and come in late at the start of a daily work period, or leave early at the end of the daily work period.

WORK WEEK

Authorized time worked in excess of 40 hours in a work week is overtime. Paid sick leave, paid vacation, and compensatory time off shall not be counted as time worked for purposes of this article. The City and the Association agree that employees may work an alternative work schedule (i.e., 9/80, 4/10, etc.) in accordance with the CITY's existing alternative work schedule policy when such a schedule is operationally feasible. Requests for an alternative work schedule shall not be unreasonably denied and denials may be appealed to Human Resources.

COMPENSATORY TIME

All overtime shall be compensable by cash or compensatory time off, as determined by the supervisor in consultation with the employee, at a rate of 1 1/2 times the straight time rate of pay for authorized work performed in excess of 40 hours per week.

Compensatory time off shall be taken on a date mutually agreed upon by the employee and the supervisor with due consideration given to the needs of the City and current departmental workloads. Each employee shall be allowed to accrue 120 hours of compensatory time off.

Compensatory time off in excess of said amount shall be paid off by the City in cash.

ARTICLE VIII
BENEFITS

SECTION A FLEXIBLE BENEFIT PLAN (CAFETERIA PLAN)

In accordance with “The City of Davis Flexible Benefits Plan” adopted November 21, 2006, the City provides a Flexible Benefit Plan ("the Plan") that qualifies as a cafeteria plan within the meaning of Section 125 of the Internal Revenue Code (“IRC). The regular and intended effect of the Plan, is to enable employees to (a) pay monthly premiums for the health benefits plans offered by the City on a pretax basis or (b) receive a cash out benefit that is not included in the employee’s hourly rate. The details of Plan eligibility and operational requirements are set forth in the Plan documents.

The City is a participating employer in the CalPERS Public Employees’ Medical and Hospital Care Act (“PEHMCA”).

1. All eligible employees must enroll in one of the PEHMCA medical plans unless they submit to the City satisfactory proof of alternative medical insurance coverage.
 - A. Employees who fail to complete this requirement will be enrolled in the lowest cost health insurance policy the City offers through CalPERS.
 - B. Employees who meet the requirement shall be allowed to utilize their Flexible Benefit Plan contributions for any of the other qualified benefits as provided for in IRC Section 125.
2. The term eligible employee for this article shall include:
 - A. Regular full-time employees as defined in the Personnel Rules.
 - B. Regular part-time employees as defined in the Personnel Rules. Regular part-time employees would receive prorated benefits based on the

percentage of full-time equivalency. For example a regular employee budgeted at 30 hours per week will receive 75% of cafeteria benefit.

3. Employees may change their health plan participation only during open enrollment or in response to a qualifying event.

SECTION B HEALTH BENEFITS CONTRIBUTION

Effective December 1, 2015, the City will contribute to each eligible bargaining unit employee's cafeteria benefit plan \$1,709.42 towards monthly health premiums based on the Kaiser – Bay Area rate. Effective December 2016, and each year thereafter, the City's contribution towards monthly health care premiums will increase based on actual increases in the health care premium rate for the regional Kaiser plan the City is linked to for employees and two or more dependents (i.e., family level). The City will contribute the first three percent (3%) of any increases in health premiums for applicable regional Kaiser area plan for employees and two or more eligible dependents and will contribute fifty-percent (50%) of any increase that is greater than six percent (6%) in any plan year.

SECTION C CASH IN-LIEU

Bargaining unit employees with outside health/dental coverage, such as through a spouse, domestic partner, or other acceptable alternative health coverage, and employees who select less expensive benefits within the cafeteria plan, can elect to take the unused portion of their cafeteria contributions allotted for medical and dental benefits as cash in lieu of receiving any or all of the actual benefit. The amount of cash in lieu is capped at five hundred dollars (\$500) per month

Employees hired before February 28, 2010 may cash out the difference between the monthly premium costs for the health benefits selected and the City's maximum monthly contribution for cash out purposes of \$1,483 up to a maximum of \$500. For example, if an employee selects health benefits costing \$1,300 per month, the maximum cash out would be \$183 (i.e., \$1,483.08-\$1,300 - \$183.08).

Employees hired after February 28, 2010 may only cash out the difference between the monthly premium costs for the health benefit selected and the City's maximum monthly cash out of \$500 per month. For example, if an employee selects health benefits costing more than \$500 per month, the employee would receive no cash out benefit.

Bargaining unit employees may receive the cash in lieu amount in cash (taxable) or elect to contribute the in lieu amount (not taxable) towards their 457 Deferred Compensation Plan as a supplemental retirement benefit.

SECTION D DENTAL BENEFITS CONTRIBUTION

The City shall contribute towards each bargaining unit employee's cafeteria benefit plan the total monthly premium for the City's self-funded dental plan for employee with two or more dependents. CITY will continue to include unmarried dependents through age 22.

SECTION E LIFE INSURANCE & LONG-TERM DISABILITY BENEFIT

The City will make available to each covered employee a monthly amount equal to the sum of the following life and long term disability insurance benefit payments. Participation in the life insurance and long term disability insurance is mandatory and these premiums may not be taken as cash in lieu.

1. The City shall contribute towards each Association member's cafeteria benefit plan the amount to purchase a \$30,000 policy. Purchase of this policy is mandatory.

This policy will carry an accidental death and dismemberment (AD&D) rider. The AD&D rider provides a benefit of up to \$30,000 subject to the terms and conditions of the policy.

2. The City shall provide long term disability (LTD) insurance coverage for all employees. The City shall contribute towards each Association member's cafeteria benefit plan the amount to purchase the Long Term Disability Benefit provided in

City of Davis Self-Insured Long Term Disability Plan. Purchase of this policy is mandatory.

Current Benefits

Up to 66 2/3% of the monthly salary. Payments to be paid during the disability until age 65. See City of Davis Self-Insured Long Term Disability Plan passed and adopted by City Council on December 5, 2001.

Waiting Period

Benefits shall begin 30 calendar days after occurrence.

SECTION F OPTIONAL BENEFITS

The City agrees to make available to each covered employee the following optional benefits. Participation in these benefits is optional, and there will be no additional contribution by the City to purchase these benefits.

1. SUPPLEMENTAL LIFE

The City shall make available to all represented employees the option to purchase supplemental term life and accidental death and dismemberment insurance, at no cost to the City, subject to the insurance carrier's additional premiums, conditions and/or requirements. Optional coverage shall be in increments of \$10,000. The option to increase or decrease coverage shall be exercisable during open enrollment periods.

2. FLEXIBLE SPENDING ACCOUNTS

The City provides a Flexible Spending Account ("FSA") into which employees may contribute a portion of their regular earnings to pay for qualified dependent care and medical expenses on a pre-tax basis in accordance with IRS regulation. The City shall pay all administrative costs associated with establishing and maintaining flexible spending accounts.

In accordance with IRS regulations, any unused amounts contributed to the FSA are not reimbursed to the employee when the employee fails to submit proof of eligible reimbursable expenses during a calendar year. However, up to five hundred dollars (\$500) of unused amounts remaining at the end of the plan year in a health FSA may be carried over and paid or reimbursed to participating employees for qualified medical expenses incurred during the following plan year. All other unused amounts in an employee's FSA cannot be rolled over to the next calendar year.

3. VISION CARE

City shall continue to make vision care available to the Association, at no cost to the City.

Amounts will be made available to the employee to pay premiums for enrollment of the employee and his/her dependents in the City sponsored health and dental insurance programs of the employee's choice. Enrollment of the employee and his/her dependents in the City sponsored health programs is mandatory unless proof of acceptable current alternate coverage is presented. Any amount in excess of the premiums required for the health and dental insurance coverage selected by the employee will be added to the employee's gross pay prior to income tax withholding and paid with bi-weekly paychecks.

G. MEDICAL BENEFIT PREMIUMS FOR RETIREES

Retirees are not eligible for any cash in lieu of health benefits.

1. Employees who retire from the City on or before December 31, 2015, will receive the following retiree medical benefit. "Retire" includes both service and disability retirement.
 - A. Employees hired before July 1, 1996- City shall continue to contribute to eligible retirees an amount equal to 100% of the premium for the group health insurance plan available from Kaiser-Bay Area for retired Employees

and two or more dependents (i.e., family level) sponsored by the City through CalPERS.

- B. Employees hired on or after July 1, 1996- City shall continue to contribute to eligible retirees an amount equal to 50% of the premium for the group health insurance plan available from Kaiser-Bay Area for retired Employees and two or more dependents sponsored by the City through CalPERS until age 60. After age 60, Employees will receive a retiree medical benefit based on 100% of the CalPERS Kaiser Bay Area rate for employee plus two or more dependents.
2. Employees hired before July 1, 1996, who retire after December 31, 2015, but on or before December 31, 2025, will receive the following retiree medical benefit.
- A. Employees who retire with at least 25 years of City service or as a result of disability- City shall contribute to eligible retirees an amount equal to 100% of the premium for the group health insurance plan available from Kaiser-Bay Area for retired Employees and two or more dependents sponsored by the City through CalPERS. Once the employee has transferred to a Medicare plan, the City will pay the Medicare Supplemented/Managed Medicare monthly rate based on the CalPERS Kaiser Bay Area rate for employee plus two or more dependents.

Employees who retire with less than 25 years of City service- City shall contribute to eligible retirees an amount equal to 75% of the premium for the group health insurance plan available from Kaiser-Bay Area for retired Employees and two or more dependents sponsored by the City through CalPERS. Once the employee has transferred to a Medicare plan, the City will pay the Medicare Supplemented/Managed Medicare monthly rate based on the CalPERS Kaiser Bay Area rate for employee plus two or more dependents.

3. Employees hired on or after July 1, 1996, but before December 31, 2012, who retire after December 31, 2015, but on or before December 31, 2025, will receive the following retiree medical benefit.
 - A. Employees who retire with at least 25 years of City service or as a result of disability- City shall contribute to eligible retirees an amount equal to 50% of the premium for the group health insurance plan available from Kaiser-Bay Area for retired Employees and two or more dependents sponsored by the City through CalPERS until age 60. After age 60, Employees will receive a retiree medical benefit based on 100% of the CalPERS Kaiser Bay Area rate for employee plus two or more dependents. Once the employee has transferred to a Medicare plan, the City will pay the Medicare Supplemented/Managed Medicare monthly rate based on the CalPERS Kaiser Bay Area rate for employee plus two or more dependents.
 - B. Employees who retire with less than 25 years of City service- City shall contribute to eligible retirees an amount equal to 50% of the premium for the group health insurance plan available from Kaiser-Bay Area for retired Employees and two or more dependents sponsored by the City through CalPERS until age 60. After age 60, Employees will receive a retiree medical benefit based on 75% of the CalPERS Kaiser Bay Area rate for employee plus two or more dependents. Once the employee has transferred to a Medicare plan, the City will pay the Medicare Supplemented/Managed Medicare monthly rate based on the CalPERS Kaiser Bay Area rate for employee plus two or more dependents.
4. Employees hired before July 1, 1996, who retire after December 31, 2025, will receive the following retiree medical benefit.
 - A. City shall contribute to eligible retirees an amount equal to 75% of the premium for the group health insurance plan available from Kaiser-Bay Area for retired Employees and two or more dependents sponsored by the

City through CalPERS. Once the employee has transferred to a Medicare plan, the City will pay the Medicare Supplemented/Managed Medicare monthly rate based on the CalPERS Kaiser Bay Area rate for employee plus two or more dependents.

5. Employees hired on or after July 1, 1996, but before December 31, 2012, who retire after December 31, 2025, will receive the following retiree medical benefit.

- A. City shall contribute to eligible retirees an amount equal to 50% of the premium for the group health insurance plan available from Kaiser-Bay Area for retired Employees and two or more dependents sponsored by the City through CalPERS until age 60. After age 60, Employees will receive a retiree medical benefit based on 75% of the CalPERS Kaiser Bay Area rate for employee plus two or more dependents. Once the employee has transferred to a Medicare plan, the City will pay the Medicare Supplemented/Managed Medicare Monthly rate based on the CalPERS Kaiser Bay Area rate for employee plus two or more dependents.

6. Employees hired on or after January 1, 2013- City shall contribute to eligible retirees an amount equal to the Medicare Supplemented/Managed Medicare monthly rate based on the CalPERS Kaiser Bay Area rate for employee plus one dependent based on status.

H. DENTAL BENEFITS FOR RETIREES

The City shall make the dental plan available for retirees to continue at their own expense, at the same total monthly premium for the group dental insurance plan sponsored by the City for an eligible employee and two or more dependents.

I. DEFERRED COMPENSATION

The City agrees to continue to contract with ICMA Retirement Corporation, Strategic Retirement Advisors, and PERS 457 for deferred compensation plans entitling any employee to defer receipt of a portion of their salary until the individual employee's retirement, permanent disability, death, or other time jointly agreed upon between the individual employee and the City. The City and Association agree that the City shall make no contribution to these plans on behalf of enrolled employees.

The City agrees that it shall provide for and administer any payroll deduction necessitated by any employee's enrollment in these plans and shall be solely responsible for the procurement and administration of the contract necessitated by this section.

PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)

A. MISCELLANEOUS EMPLOYEE RETIREMENT

1. The following provisions apply to bargaining unit employees hired into city service on or before December 31, 2012 ("classic members").

The City shall continue providing classic members with the CalPERS "2.5% at 55" local retirement plan. Classic members as defined by CalPERS shall contribute a total of eight percent (8%) towards the employee's CalPERS contribution. The City will continue to structure the salary and required employee pension contributions to maximize compensation reported to CalPERS and to take advantage of the federal Internal Revenue Code 414(h)(2) and related CalPERS Board rulings.

2. The following provisions apply to bargaining unit employees hired into city service as "new members" on or after January 1, 2013 ("PEPRA members").

The City shall continue providing PEPRA members as defined by CalPERS with the CalPERS "2% at 62" local retirement plan. Effective January 1, 2016, PEPRA members shall per statute contribute fifty percent (50%) of the normal cost of the benefit as the employee's CalPERS contribution. The

City will continue to structure the salary and required employee pension contributions to maximize compensation reported to CalPERS and to take advantage of the federal Internal Review Code 414(h)(2) and related CalPERS Board rulings.

SURVIVORS' BENEFITS

The City agrees to continue the increased Level Four (4) 1959 Survivor's Benefits Payments as permitted by Government Code section 21574, as set forth below:

<u>Beneficiary</u>	<u>Monthly Benefit</u>
1. Spouse and two or more dependent children, or three or more dependent children alone:	\$2,280.00
2. Spouse and one dependent child, or two dependent children alone:	\$1,900.00
3. Spouse alone, age 62, or one dependent child alone	\$950.00
4. If there is no spouse or dependent child, then to each dependent parent (age 62):	\$950.00

SICK LEAVE

Provisions for Sick Leave are contained in Article VI of the Personnel Rules and Regulations adopted September 13, 2000 and apply to bargaining unit employees as modified herein.

1. Sick leave shall be earned at the rate of eight (8) hours for each calendar month of service.
2. "Family members" for purposes of sick leave usage include the following: (1) spouse, (2) registered domestic partner, (3) grandparent, (4) grandchild, (5) sibling, (6) child (biological, adopted, foster, step, legal ward, or a child to whom the employee stands in loco parentis), or (7) parent of an employee or the employee's spouse or registered domestic partner (biological, adoptive, foster, step, legal guardian, or person in loco parentis when the employee

was a minor). Sick leave may also be used when approved as an accommodation for a victim of domestic violence, sexual assault, or stalking and to care for a service member with a serious illness or injury incurred during active duty with the Armed Forces.

3. No payment shall be made for unused sick leave at the termination of employment whether voluntary or involuntary except that upon retirement under CalPERS, unused sick leave shall be treated as additional time in service for the purposes of computing retirement benefits in accordance with Government Code section 20965. Unused sick leave may be accumulated without limit.

MILEAGE REIMBURSEMENT

All mileage reimbursements will be reimbursed in accordance with IRS rates as adopted by City policy.

PARENTAL LEAVE

The existing Parental Leave Policy shall remain in effect.

ARTICLE IX

VACATION

The purpose of annual vacation leave is to enable each eligible employee annually to return to his or her work mentally refreshed. As noted in the Personnel Rules, all regular full-time employees and all regular part-time employees who work more than 1040 hours per year are eligible to earn vacation leave.

Regular part-time employees who work less than full time, but more than 1040 hours a year, may earn vacation on a prorated basis. For example, those employees who work three-quarters time (approximately 1560 hours) may earn three-quarters of the vacation leave applicable to their years of service.

For purposes of computing annual vacation leave, a working day shall be considered as one-fifth of the number of working duty hours in the established work week. Employees shall be credited with vacation leave according to the following schedule:

<u>Years of Employment</u>	<u>Vacation Days Earned During Year</u>
1	15
2	15
3	15
4	17
5	17
6	20
7	20
8	20
9	20
10	20
11	23
12	24
13	25
14	26
15	27
16 Maximum vacation rate	28

The times during a calendar year at which an employee may take his or her vacation shall be determined by the department head with due regard for the wishes of the employee and particular regard for the needs of the service.

If the requirements of the service are such that an employee cannot take part or all of his or her annual vacation in a particular calendar year, such vacation either shall be taken during the following calendar year or paid for at the discretion of the City Manager.

Any eligible employee, with the consent of his or her department head, may defer as many working days of his or her annual vacation as he or she accumulates during a given year to the succeeding calendar year, subject to other provisions of this rule. A written report of each deferred vacation signed by the proper department head, noting the details, shall be kept on file with the Human Resources Division.

In the event one or more municipal holidays fall within an annual vacation leave, such holidays shall not be charged as vacation leave, and the vacation leave shall be extended accordingly. Employees who terminate employment shall be paid in a lump sum for all accrued vacation leave earned prior to the effective date of termination.

The City agrees to implement a vacation buy-back policy for ASSOCIATION employees who have at least ten (10) years of service with the City and a minimum of one (1) year's vacation accrual on the "books" (prior to the cash-out) . Over the course of a calendar year, such employees will be able to cash-out up to eighty (80) hours of vacation: Such employees may carry over from one calendar year to the next up to one year of vacation accrual plus an additional forty (40) hours, but the employee must then cash out the additional forty (40) hours.

YEAR END VOLUNTARY TIME OFF

During the Thanksgiving week and between Christmas and New Years, all employees are encouraged to take vacation or comp-time off. It is understood that there are employees involved in essential operations who may not be able to take time off at this time. The City Manager will determine before the Holiday Season which, if any, city facilities will be closed the week of Thanksgiving and between Christmas and New Years and what days those facilities will be closed. For the days that city facilities are closed, if and when employee utilizes leave without pay, the City agrees (for this purpose only) to waive the provision of the Personnel Rules that provides that to receive pay for an observed holiday, an employee must work or be on approved leave on the work day before and work day after the holiday. City also agrees (for this purpose only) not to adjust or reduce health, dental, life insurance benefits, leave time accruals or seniority for the period an

employee on leave without pay due to the City's year-end closure. Only the employee's pay will be adjusted.

ARTICLE X
HOLIDAYS

HOLIDAYS AND HOLIDAY PAY

The holidays to be observed by the City are as follows:

January 1; the third Monday in January; the third Monday in February; the last Monday in May; July 4; the first Monday in September; November 11; Thanksgiving Day; the day after Thanksgiving Day; December 24; December 25; December 31; and every day proclaimed by the mayor of the City of Davis as a public holiday (however, in no case, shall the City of Davis observe the same holiday on more than one day).

Whenever a holiday falls on a Sunday, the following Monday shall be observed as a holiday in which case the Sunday shall not be considered a holiday for any purpose.

Whenever a holiday falls on a Saturday, the preceding Friday shall be considered as a holiday in which case the Saturday shall not be considered a holiday for any purpose.

Whenever the application of sections 10.2 and 10.3 above result in a holiday falling on another holiday, employees will be credited with eight (8) hours vacation time on the first pay period following the holiday.

Employees whose regular work day normally consists of more than eight (8) hours shall not be entitled to use more than eight (8) hours of holiday per day.

All miscellaneous employees shall receive holiday pay in the form of salary at straight time for each recognized holiday.

FLOATING HOLIDAYS

City shall continue to grant two and one-half days floating holidays in lieu of California Admission Day, Lincoln's Birthday holiday and from 1:00 p.m. to 5:00 p.m. Good Friday. Floating holidays shall be treated as vacation time and City policy regarding vacation leave shall apply.

Holiday Hours Worked

Employees who work on a holiday recognized by the City shall be compensated for the time actually worked on the recognized holiday, either:

- A. In the form of salary at a rate of double time, or

- B. Straight time off within the same work week subject to advance approval by the department head based upon the work situation at the time.

The compensation for holiday hours worked shall be in addition to the holiday pay specified above.

IN LIEU OF HOLIDAY LEAVE -- WORKERS ON AN IRREGULAR WORK WEEK

A. Employees who normally work an irregular work week (i.e., other than Monday through Friday) shall be entitled to the same amount of time off for holidays as those who work a regular work week. Any employee who works an irregular work week shall be credited with straight time off as in lieu of Holiday Time.

At the end of the calendar year, each department shall submit to the City Manager a report which reflects the following data:

1. Names of employees who worked an irregular work week during the preceding calendar year;
2. The holidays that were actually lost as a result of the irregular work schedule, as verified by actual time card audit; and
3. The total number of 'lost' hours.

After inspection and validation, the City Manager shall authorize those employees to be credited with the additional vacation hours for these lost holidays. The actual adjustment will be a one-time, lump-sum adjustment.

B. As an alternative to the procedure set forth above, and subject to the limitation regarding the number of holiday hours allowed per day, the affected employee may request a different day off (or a combination of 1 day's hours off on one or more days) during the same work week as the holiday occurs. The Department Head may, at his or her discretion, approve such request.

ARTICLE XI

EMPLOYEE EDUCATION

TUITION AND REQUIRED BOOK REFUND POLICY

Policy Objective

To encourage the training of employees in subjects which would be of substantial benefit to the City as well as themselves.

Procedures.

All requests for approval of tuition and required books refund shall be submitted to the Human Resources Division in writing. Such requests shall describe the nature of the training to be entered into, the cost of such training, and comments with respect to its applicability to the particular employee's job.

- A. Upon compliance with the requirements of the City's existing Tuition Reimbursement Policy, the full cost of tuition and required books shall be paid for those courses, approved by the Human Resources Administrator, as being of substantial benefit to the City. One-half the cost of tuition and required books may be paid for other training, depending upon degree of benefit to the City versus employee.
- B. For approved training extending over a period of time exceeding two weeks, the CITY shall refund to the employee all or one-half of the cost of tuition and required books, upon presentation of evidence that such training has been completed satisfactorily. In the event that the employee is financially unable to advance the cost of tuition and required books, the City shall, upon written request and agreement by the employee, advance the cost of tuition and required books, subject to reimbursement by the employee, should he or she fail to satisfactorily complete such training, and authorize the City to deduct such cost from the payroll in such event.
- C. Tuition and required book costs for approved short courses or institutes less than two weeks shall be paid initially by the City.

General.

- A. All City employees who complete training under the tuition and books refund program shall submit evidence of this to their department head who shall forward it to the Human Resources Division. This evidence shall be placed in the employee's personnel file for permanent record.
- B. The cost of this program shall be borne by the employee's department.

ARTICLE XII

MISCELLANEOUS

The CITY and ASSOCIATION recognize and agree to be bound by the notice requirements of Government Code Section 3504.5 and Article XII of Resolution Number 1303, Series 1973, (Employer-Employee Relations Resolution) regarding notification concerning proposed actions directly relating to matters within the scope of representation.

The CITY agrees to duplicate the full and complete text of this Memorandum of Understanding and all exhibits thereto and to make copies available to all employees covered by this Memorandum upon request at no cost to the ASSOCIATION or to any employee, within thirty (30) days after ratification of this agreement.

UNIFORM ALLOWANCE

Bargaining unit employees holding the classification of Fire Inspector Specialist or any other bargaining unit employees who are required to wear a uniform in the performance of their job duties will be provided five hundred dollars (\$500) for the purchase of uniforms and equipment. These uniforms and equipment are to be considered personal property. It is the responsibility of the employee to obtain and maintain these items. Eligible items are those specified in the departmental regulations.

The CITY agrees to provide a uniform replacement allowance for each bargaining unit employee who is required to wear a uniform in the amount of five hundred dollars (\$500.00) per fiscal year for the cost of replacement and maintenance. Employees shall begin receiving the replacement allowance on the next regular replacement allowance disbursement date following completion of at least one (1) year of service.

1. One-half of the uniform replacement allowance will be paid during a pay period in July and one-half of the uniform replacement allowance will be paid during a pay period in January.
2. The CITY retains the discretion to prorate allowance payments to any employee who has not been on duty for an extended period due to leave or other similar circumstance.

The CITY agrees to pay bargaining unit employees who are required to wear a uniform the amount of one hundred fifty dollars (\$150.00) per fiscal year as a "uniform cleaning allowance" to be used for

the specific and limited purpose of having cleaned and otherwise maintained those items of uniform the CITY requires them to wear during the performance of their assigned duties. The CITY agrees to pay eligible employees one-fourth (1/4) of the uniform cleaning allowance at the end of each quarter during each fiscal year.

ALTERNATIVES TO EMPLOYEE LAYOFFS

The CITY agrees to notify ASSOCIATION prior to implementing an employee layoff which would impact ASSOCIATION represented employees. ASSOCIATION may then request meetings to explore implementation of layoffs and to present alternative cost savings measures which would eliminate or minimize the need to layoff employees. Such alternatives shall include, but not be limited to, voluntary reduced work time, retraining, job sharing, early retirement, unpaid leaves of absences, furloughs, attrition, and revenue increases. Nothing in this section shall prohibit the CITY from laying off employees pursuant to the CITY's layoff procedure.

NOTIFICATION OF NEW JOB CLASSIFICATIONS

The CITY agrees to notify ASSOCIATION of the creation of any new job classifications and its unit designation. The CITY shall assign new or revised classes to bargaining units pursuant to criteria set forth in the City's Employee Relations Policy.

NOTIFICATION OF EMPLOYEE NAMES AND ADDRESSES

The CITY agrees to provide ASSOCIATION with a list of names and addresses of all current employees in bargaining units represented by ASSOCIATION. The CITY agrees to identify "new hires" and any employees promoted out of job classifications represented by ASSOCIATION. Such list shall be provided to ASSOCIATION on a quarterly basis.

OTHER TERMS; SUPERSEDEENCE; NEED TO FURTHER MEET AND CONFER

The parties agree that the terms and conditions of this Memorandum of Understanding are intended to supersede any contrary provisions in prior memorandums and in the policies and regulations of the CITY, insofar as the same are known to the parties at the time of execution of this memorandum. It is recognized that there may be circumstances which arise beyond the control of the parties, such as requirements of federal or state law, city voter initiatives, or similar matters which could render certain provisions of this memorandum inoperable or which could require the parties to meet and confer in good faith to harmonize any conflicts.

It is further recognized by the parties that, from time to time, matters may arise which require the parties to meet and confer on issues not contemplated at the time of the execution of this memorandum and nothing herein shall preclude the parties from meeting and conferring and making changes to this memorandum as may be appropriate.

Except as otherwise noted herein, if the provisions of this Agreement are inconsistent with the Personnel Rules, the terms of this Agreement shall apply.

ARTICLE XIII
SAVINGS CLAUSE

Should any provision of this Agreement become invalid or unlawful by virtue of any legislative enactment, administrative regulation or by declaration of any court of competent jurisdiction, such action shall not invalidate the remainder of the Agreement. Any provision(s) that becomes unlawful by virtue of the above shall cause the parties to meet and negotiate solely for the purpose of arriving at mutually satisfactory replacement provisions that are valid and lawful. Any provision(s) of this Agreement not declared invalid shall remain in full force and effect for the life of this Agreement.

ARTICLE XIV

DURATION AND IMPLEMENTATION

This Memorandum of Understanding shall remain in full force and in effect from January 1, 2016 up to and including June 30, 2017.

Any time after January 1, 2017, either party may initiate negotiations via written correspondence to the other party on a successor memorandum of understanding. The parties agree to begin negotiations within 30 days after receipt of the written notice.


DATED:

EMPLOYEE RELATIONS OFFICER
OF THE CITY OF DAVIS

By: 
Dirk Brazil

PROGRAM, ADMINISTRATIVE AND SUPPORT
EMPLOYEES ASSOCIATION

By:  PASEA PRESIDENT

By:  PASEA SECRETARY

Attachment A
Confidential Employee List

Administrative Aide – Confidential (City Manager’s Office) (1 position)
Administrative Aide – Confidential (Human Resources) (1 position)
Budget Specialist I/II (Finance) (1 position)
Deputy City Clerk (City Manager’s Office) (1 position)
Human Resources Assistant (Human Resources) (2 positions)
Human Resources Technician (Human Resources) (1 position)
Office Assistant II Confidential (City Manager’s Office) (1 position)

**Attachment B
CITY OF DAVIS**

**DEPENDENT CARE ASSISTANCE PROGRAM
(DepCare)**

What is DepCare?

DepCare is a program that allows you to pay for your dependent care expenses on a pre-tax, salary reduction basis. You can use this tax advantage plan to pay for dependent care that enables you, or you and your spouse, to be gainfully employed.

Who is Eligible?

All full-time, special funded full-time, and regular part-time employees may participate.

How Much Can I Contribute to My DepCare Account?

Under DepCare, your salary is reduced bi-weekly (each pay period) by the dollar amount you specify, before taxes are deducted. You may contribute up to the total earned income for you or your spouse, whichever is less, to a *maximum of \$5,000* per calendar year. If you are married and filing a separate income tax return, you may contribute a *maximum of \$2,500* per plan year. If your spouse is incapable of self-care, or is a full-time student, his or her earned income is considered to be:

- \$200 per month if you claim one dependent, or
- \$400 per month if you claim two or more dependents

To be considered a full-time student, your spouse must attend school for at least 5 months of the year and may not be exclusively a night-time student.

Which DepCare Expenses Can Be Reimbursed?

For your expenses to be reimbursed under the DepCare program, they must meet the conditions of Internal Revenue Code Sections 21 and 129.

- The dependent care must be necessary to enable you, or you and your spouse to be gainfully employed.
- If you are married but living apart from your spouse, you may use DepCare when you file a separate return if (1) an eligible dependent lives in your home for more than half the year, (2) you pay more than half the cost of maintaining the household, and (3) your spouse did not live with you and the eligible dependent during the last 6 months of the tax year.
- If you use a daycare center, the center must care for more than 6 children who do not live there, and must comply with all state and local laws. Expenses for household services may also be eligible if provided for the care of the dependent.

- Expenses for care provided by your spouse, by someone you claim as a dependent for tax purposes, or by your child under age 19, are not eligible.

Which Dependents are Eligible?

Claims for the following dependent(s) qualify under the DepCare Program:

- A child under age 13 who is in your custody and whom you claim as a dependent on your tax return.
- A disabled spouse
- A dependent who lives with you (such as a parent, sibling or in-law) who is incapable of self-care, and whom you claim as a dependent on your tax return.

It is your responsibility to make sure that expenses submitted for DepCare reimbursement are eligible under the program. You will be held responsible for taxes and penalties associated with ineligible expenses if you are audited by the IRS. DepCare expenses which are reimbursed from your DepCare account cannot also be claimed as a tax credit on your income tax return.

When May I Enroll or Cancel?

You may enroll in DepCare at the following times:

When you are hired

When you are hired, you may enroll during your period of initial eligibility which begins on your first day of employment and ends on the last day of the following calendar month. Your salary reduction agreement is effective upon the receipt in the Finance Department, subject to payroll deadlines. *(This means that we must receive the agreement on the Friday before payroll week for it to be effective on that payroll. No retroactive adjustments will be allowed.)*

During open enrollment

If you are currently eligible, you may enroll, change or cancel during the open enrollment period (this will coincide with the open enrollment for health and dental benefits during the fall, with changes taking effect after January of the next year).

When your status changes

You may enroll, change or cancel DepCare during the plan year because of, and consistent with, eligibility changes in:

- Family status (such as an additional of an eligible dependent), or
- Employment status (such as your spouse becoming employed)

These eligibility changes in status create a period of initial eligibility, which extends from the first day your status changes, through the last day of the following calendar month. However, if

you were not eligible to participate at the time your status changes (for example, if you were on leave without pay), then the period of initial eligibility does not begin until you are again eligible to participate in the program. The enrollment is effective upon receipt in the Finance Department, subject to payroll deadlines. *(This means that we must receive the agreement on the Friday before payroll week for it to be effective on that payroll. No retroactive adjustments will be allowed.)*

How Do I file Claims?

Send the DepCare Reimbursement Request Form to the Finance Department. You may submit claims at any time until February 15 of the following plan year for eligible expenses.

You may file only for expenses that you have actually incurred. You will be required to certify that your expenses are eligible under the program.

Claims will be paid according to the Accounts Payable schedule. It is advisable only to claim amounts that can be covered by your account balance. If there is an insufficient balance in your account, a partial payment will be made up to the balance in your account.

You will receive a balance statement with each reimbursement check. Also, at the end of the year, you will receive a statement showing the total amount of your DepCare Deposits and reimbursements.

What Happens to funds Left in My Account?

The IRS requires forfeiture of any funds left in your DepCare account after all eligible claims have been paid for the plan year. You have until February 15 of the following year to claim payment expenses incurred late in the plan year. After February 15, however, you lose all remaining funds in your DepCare account. Forfeited funds will be used by the city to pay for the cost of administering the DepCare program.

The DepCare Tax Advantage

Before you decide whether or not to establish a DepCare account, ask yourself these questions:

- Would the DepCare reimbursement account be more favorable than the dependent care income tax credit – or do you want to use a combination of both?
- What are your yearly dependent care costs?
- Will the full amount of your dependent care costs exceed the maximum allowable contribution for DepCare?

You need to decide if DepCare is your best option. We cannot advise you. If your tax situation is complex, or if you have further questions which we cannot answer, consult a tax advisor regarding enrollment in the DepCare program.