RESOLUTION NUMBER 6374

A RESOLUTION OF THE SEAL BEACH CITY COUNCIL APPROVING THE MEMORANDUM OF UNDERSTANDING (MOU) BETWEEN THE CITY OF SEAL BEACH AND THE ORANGE COUNTY EMPLOYEES ASSOCIATION (OCEA) FOR THE PERIOD OF MAY 29, 2013 THROUGH JUNE 30, 2016

WHEREAS, the City of Seal Beach ("City") affirms the dignity and worth of the services rendered by its employees.

WHEREAS, the City met and collectively bargained in good faith with Orange County Employees Association ("OCEA") over wages, hours, and working conditions, and all respective parties reached an agreement for the time period of May 29, 2013 through June 30, 2016; and

WHEREAS, OCEA have accepted the terms set forth in the MOU.

NOW THEREFORE, the City Council of the City of Seal Beach hereby resolves:

Section 1. Approve the Memorandum of Understanding between the City and the OCEA (Exhibit A); and

Section 2. Direct the City Manager to execute the Memorandum of Understanding on behalf of the City.

PASSED, APPROVED and ADOPTED by the Seal Beach City Council at a regular meeting held on the 29th day of May, 2013 by the following vote:

AYES: Council Members Deaton, Levitt, Miller, Shanks, Sloan

NOES: Council Members None

ABSENT: Council Members None

ABSTAIN: Council Members None

Mayor

ATTEST:

City Clerk

STATE OF CALIFORNIA }
COUNTY OF ORANGE } SS
CITY OF SEAL BEACH }

I, Linda Devine, City Clerk of the City of Seal Beach, do hereby certify that the foregoing resolution is the original copy of Resolution Number 6374 on file in the office of the City Clerk, passed, approved, and adopted by the City Council at a regular meeting held on the 29th day of May, 2013.

City Clerk

Adopted by Resolution No. 6374

EXHIBIT A

ORANGE COUNTY EMPLOYEES ASSOCIATION (OCEA)

MEMORANDUM OF UNDERSTANDING

ADOPTED: MAY 29, 2013

EXPIRES: JUNE 30, 2016

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MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF SEAL BEACH AND ORANGE COUNTY EMPLOYEES ASSOCIATION

SECTION 1: RECOGNITION

A. Pursuant to the provisions of Employee-Employer Relations Resolution 5242, as amended, the City of Seal Beach (hereinafter called the "City" and/or "Employer" and/or "Management" interchangeably) has recognized for the purpose of this Memorandum of Understanding (MOU), the Seal Beach Chapter of the Orange County Employees Association (OCEA), an association of employees of the City of Seal Beach, hereinafter referred to as "Association" representing all full-time non-safety employees of the City except those employees determined to be professional, confidential, administrative, management and certain specified supervisory employees.

B. The City recognizes the Association as the representative of the employees in the classification and assignments set forth in Section 1 above for the purpose of meeting its obligations under this MOU, the Meyer-Milias-Brown Act, Government Code Section 3500 et seq., when City rules, regulations or laws affecting wages, hours and/or other terms and conditions of employment are amended or changed.

C. The City agrees that the recognized representatives of Association not to exceed 4 in number shall be entitled to meet and confer with City during said recognized representatives' normal working hours without suffering any loss in pay while absent from the duties for such purpose, providing that such time shall not exceed 2 hours in any 1 week unless agreed to by City. City also agrees that such representatives may utilize not more than 1 hour per month or 12 hours per year without suffering any loss in pay for such absence for the purpose of meeting with employees who are members of Association and/or other officers of Association.

D. The City shall provide a bulletin board in each of the following locations: Public Works Yard, Administration Building, and Police Department. Such bulletin boards to be available for the purpose of posting notices pertaining to Association business only. Association shall not use any other bulletin board within City facilities.

E. The City recognizes Association's right to appoint or elect representatives to meet and confer with City's management representatives on salaries, wages, and terms and conditions of employment. Association agrees to notify City in writing as to the identity of the representatives and of subsequent appointments, if any.

Association and City agree that employees appointed or elected as Association representatives shall be required to work full time.

F. It is recognized and agreed that no Association business and/or meetings will be conducted and/or attended by employees of City during their respective hours of duty and work unless specified herein.

G. Representatives and/or officers of Association shall not interrupt the work of any employee of City at any time to conduct business or other matters connected with Association without prior consent of Management.

H. During the term of this MOU, the City shall provide to the Association, upon receipt of a written request, a listing of all current employees in this unit not exceeding 2 per year. Such listing shall include employee name and job classification. The Association agrees to pay necessary costs to provide such lists.

I. This MOU shall be effective by and between Management and Association upon execution by Management and the required number of the duly authorized recognized representatives of Association.

SECTION 2: DUES AND BENEFIT DEDUCTIONS

A. **Payroll Deductions** - The City shall not be required to make payroll deductions for any other items or reasons except as specified in this MOU. Management shall determine in the interest of cost and efficiency as to whether said deductions shall be on a monthly basis or on each bi-weekly payroll. Management may require notice from employee of any change or modification in any payroll deduction authorized in this section of this MOU. Said notice may be required at least 10 days prior to the effective date of said requested modification or change. Management agrees that payroll deductions are authorized for purposes of any employee depositing funds or making payments directly to a credit union providing that any deduction shall not be less than $5.00 on a monthly basis, or $2.50 if bi-weekly deductions for such purpose as authorized by Management.

B. **Employee Association Dues** - City agrees to deduct regular monthly Association dues from salary or wages of any Association member when authorized to do so by said City employee in writing in a form satisfactory to City and to remit such deductions to Association within 15 days after making such deduction from an employee's salary or wages, and within the terms of the signed deduction authorization of such City employee. The deduction of such Association dues and the remittance of same by City to Association shall constitute payment of said dues of such employee and member of Association.

C. **Indemnification** - The Association agrees to hold the City harmless and indemnify the City against any claims, causes of actions, or lawsuits arising out of

the deductions or transmittal of such funds to the Association, except the intentional failure of the City to transmit to the Association monies deducted from the employees pursuant to this Section.

SECTION 3: CITY RIGHTS

A. **Rights/Responsibilities** - This City reserves, retains and is vested with solely and exclusively, all rights of management which have not been expressly abridged by specific provisions of this MOU or by law to manage the City, as such rights existed prior to the execution of this MOU. The sole and exclusive rights of management, as they are not abridged by this Agreement or by law, shall include but not be limited to, the following rights:

1. To manage the City generally and to determine the issues of policy.

2. To determine the existence or nonexistence of facts which are the basis of the management decisions.

3. To determine the necessity and organization of any service or activity conducted by the City and expand or diminish services.

4. To determine the nature, manner, means and technology and extent of services to be provided to the public.

5. To determine methods of financing.

6. To determine types of equipment or technology to be used.

7. To 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.

8. To determine and change the number of locations, relocations, and types of operations, processes and materials to be used in carrying out all City functions including, but not limited to, the right to contract for or subcontract any work or operation of the City.

9. To assign work to and schedule employees in accordance with any requirements set forth in this MOU, and to establish and change work schedules and assignments upon reasonable notice.

10. To layoff employees from duties because of lack of work or funds, or under conditions where continued work would be ineffective or non-productive.

11. To establish and modify productivity and performance programs and standards.

12. To discharge, suspend, demote, reprimand, withhold salary increases and benefits, or otherwise discipline employees for cause.

13. To determine minimum qualifications, skills, abilities, knowledge, selection procedures and standards, job classifications and to reclassify employees in accordance with this MOU and applicable resolution and codes of the City.

14. To hire, transfer, promote and demote employees for non-disciplinary reasons in accordance with the MOU and applicable resolutions and codes of the City.

15. To determine policies, procedures and standards for selection, training and promotion of employees in accordance with this MOU and applicable resolutions and codes of the City.

16. To establish reasonable employee performance standards including but not limited to, quality and quantity standards and to require compliance therewith.

17. To maintain order and efficiency in its facilities and operation.

18. To establish and promulgate and/or modify rules and regulations to maintain order and safety and which are not in contravention with the Agreement.

19. To restrict the activity of an employee organization on municipal property and on municipal time except as set forth in this MOU.

20. To take any and all necessary action to carry out the mission of the City in emergencies.

B. Where the City is required to make changes in its operations because of the requirements of law, whenever the contemplated exercise of City Rights shall impact the wages, hours and other terms and conditions of employment of the bargaining unit, the City agrees to meet and confer in good faith with representatives of the Association regarding the impact of the contemplated exercise of such rights prior to exercising such rights, unless the matter of the exercise of such rights is provided for in this MOU.

SECTION 4: NON-DISCRIMINATION

A. The City and the Association agree that they shall not discriminate against any employee because of race, color, sex, age, national origin, physical handicap, marital status, political or religious opinions or affiliations or sexual orientation. The City and the Association shall reopen any provision of this MOU for the purpose of

complying with any final order of the Federal or State agency or Court of competent jurisdiction requiring a modification or change in any provision or provisions of this MOU in compliance with State or Federal anti-discrimination laws.

SECTION 5: COMPENSATION PLAN

A. Basic Compensation Plan

1. All employees covered by this MOU shall be included under the Basic Compensation Plan. Every classification under this Plan shall be assigned a salary range adopted by the City Council. The salary schedule shall consist of 5 steps within each range.

2. The 1st step is a minimum rate and is normally the hiring rate for the classification. An employee may be assigned, upon appointment, to other than the normal entering salary step within the assigned range upon the recommendation of the Department Head and with the approval of the City Manager when it is decided that such action is in the best interests of the City.

3. The 2nd step, B step, is a merit adjustment which may be given at the end of the probationary period subject to the recommendation of the Department Head and with the approval of the City Manager.

4. The 3rd, 4th and 5th steps are merit adjustments to encourage an employee to improve his work and to recognize increased skill on the job. Employees are normally eligible for these adjustments at any time after the completion of 1 year of service at the preceding step. Each adjustment shall be made subject to the recommendation of the Department Head and with the approval of the City Manager.

B. Advancement within Salary Ranges

1. In order to properly compensate an employee, advancement in salary shall be based on merit.

2. Advancement in salary shall not be automatic, but shall depend upon increased service value of the employee to the City.

3. The Department Head and/or the employee's immediate supervisor shall be responsible to evaluate an employee fairly in an unbiased fashion for the determination of job performance. Advancement shall be made only upon recommendation of the Department Head and with the approval of the City Manager.

4. An employee should be reviewed at least once every 12 months from the effective date of his last performance evaluation, special performance advancement or promotion. Nothing contained herein shall restrict the Department Head from denying the increase after evaluation, nor shall it prevent him from recommending special performance advancement in salary at any time when unusual or outstanding achievement has been demonstrated.

C. **Salary Increases**

1. Promotional Appointment - When an employee is promoted to a position with a higher salary range, the employee shall be compensated at a step of the salary range assigned to the new position that is closest to providing a 5% salary increase over the base salary received immediately prior to promotion.

2. Temporary Appointment - City agrees that employees assigned, in an acting capacity, to a higher classification than the employees' present classification for a period of not less than 80 consecutive working hours shall be entitled to temporary appointment pay. In addition, employees who are assigned by the department director in writing to regularly scheduled acting assignments of less than 80 hours shall also be entitled to temporary appointment pay. Temporary appointment pay will be retroactive to the 1st hour served in the higher classification and shall be paid at a rate equal to the first step of the higher classification but in no event shall temporary appointment pay be less than 5% more of the employee's current rate.

D. **Salary Decreases** - In the case of a demotion of an employee to a classification with a lower maximum salary, such employee shall be assigned to the appropriate salary step in the new classification as recommended by the Department Head with the approval of the City Manager. The employee shall retain his previous anniversary date.

E. **Adjustments of Salary Ranges** - When a salary range for a given classification is revised upward or downward, the incumbents of positions and classifications affected shall have their existing salary adjusted to the same step in the new salary range and their anniversary date shall not be changed.

F. **Salary and Benefits on Suspension** - During suspension from the City service for disciplinary cause, an employee shall forfeit all rights, privileges and salary, except he shall not forfeit his medical health plans, including dental, retirement plan, disability insurance or life insurance. Should such suspension be later modified or revoked, the employee shall be entitled to receive payment for loss of income and benefits during the period of suspension.

G. **Salary Adjustments During Term of Memorandum Of Understanding**

1. The salary schedule for each position classification affected is hereby determined and established upon adoption by City Council. Salary increases are as follows:

First pay period on or following May 29, 2013 - Employees shall receive a 1.5% cost of living adjustment

First pay period on or following July 1, 2013 - CPI adjustment, minimum 1% up to 3% maximum, as measured utilizing the change in the Los Angeles - Riverside - Orange County All Urban Consumers Index for the 12 months of April 2012 - March 2013

First pay period on or following July 1, 2014 – CPI adjustment, minimum 1% up to 3% maximum, as measured utilizing the change in the Los Angeles – Riverside – Orange County All Urban Consumers Index for the 12 months of April 2013 – March 2014

First pay period on or following July 2015 – CPI adjustment, minimum 1% up to 3% maximum, as measured utilizing the change in the Los Angeles – Riverside – Orange County All Urban Consumers Index for the 12 months of April 2014 – March 2015

Grade	Job Classifications
8	Community Services Officer
8	Maintenance Worker
12	Senior Community Services Officer
12	Senior Maintenance Worker
12	Water Operator
16	Senior Water Operator
18	Lead Community Services Officer
19	Electrician

2. If the Management representative is of the sole opinion that recruitment, retention or other reasons necessitate other upward salary adjustments, Management representative will meet and confer with Association on position classifications specified by the Management representative or Association. Management representative may make additional recommendations to the City Council.

3. For any and all position classifications not listed in this section, said classifications not having personnel employed by City, salary adjustment, if any, may be recommended by Management without further consultation or approval of Association.

H. **Miscellaneous** - The City agrees to obtain available salary comparison survey data for Orange County cities for use during negotiations for the period beginning July 2016.

SECTION 6: SPECIAL PAY PROVISIONS

A. **Automobiles and Mileage** - Employees covered by this MOU, utilizing their privately-owned automobiles for City business on a non-regular basis, shall be entitled to reimbursement for costs incurred at the rate established by the Internal Revenue Service (IRS).

B. **Seniority Bonus** - Employees who have achieved ten years of uninterrupted employment with the City shall receive a 5% increase in base salary effective on the payroll period following the 10th anniversary of their employment.

C. **Maintenance Worker Merit Program** – Under the provisions of this program, all Maintenance Worker employees will become eligible to "promote" to the classification of Senior Maintenance Worker providing the following conditions have been met:

1. The employee must have reached "E" step in the classification of Maintenance Worker.

2. The employee must have served in the capacity of Maintenance Worker "E" step for a minimum period of twelve months.

3. Employee must have been rated satisfactory on most recent performance evaluation.

Any vacancies in the Maintenance Worker or Senior Maintenance Worker work force will be recruited at the Maintenance Worker level.

D. **Standby Compensation**

1. Utilities Division - Each employee of the Utilities Division (Water, Sewer) who is assigned to standby duty will be compensated for 1 hour at a rate of time and one-half for each weekday of duty and 5 hours at a rate of time and one-half for on Saturday or Sunday or holidays. The assignment to standby duty will be rotated among all water division personnel and other department personnel possessing the proper water operator's certification and having a familiarity with the water and sewer system.

2. No compensation will be provided to personnel serving as "backup" to the regularly scheduled person assigned to standby duty.

3. Employees on standby duty who are called out will be compensated in accordance with Section 11.

4. Employees assigned to standby duty are required to respond to all emergencies on a 24 hour basis. However, in the event that a maintenance supervisor or other maintenance employee cannot be contacted during non-utility related emergency, the person assigned to standby duty will be expected to respond upon notification.

5. Personnel assigned to standby duty are required to carry with them or have nearby, a portable communication device during all non-regular working hours and also must confine their activities to the extent that they remain within 20 minutes driving time of the City of Seal Beach at all times. In addition, standby personnel will be required to have in their possession a current roster listing each employee in the Public Works Department with their telephone number.

E. **Shift Differential** - City agrees that employees in the Public Works Department who are assigned duties between the hours of 4:00 a.m. and 6:30 a.m. shall be paid at a rate of time and one-half for time worked during that period.

F. **Traffic Signal Technician Pay** - Each employee in the Public Works Department in the classification of Electrician who has a Level 2 Traffic Signal Technician Certificate from the International Municipal Signal Association will be entitled to receive $30 per payroll period.

G. **Class A/B License Pay** - Each full-time employee in the Public Works Department required by the City to maintain a Class A or B license for the performance of their work, will be entitled to receive $30 per payroll period. The Public Works Director or his designee will notify Personnel Office of eligible employees.

H. **Training Programs**

1. Required Training - An employee who is required by his or her Department Head to attend a specified off-duty training course, shall, upon submission of receipts, receive reimbursement for the following: transportation cost where appropriate, cost of books, course registration and related expenses directly necessary for the successful completion of the course. If required training is necessary beyond the normal workday, workweek or work period, the employee shall be entitled to pay computed at the regular base hourly rate or overtime hourly rate, as applicable under the MOU, or compensatory time off subject to budget limitations, departmental rules and regulations, and Section 7-D of this MOU.

2. Desirable Training - Desirable training is defined as an off-duty instruction that will be mutually and immediately beneficial to the employee and the City. Prior to enrolling in a class for desirable training, an employee wishing reimbursement for his or her expenses shall obtain the approval of the City Manager as to course content and its relationship to the employee's employment with the City as well as the recommendation of the Department Head. This approval is at the sole discretion of the City Manager. In the event the City Manager approves such request and the employee has received a grade of "C" or better or its equivalent grade point upon completion of the course, the employee shall submit a copy of the official transcript and a receipt for the tuition fee to the Personnel Office. Upon approval by the City Manager, the employee shall then be reimbursed for the cost of tuition and books in accordance with the tuition reimbursement policy adopted by the City. Employee shall not be entitled to either compensated overtime or compensatory time off for participating in desirable training or off-duty instruction.

3. Employees attending accredited community colleges, universities, and trade schools for the purpose of obtaining a higher education degree may apply for reimbursement of tuition, books, student fees and parking. Reimbursement is capped each calendar year at the tuition rate of the Cal State University system for up to 2 semesters of full-time, undergraduate enrollment each calendar year.

4. Reimbursement is contingent upon the successful completion of the course. Successful completion means a grade of "C" or better for undergraduate courses and a grade of "B" or better for graduate courses. All claims for tuition reimbursement require prior approval and are subject to verification and approval by the City Manager.

Example: Employee A attends California State University, Long Beach, for the Spring 2013 semester and completes 2 (3-unit) undergraduate courses with a grade of "C" or better. The tuition reimbursement would be calculated as follows:

2012/2013 State University Tuition	$1,587.00 (0-6 units)
Required University Fees	$ 384.00 (approx.)
Parking	$ 123.00
Books	$ 300.00 (approx.)
TOTAL	$2,394.00

5. Training Conferences and Seminars - Approval for employees attending conferences and seminars is at the sole discretion of the Department Head and the City Manager. Prior to enrolling in a seminar or conference, an employee wishing reimbursement for his or her expenses shall obtain the approval of the Department Head and the City Manager. Once approvals are given, those employees will be reimbursed for allowable expenses per City Policy #300-10.

I. **Uniforms & Equipment/Uniform Allowance**

1. Public Works Department Employees - Each employee of the Department of Public Works, except clerical, engineering and related classifications as determined by the City Manager, shall be entitled to uniform service. The City shall pay the total cost of renting and laundering uniforms (designated by the Department Head) for each eligible employee.

2. Police Department Employees (Non-Sworn Members) - Each non-sworn employee of the Police Department assigned to wear a uniform as a condition of employment shall be entitled to a sum of $30 per payroll period. In addition, new employees of non-sworn status in the Police Department shall receive initial uniforms as determined by the Chief of Police. Each non-sworn employee of the Police Department NOT required to wear a uniform as a condition of employment shall not receive a uniform allowance. Should conditions of employment change and those classifications are required to wear a uniform, the $30 per payroll period uniform allowance shall be reinstated.

3. Safety Shoes - City agrees to provide acceptable safety shoes at a maximum of $250 per year for authorized employees as designated by their Department Head.

J. **Water Treatment/Water Distribution Pay** - Each Public Works Employee in the classification of Senior Water Operator or Water Operator who has received a Grade III Water Treatment Operator Certificate from the California Department of Health Services or Grade III Water Distribution Operator Certificate from the American Water Works Association will be entitled to receive $30 per payroll period.

K. **Recertification Reimbursement** - City to reimburse employees for required water re-certification.

L. **Deferred Compensation Program** - The City shall contribute 1% of base salary per pay period into a tax-qualified deferred compensation program for eligible employees.

M. **Bilingual Compensation**

1. Upon the recommendation of a department director, the City Manager may award a bilingual compensation bonus of $52.50 per payroll period to those employees in positions determined to require bilingual skills.

2. The City Manager shall require the taking of competency tests to certify the employee as eligible for bilingual compensation based on employee's proficiency in speaking the language determined to be required. Such certification shall be a condition precedent to qualifying for bilingual pay.

SECTION 7: FRINGE BENEFIT ADMINISTRATION

A. **Administration** - The City reserves the right to select, change, administer or fund any fringe benefit programs involving insurance that now exists or may exist in the future during the term of this MOU.

B. **Selection and Funding** - In the administration of fringe benefit programs involving insurance, the City shall have the right to select any insurance carrier or other method providing coverage to fund the benefits provided hereinafter during the term of this MOU.

C. **Changes** - The City shall notify the Association prior to any change of insurance carrier or method of funding coverage for any fringe benefits provided hereinafter during the term of this MOU. No changes in insurance carrier or methods of funding coverage shall result in the reduction of any benefits to any employee covered by this agreement, irrespective of the carrier or plan in effect from time to time. Within the term of this agreement, the City may provide alternative health plans.

D. **Compensatory Time Off (CTO)** - The maximum (cap) of CTO is 120 hours. CTO earned in excess of 120 hours will be paid as overtime during the pay period accrued.

SECTION 8: HEALTH INSURANCE COVERAGE: LIFE & DISABILITY INSURANCE

A. **Health Insurance Coverage**

1. The City shall contribute to the cost of medical coverage for each eligible employee and his/her dependents, an amount not to exceed the California Public Employees' Medical and Hospital Care Act (PEMHCA) minimum contribution. For calendar year 2013, CalPERS has established the minimum PEMHCA contribution at $115 per month per employee.

2. The City shall contribute an equal amount towards the cost of medical coverage under PEMHCA for both active eligible employees and eligible retirees.

3. The City shall implement a full flex cafeteria plan for eligible employees in accordance with the criteria provided to the Association during negotiations. For employees participating in the City's cafeteria plan, each

employee shall receive a monthly flex dollar allowance to be used for the purchase of benefits under the cafeteria plan. Beginning on or after May 29, 2013, the monthly flex dollar amount shall be:

For Employees only	$705.10/month
For Employee and 1 dependent	$1,089.60/month
For Employee and 2 or more dependents	$1,409.06/month

4. A portion of the monthly flex dollar allowance is identified as the City's contribution towards PEMHCA. Thus, for example, in calendar 2013, an employee's monthly flex dollar allowance is $705.10, of the $705.10; $115 has been designated by the City as its required PEMHCA contribution to CalPERS. The monthly flex dollar allowance may only be used in accordance with the terms of the full flex cafeteria plan.

5. Effective January 1, 2014, and every January 1st during the term of this agreement, the City shall increase the contribution amounts above by the percentage of increase for basic plans published by CalPERS which sets health insurance premiums for the coverage year.

6. Employees meeting the waiver criteria and electing to waive enrollment in the City's cafeteria plan are eligible to receive $310 per month (upon showing proof of medical insurance coverage under an alternative plan). Election forms are available in Human Resources.

7. Full-time employees covered by this MOU who have completed 30 days of uninterrupted service shall be enrolled in the full flex cafeteria plan on the first day of the next succeeding month.

8. Employees who change classification from full-time to part-time provisional, hourly or seasonal shall not be eligible for participation in the full flex cafeteria plan.

9. City shall not contribute a dollar amount for any employee during any month the employee is on leave of absence without pay or who is absent from regular duties without authorization, for a full calendar month. City shall contribute to the cafeteria plan for eligible employees receiving temporary payments from Workers' Compensation Insurance.

B. **Retirement Health Insurance**

1. Employees covered by this Agreement shall have the option, upon retirement, to continue participation in the City's health insurance program at the employee's expense.

2. Employees with 20 or more combined years of employment with the City, have reached 55 years of age, and retire after December 31, 2010, shall be provided with individual medical insurance coverage capped at the rate of Kaiser HMO. If said employee has 30 or more combined years of employment with the City upon retirement, eligible dependent medical insurance coverage shall also be provided capped at the rate of Kaiser HMO. A portion of the payment for retiree or retiree and dependents medical insurance is identified as the City's contribution towards PEMHCA.

3. The City shall contribute to the cost of medical coverage for each eligible retiree and dependents, an amount not to exceed the California Public Employees' Medical and Hospital Care Act (PEMHCA) minimum contribution.

4. In all cases, the City's contribution for eligible dependent coverage for retirees shall terminate with the death of the retiree.

5. In the event an eligible retired employee resides in an area where the health plans provided by the City are not in effect, that retired employee shall be entitled to receive in cash each month an amount equal to the City flex contribution at time of retirement.

C. **Life Insurance**

1. Management agrees to provide a group term life insurance plan providing life insurance coverage of $50,000 for each full-time classified non-safety employee represented by the Association, a double indemnity accidental death benefit, and a dependent death benefit in the amount of $1,000 per dependent.

2. Said insurance shall become effective after the employee has completed 30 days of uninterrupted service with said employee to be enrolled in the program on the first day of the next succeeding month.

D. **Disability Insurance Plan**

1. The City shall provide a group insurance plan for income continuation for eligible employees. Said insurance to provide an income continuation of 66.67% of the employee's monthly salary, up to a maximum of $5,000 per month, for a period of time not to exceed the length of injury or illness, up to the age of retirement as designated by the Social Security Administration.

2. Said insurance shall become effective after the employee has completed 30 days of uninterrupted service with said employee to be enrolled in the program on the first day of the next succeeding month.

E. **Premium Only Plan (POP)** - The City will provide a POP for health and dental benefits. The plan will allow for premium payments for medical and dental insurance coverage to be made before taxes (non-taxable) through salary reduction.

SECTION 9: RETIREMENT

A. The retirement program provided by the City shall consist of a pooled Public Employee's Retirement System (PERS) plan, which includes the following Government Code provisions:

Section 20042 - One Year final compensation (Single Highest Year)
Section 20965 - Credit for unused sick leave
Section 21024 - Military Service Credit
Section 21573 – 3rd Level of 1959 Survivor Benefits
Section 21251.32 – 2% @ 55

B. The City shall pay the following amounts toward the employees CalPERS required contribution of 7% of their compensation earnable:

Effective first pay period:	City Contribution	Employee Contribution
May 29, 2013	5%	2%
July 1, 2013	3%	4%
July 1, 2014	1%	6%
July 1, 2015	0%	7%

C. New employees/members hired on or after January 1, 2013 as defined by The Public Employees' Pension Reform Act (PEPRA) will be hired at the retirement formula in accordance with PEPRA and other legislation.

SECTION 10: HOURS OF WORK

A. Prior to implementing a change in work schedule for the Public Works Department from the 4 day schedule, Orange County Employees Association will be notified. Upon request, the City will meet and confer with the Association on the impact of any scheduled change.

B. At the discretion of the Department Head: Community Services Officer, Senior Community Services Officer, and Lead Community Services Officer positions may be scheduled in shifts of 9-hour 4 days each week and one additional 8 hour day on alternate weeks, referred to as the 9/80 plan, or may be scheduled in shifts of 10-hour 4 days each week, referred to as the 4/10 plan. Additionally, other non-sworn positions may be scheduled on the 5/8 plan to accommodate training sessions. At the discretion of the Department Head, Public Works Beach Division employees may be scheduled on a 5/8 work shift from May

through September.

C. **Holiday Closures**

1. The City Manager may designate up to 5 specific holiday closure work days in each calendar year between Christmas Day and New Year's Day during which employees may be required to take time off, charged to leave without pay, the employee's accumulated compensatory time, vacation, floating holidays, or a combination thereof, as determined by the affected employee. The days must be consecutive for the employee, but may differ between employees. Employees who do not have sufficient accumulated time off in their account to cover the required time off may request, and will be granted, sufficient advance on their vacation accrual to cover the uncovered balance. This advance will be recovered with the next vacation accruals earned by the employee. Time off of work under this provision shall not be deemed a layoff.

2. If an employee is required to work on a City Manager designated holiday closure work day, the employee will receive pay computed at time and one-half employees' basic hourly rate for the number of hours actually worked.

Example: Employee A normally works a 10-hour day, 4 days per week, and is required to work 4 hours on a City Manager designated holiday closure work day on December 28, 2013. Employee A would earn pay computed as follows:

Hours	Pay Rate
4 hours work pay	Regular base hourly rate or overtime hourly rate, as applicable under MOU
6 hours leave time	Compensatory time, vacation, floating holiday, or combination thereof

D. All General Unit Orange County Employees Association members shall be granted ½ hour paid release time to attend quarterly Association meetings and 2 additional ½ hour for meetings to be called at the discretion of the Association. Such release time shall be taken in conjunction with the employees regularly scheduled lunch and shall be approved only after a minimum of 10 days' notice has been given to the City.

SECTION 11: OVERTIME

A. **Overtime and Call-Out Pay**

1. If work beyond normal workday, workweek or work period is required, the employee who may be asked to perform such overtime shall be notified of the apparent need for such overtime as soon as practicable prior to when the overtime is expected to begin.

2. If the responsible supervisor determines that overtime is necessary on work started on an assigned shift, the assigned employee(s) may continue with that work as an extension of their assigned shift.

3. Call out and overtime pay shall be paid at the rate of time and one-half the hourly rate. Minimum "call out" time (when returning to work) shall be 2 hours.

4. Overtime will be computed by dividing the employee's regular monthly salary by 173.3 to arrive at an hourly wage. Paid overtime for the payroll period is to be submitted and computed with the regular payroll.

5. Notwithstanding any provision of this Section, employee shall be entitled to select either compensated overtime or compensatory time off subject to budget limitations, departmental rules and regulations, and Section 7 - D of this MOU.

B. **Court Time**

1. All eligible employees called for a subpoenaed court appearance which arises out of the course of employment and not contiguous with the employee's work shift shall be compensated for a minimum of 2⅔ hours at the rate of 1½ times the employee's regular hourly rate of pay. Should the appearance exceed 2⅔ hours, the employee shall receive pay for the actual appearance time, excluded court designated lunch period, at the rate of 1½ times the employee's regular hourly rate of pay. Court appearance time shall begin when the employee departs from the Police Station to go directly to court.

2. Any appearance that is contiguous with a regular work shift is not subject to the 2⅔ minimum.

3. All employees agree to comply with "on-call" policies administered by their department. Should an eligible employee be placed "on-call" during off duty hours for court appearance(s), he shall be granted 2 hours pay at the employee's straight time hourly rate for any on call time prior to 12:00 noon and 2 hours for all on call time after the hour of 12:00 noon.

SECTION 12: HOLIDAYS

A. The City agrees to grant all full time employees a full shift pay for each holiday recognized by City. Every full-time employee of the City shall be granted the following holidays with pay:

Holiday	Date
New Year's Day	January 1st
Martin Luther King Day	3rd Monday in January
President's Day	3rd Monday in February
Memorial Day	Last Monday in May
Independence Day	July 4th
Labor Day	First Monday in September
Veteran's Day	November 11th
Thanksgiving Day	Fourth Thursday in November
	Calendar day following Thanksgiving Day
Christmas Eve	December 24th
Christmas Day	December 25th
**Floating Holiday*	(discretion of employee)

Total of 12 holidays annually

**Floating Holiday must be taken during each fiscal year (July 1st through June 30th). Floating holidays must be approved in advance by the Department Head.*

B. When a holiday falls on a Sunday, the next day shall be observed as a holiday. When a holiday falls on a Saturday, the preceding day shall be observed as a holiday.

C. When a holiday falls on a full-time employee's regularly scheduled day off, the employee shall receive compensatory time off for a full shift in lieu of holiday pay, in keeping with other provisions of this MOU.

Example #1: Employee A normally works a 9/80 schedule, and a holiday falls on the employee's Friday off, Employee A would receive 8 hours of compensatory time off.

Example #2: Employee B normally works a 9/80 schedule, and a holiday falls on a Monday, Tuesday, Wednesday, or Thursday, Employee B would receive 9 hours of compensatory time off.

Example #3: Employee C normally works a 4/10 schedule, and a holiday falls on a Monday, Tuesday, Wednesday, Thursday, or Friday, Employee C would receive 10 hours of compensatory time off.

D. An employee who is required to work on a holiday shall receive pay computed at 1½ times the employees' basic hourly rate for the number of hours

actually worked.

Example: Employee A works 6 hours on Christmas Day. Employee A would earn pay computed as follows:

Hours	Pay Rate
Full-shift holiday pay	base hourly rate
6 hours work pay	regular hourly rate or overtime hourly rate, as applicable under MOU

E. Holidays which fall during an employee's leave time shall not be charged against the employee's leave time balance.

SECTION 13: SICK LEAVE

A. All full-time employees covered by this MOU shall accrue sick leave at the rate of 1 day (8 hour) per month of service. Sick leave may be accumulated up to and including 520 hours. Except as otherwise provided in this MOU, no employee shall receive further accruals once the 520 hour maximum is reached.

B. The Department Head may require employees to present proof of illness for sick leaves in excess of 3 working days.

C. Employees who elected to retain sick leave balances prior to conversion to the leave time provision on July 1, 1987:

1. May utilize those balances for sick leave purposes.

2. Upon termination, shall be paid for the existing sick leave balance at 25% of the employee's then applicable base rate of pay.

D. Except as otherwise provided, employees shall not be eligible for any payment for sick leave balances upon termination.

E. Employees who are on leaves of absence, without pay, shall not accrue sick leave hours during said leaves of absence.

F. Sick leave balances may not be used to defer a disability retirement.

SECTION 14: VACATION TIME

A. All full-time employees covered by this MOU, who shall have at least one year's continuous service as a full-time employee immediately preceding, shall be granted a vacation with pay of approximately 80 hours per year up to a maximum of approximately 160 hours per year.

B. All full-time employees, who shall have at least 5 years of continuous service, shall be entitled to 8 additional hours of vacation per year of full-time continuous service for each year of service in excess of 5 years up to a maximum of approximately 160 hours per year.

C. The vacation accrual schedule is as follows:

Years' Service	Vacation Hours Earned	Maximum Hourly Accrual Rate / Pay Period Bi-Weekly	Annual Vacation Hours	Maximum Vacation Accrual
1	80	3.0769	80	160
2	80	3.0769	80	160
3	80	3.0769	80	160
4	80	3.0769	80	160
5	80	3.0769	80	160
6	88	3.3846	88	200
7	96	3.6923	96	200
8	104	4.0000	104	200
9	112	4.3076	112	200
10	120	4.6153	120	200
11	128	4.9230	128	240
12	136	5.2307	136	240
13	144	5.5384	144	240
14	152	5.8461	152	240
15	160	6.1538	160	240

D. Employees of the City considered as hourly, part-time and/or seasonal employees shall not be eligible for paid vacation.

E. Employees who are on leaves of absence, without pay, shall not accrue vacation leave hours during said leaves of absence.

F. All full-time employees shall only be allowed to accrue a maximum of 240 hours of vacation as set forth above. Once this maximum is reached, all further accruals will cease. Vacation accruals will recommence after the employee has taken vacation and the employee's accrued hours drop below the maximum. The maximum can only be exceeded with the approval of the City Manager in writing.

G. Employees are encouraged to use at least the amount of vacation hours earned each fiscal year. Those employees who have been credited with pre-existing leave hours are expected to use a portion of the excess as leave time, in addition to the new vacation hours each year, until the maximum accrual is met. The City recognizes that a number of long-term employees have accrued

substantially more leave time than shorter-term employees, and that it will likely take them significantly longer to achieve this goal. It is the intent of this section to balance the personal interests of the employee with the financial concerns of the City; as such, significant progress toward reaching the maximum accrual amounts may be deemed a success.

H. Vacation leave time shall not be approved until such time as it has been earned, unless prior, special arrangements have been made with the City Manager. The time at which an employee shall take vacation leave shall be requested by the employee prior to the start of the vacation leave period. Such vacation leave to be taken shall be subject to the prior approval of the Department Head, or designee, subsequent to consideration of the departmental workload and other staffing considerations, such as but not limited to, the previously approved vacation schedule of other employees, sick leave and position vacancies.

I. Not more than once in each fiscal year, an employee who has completed at least 1 year of continuous service shall, upon request, receive compensation for up to 80 hours of accrued vacation time provided that the employee has taken an equal amount of vacation time off within that fiscal year.

J. Employees covered by this MOU shall have ceased accruing general leave. Previously earned time shall be used/compensated for as follows: Upon separation of employment with the City, all compensable leave hours will be paid to the employee at the employee's then current base rate of pay.

SECTION 15: LEAVES OF ABSENCE

A. Authorized Leave of Absence Without Pay

1. Upon the Department Head's recommendation and approval of the City Manager, an employee may be granted a leave of absence without pay in cases of an emergency or where such absence would not be contrary to the best interest of the City, for a period not to exceed 180 working days.

2. Upon written request of the employee, the City Council may grant a leave of absence, with or without pay, for a period not to exceed 1 year.

3. At the expiration of the approved leave, after notice to return to duty, the employee shall be reinstated to the position held at the time leave was granted. Failure on the part of the employee to report promptly at such leave's expiration and receipt of notice to return to duty shall be cause for discharge.

4. During any authorized leave of absence without pay, an employee shall not be eligible to accumulate or receive fringe benefits, except an employee shall receive their monthly flex dollar allowance and the City, as specifically provided for in this MOU, shall contribute to the employee's disability insurance

plan, and life insurance plan for the first 30 days of leave of absence.

B. **Bereavement Leave** - The City agrees to provide 40 hours bereavement leave with pay for death in the immediate family. The bereavement leave shall not be chargeable to or accumulated as sick time. "Immediate family" is defined as spouse, registered domestic partner, father, mother, son, daughter, brother, sister, grandparent, grandchild, step-mother, step-father, mother-in-law, father-in-law, registered domestic partner-in-law or dependent relative living with the employee.

C. **Military Leave of Absence**

1. Military leave shall be granted in accordance with the provisions of Federal and State law. All employees entitled to military leave shall give the Department Head an opportunity within the limits of military regulations to determine when such leave shall be taken. Whenever possible, the employee involved shall notify the Department Head of such leave request 10 working days in advance of the beginning of the leave.

2. In addition to the provisions of State law, the City shall continue to provide eligible employees on military leave, the monthly flex dollar allowance under the cafeteria plan and disability and life insurance and retirement (if applicable) for the first 3 months of military leave. During said period, the employee shall be required to pay to the City the amount that exceeds the monthly flex dollar allowance (if applicable).

3. After the first 3 months of military leave, the employee may continue said benefits at his cost.

D. **Pregnancy Disability Leave of Absence**

1. An employee who is disabled due to pregnancy shall be granted a pregnancy disability leave as provided by the State of California and the Federal Family Medical Leave Act. The employee may elect to take a lesser period of leave.

2. Disabilities arising out of pregnancy shall be treated the same as other temporary disabilities in terms of eligibility for, or entitlement to, leave with or without pay.

E. **Family Leave** - Upon a demonstration of need and subject to the following conditions, an employee may take leave or unpaid leave to care for his newborn infant, whether through parentage or adoption, or to care for a seriously ill or injured member of the employees "immediate family" as defined in Section 15 - B.

1. Proof of the birth or adoption of a newborn infant or the serious illness/injury of the family member must be submitted to the City.

2. Requests for family leave must be submitted in writing to the employee's supervisor at the earliest possible date proceeding the time when the leave is to begin.

3. Operational needs of the City shall be relevant in determinations regarding the granting of family leave in accordance with the provisions of State and Federal Family Leave laws.

4. In the event of an extended family leave, the employee may be required to periodically report on the status of the situation giving rise to the leave.

5. Family leave may be granted only upon the recommendation of the Department Head and approval of the City Manager consistent with the provisions of State and Federal Family Leave laws.

F. **Catastrophic Leave** - The purpose of the Catastrophic Leave Pool is to enable full time employees to receive and donate vacation, administrative leave, and CTO leave credits on an hour for hour basis to assist employees who have no leave and who will suffer a financial hardship due to prolonged illness or injury to themselves or a member of their immediate family. Sick Leave is excluded from this program. The following conditions shall apply to Catastrophic Leave:

1. Catastrophic Leave will be available only to employees who have exhausted their own paid leave through bona fide serious illness or accident.

2. The leave pool shall be administered by the Finance Department.

3. Employees must be in regular full-time appointed positions to be eligible to receive catastrophic leave.

4. Employees receiving Long-Term Disability payments are excluded from receiving catastrophic leave under this program.

5. All donations are to be confidential, between the donating employee and the Finance Department.

6. Employees donating to the pool must have 40 hours of paid leave available after making a donation.

7. Donating employees must sign an authorization, including specifying the specific employee to be the recipient of the donation.

8. Donations will be subject to applicable tax laws.

9. The availability of Catastrophic Leave shall not delay or prevent the

City from taking action to medically separate or disability retire an employee.

10. Catastrophic Leave due to illness or injury of an immediate family member may require medical justification as evidenced by a Physician's Statement that the presence of the employee is necessary.

11. Catastrophic Leave due to the illness or injury of the employee will require medical justification as evidenced by a Physician's Statement as to the employee's condition.

SECTION 16: JURY DUTY COMPENSATION

A. Employees required to report for jury duty shall be granted leaves of absence for such purpose, upon presentation of jury notice to the Department Head. Said employees shall receive full payment for the time served on jury service, provided the employee remits any fees received for such jury service, excluding payment for mileage, to the City's Finance Department. Compensation for mileage, subsistence or similar auxiliary allowance shall not be considered as a fee and shall be returned to the employee by the Finance Department.

B. If the sum of the employee's jury duty responsibilities is less than a full work day, the employee shall contact his supervisor as to the feasibility of returning to work that day.

C. Any hours worked beyond the regularly scheduled work day shall be subject to the workweek and overtime provisions. An employee may request a change in regularly scheduled working hours to a Monday through Friday day shift for the duration of such jury duty. Such requests shall be granted if practicable.

SECTION 17: PROBATIONARY PERIODS

A. Appointment Following Probation Period

1. The original appointment and promotional appointment of employees shall be tentative and subject to a probationary period of 6 months of service.

2. When unusual circumstances merit the extension of the probationary period, the Department Head shall request, in writing, approval of the City Manager. Said extension shall not exceed 180 days. The Personnel Office shall notify the Department Head and the probationer concerned no-less-than 2 weeks prior to the termination of any probationary period.

3. If the service of a probationary employee has been satisfactory, the Department Head shall file with the Personnel Office a statement, in writing, that the retention of the employee is desired. No actions changing an employee's status from probationary to regular full-time shall be made or become effective

until approved by the City Manager.

B. **Objective of Probationary Period** - The probationary period shall be regarded as a part of the testing process and shall be utilized for closely observing the employee's work, for securing the most effective adjustment of a new employee to his position, and for rejecting any probationary employee whose performance does not meet the required standards of work.

C. **Employee Performance Appraisal**

1. Each probationary employee shall have his performance evaluated at the end of each 3 months of service or at a more frequent interval when deemed necessary by the Department Head. Such evaluation shall be reported in writing and in the form approved by the Personnel Office.

2. The written appraisal report of an employee's performance evaluation shall be filed in the Personnel Office and made a part of the employee's personnel records, with one copy to be given to the employee.

D. **Rejection of Probationary Employee**

1. During the probationary period an employee may be suspended, demoted, or rejected anytime by the Department Head, with approval of the City Manager, without cause and without right of appeal, except the right of appeal of punitive action as may be provided by law. Notification of rejection, in writing, shall be served on the probationary employee and a copy filed with the Personnel Office. A termination interview may be conducted with each rejected probationer.

2. An exception will be applied where the probationary employee's job termination or dismissal is based on charges of misconduct which stigmatizes his reputation or seriously impairs his opportunity to earn a living, or which might seriously damage his standing and association in the community. Where there is such a deprivation of a "liberty interest", the employee shall be given pre-disciplinary procedural due process as defined in the City of Seal Beach Personnel Rules and Regulations and this MOU. Prior to the disciplinary action becoming final, the employee must be notified of his right to the appeal procedure as outlined in the Rules and Regulations.

SECTION 18: LAYOFF PROCEDURES

A. The appointing authority may lay off employees or demote employees in lieu of layoff subject to Section II - TERMINATION of the City's Personnel Rules and Regulations.

B. Notwithstanding Section II of the City of Seal Beach Personnel Rules and Regulations, the City agrees to apply the following as part of the definition of

seniority in layoffs.

C. Whenever seniority is equal, the seniority of the employee shall be determined first by examining continuous service within the affected classification and if not determinative, then by position on the employment list.

SECTION 19: SAFETY COMMITTEE PROGRAM

A Citywide Safety Committee Program will be implemented; an employee representing each department will participate and will meet on a quarterly basis.

SECTION 20: DRUG & SUBSTANCE ABUSE POLICY FOR COMMERCIAL DRIVER'S LICENSE HOLDERS

Anti-Drug & Alcohol Policy

A. Employees of the City of Seal Beach who are required to possess a commercial driver's license - Class A or B - to operate a City vehicle in the scope of their employment, or employees who perform safety sensitive functions will be subject to controlled substance and alcohol testing rules in accordance with Federal Regulations 49CFR, Parts 382, 391, 392 and 395.

B. This policy reflects the City's compliance with the applicable Federal laws in conjunction with a commitment to provide a safe environment for its employees and the public alike. Only covered employee positions and covered employees performing safety sensitive functions are expected to comply with this policy. By implementing this policy, the goal is to ensure a drug and alcohol-free transportation environment and to reduce accidents, injuries and fatalities.

SECTION 21: ENTIRE MEMORANDUM OF UNDERSTANDING

A. **Merger of Negotiations** - This MOU represents the full and complete understanding of every kind or nature whatsoever between the parties hereto and all preliminary negotiations and previous Memorandums of Understanding of whatsoever kind of nature are merged herein.

B. Notwithstanding the provision of Sub-section A, there exists within the City certain personnel rules and regulations and department rules and regulations. To the extent that this MOU does not specifically contradict these personnel rules and regulations or department rules and regulations or City ordinances, they shall continue subject to being changed by the City in accordance with the exercise of City rights under this MOU and applicable state law.

C. Except as provided herein, other terms and conditions of employment, oral or written, express or implied that are presently enjoyed by employees represented by the Association shall remain in full force and effect during the entire term of this

MOU unless mutually agreed to the contrary by both parties hereto.

D. **Separability** - If any provision of the MOU or the application of such provision to any person or circumstance shall be held invalid, the remainder of the MOU or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

E. **Reopener Clause** - City and Association agree to reconvene during the terms of this MOU to discuss retiree benefits, including but not limited to, the implementation of Health Savings Account (HAS), Health Reimbursement Arrangement (HRA), or Voluntary Employee Beneficiary Association (VEBA) programs for employee and retiree medical premiums.

SECTION 22: TERM OF MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding shall remain in full force and effect from May 29, 2013 until midnight, June 30, 2016.

SECTION 23: EMERGENCY WAIVER PROVISION

In the event of circumstances beyond the control of the City, such as acts of God, fire, flood, civil disorder, national emergency, or similar circumstances, provisions of this MOU or the Personnel Rules and Regulations of the City, which prevent the City's ability to respond to these emergencies, shall be suspended for the duration of such emergency. After the emergency is over, the Association shall have the right to meet and confer with the City regarding the impact on employees of the suspension of these provisions in the MOU and any Personnel Rules and Regulations.

SECTION 24: RATIFICATION

This MOU is subject to approval and adoption by the City Council and ratification by the required number of the duly authorized representatives of the Association. Following such approval and adoption, the MOU shall be implemented by the appropriate resolutions(s), ordinance(s), or other written action of the City Council.

IN WITNESS HEREOF, the parties have hereto caused this Memorandum of Understanding to be executed this 29th day of May 2013.

CITY OF SEAL BEACH MANAGEMENT REPRESENTATIVES:

Sean P. Crumby, Assistant City Manager/
Director of Public Works — Date: 5/30/13

Patrick Gallegos, Administrative Manager — Date: 5/30/13

ORANGE COUNTY EMPLOYEE ASSOCIATION REPRESENTATIVES:

Liesena U. Ontiveras, Senior Labor Relations
Representative — Date: 5-16-13

Michael Uggla — Date: 5/15/13

William Moran — Date: 5-15-13

Shannon Allen — Date: 5-15-13

Dan Fortney — Date: 5/16/13