Adopted by Resolution No. 6772

EXHIBIT B

Seal Beach Marine Safety Management Association (SBMSMA)

MEMORANDUM OF UNDERSTANDING

ADOPTED: October 23, 2017

EXPIRES: June 30, 2019

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MEMORANDUM OF UNDERSTANDING
BETWEEN
THE CITY OF SEAL BEACH
MARINE SAFETY MANAGEMENT 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 Marine Safety Management Association (SBMSMA) an association of employees of the City of Seal Beach, hereinafter referred to as "Association".

B. The City recognizes the Association as the representative of the employees in the classification and assignments set forth in Section 21.G below for the purpose of meeting its obligations under this MOU, the Meyers-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 3 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. City also agrees that such representatives may utilize a total of not more than 3 hours per year without suffering any loss in pay for such absence for the purpose of meeting with employees who are members of the Association and/or other officers of the Association.

D. 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.

E. 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.

F. 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.

G. This document supersedes all prior Memoranda of Understanding and verbal agreements between the parties hereto.

SECTION 2: 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 decision(s).

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 insofar as such changes do not conflict with this MOU.

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 resolutions 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 3: 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 2017, CalPERS has established the minimum PEMHCA contribution at $128 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 January 1, 2017, the monthly flex dollar allowance shall be:

For Employee only	$ 832.82/month
For Employee and 1 dependent	$ 1,286.97/month
For Employee and 2 or more dependents	$ 1,664.29/month

4. A portion of the monthly flex dollar allowance is identified as the City's contribution towards PEMHCA. Thus, for example, in calendar year 2017, an employee only monthly flex dollar allowance is $832.82, of that $832.82; $128 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 City's cafeteria plan.

5. Effective January 1, 2017, and every January 1st during the term of this agreement, the City shall increase the contribution amounts above by the average 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 $350 per month beginning January 1, 2017 (upon showing proof of medical insurance coverage under an alternative plan). Election forms are available in the Human Resources.

7. Full-time employees covered by this MOU who have completed 30 days of uninterrupted service shall be enrolled in the 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 cafeteria plan.

9. City shall not contribute to the cafeteria plan 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. **Life Insurance**

Employees covered by this agreement shall receive a $50,000 term life insurance policy paid by the City. 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 1st day of the next succeeding month.

C. **Income Continuation**

Employees covered by this Agreement shall receive a policy to provide for income continuation of 66.67% of the employee's monthly salary, up to a maximum of $5,000 per month, whichever is lesser, paid by the City. 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 1st day of the next succeeding month. Said income continuation shall commence on the 3lst day of sickness or other bona fide absence or upon expiration of sick leave, whichever occurs later, and continuing thereafter while the employee is absent from work for a period of up to age 65.

D. **Annual Dermatological Screening**

The City will provide employees with one (1) annual dermatological (skin cancer) screening at no cost to employees. Screening will be provided by Beach Dermatology located at 500 Pacific Coast Highway, Suite 212 in Seal Beach and must be scheduled by the employee. Any treatment deemed necessary following the exam shall be scheduled by the employee through the employee's provider of choice using the employee's insurance. All medical billing for the screening services will be forwarded for payment to the City of Seal Beach by Beach Dermatology.

SECTION 4: RETIREMENT HEALTH INSURANCE

A. 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.

B. Employees in the **Marine Safety Lieutenant** classification who retire after December 31, 2007, and on or before December 31, 2009, with 20 or more combined years of employment with the City shall, upon retirement, be provided with individual and eligible dependent medical insurance coverage. The City shall contribute monthly to the cost of the selected coverage consistent with the appropriate level as specified in Section 3 - A in these Terms and Conditions.

C. Employees in the **Marine Safety Lieutenant** classification, who were hired before January 1, 2008 by the City, and who retire after December 31, 2009, with 20 or more combined years of employment with the City shall, upon retirement, be provided with individual medical insurance coverage. 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 at the rate of (a) the average of the 2 lowest cost medical care plans offered by CalPERS, or (b) the CalPERS Kaiser HMO, whichever is greater. When the retired employee becomes Medicare eligible, the City's contribution will be capped at the rate of (a) the average of the 2 lowest cost Medicare supplement plans offered by CalPERS, or (b) the CalPERS Kaiser HMO Medicare supplement plan, whichever is greater.

D. Employees in the **Marine Safety Officer** classification covered by this Agreement who were hired before April 13, 2009 by the City, have 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 Kaiser HMO rate. 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 Kaiser HMO rate. A portion of the payment for retiree or retiree and dependents medical insurance is identified as the City's contribution towards PEMHCA.

E. On or after January 1st 2008, 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.

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

G. 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.

SECTION 5: SICK LEAVE

A. All full-time employees covered by this MOU shall accrue sick leave at the rate of 1 day (8 hours) 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. All employees in the **Marine Safety Lieutenant** classification, upon termination of employment with the City, all compensable leave hours will be paid to the employee at the employee's base rate of pay. Sick leave balances which have not been converted to leave time will be paid to the employee upon termination at 25% of the employee's base rate of pay.

D. All employees in the **Marine Safety Officer** classification except as otherwise provided, employees shall not be eligible for any payment for sick leave balances upon termination.

E. Employees who are on authorized 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 6: VACATION TIME

A. **Marine Safety Officers** covered by this Agreement, have passed the employee probationary period (as defined in the Personnel Rules and Regulations, Section 6.01) 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 employees in the **Marine Safety Lieutenant** classification who shall have at least three (3) years of continuous service shall be entitled to eight (8) additional hours of vacation for each year of full-time continuous service in excess of three (3) years. The vacation accrual schedule for mid-management employees 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	88	3.3846	88	200
5	96	3.6923	96	200
6	104	4.0000	104	200
7	112	4.3044	112	200
8	120	4.6154	120	200
9	128	4.9231	128	240
10	136	5.2308	136	240
11	144	5.5385	144	240
12	152	5.8462	152	240
13	160	6.1538	160	240

C. All employees in the **Marine Safety Officer** classification who shall have at least (5) Years of continuous service, shall be entitled to eight (8) additional hours of vacation per year of full-time continuous service for each year of service in excess of five (5) years up to a maximum of approximately 160 hours per year.

D. The vacation accrual schedule is as follows:

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

E. All employees in the **Marine Safety Officer** classification shall only be allowed to accrue a maximum of 240 hours of vacation. 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.

F. Employees covered by this agreement considered as hourly, part-time and/or seasonal employees shall not be eligible for paid vacations.

G. Employees covered by this agreement who are on leaves of absence, without pay, shall not accrue vacation leave hours during said leaves of absence.

H. All employees in the **Marine Safety Officer** classification not more than once in each fiscal year, who have completed at least 1 year of continuous service shall, upon request, receive compensation for up to 50 hours of accrued vacation time provided that the employee has taken an equal amount of time off within that fiscal year.

I. Employees are encouraged to use at least the amount of vacation hours earned each fiscal year. Those employees who have been credited with preexisting 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.

J. 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. 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.

K. All employees in the **Marine Safety Lieutenant** classification not more than once in each fiscal year, an employee who has completed at least one year of continuous service shall, upon request, receive compensation for up to 80 hours of accrued vacation time provided that the employee has taken (50) hours of vacation time off within that fiscal year. An employee shall also, upon request, receive compensation for up to (120) hours of accrued vacation time provided that the employee has taken (80) hours of accrued vacation time off within that fiscal year.

K. Employees covered by this Agreement shall cease accruing general leave time effective the first payroll period in December, 1997. Previously earned time shall be used/ compensated for as follows: Upon separation of employment with the City, all compensable hours will be paid to the employee at the employee's then current base rate of pay.

SECTION 7: HOLIDAYS

A. The City agrees to grant all full-time **Marine Safety Association** 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
Presidents' 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 (Monday) shall be observed as a holiday. When a holiday falls on a Saturday, the preceding day (Friday) 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: Employee A normally works a 4/10 schedule, and a holiday falls on a Monday, Tuesday, Wednesday, Thursday, or Friday, Employee A would receive (10) hours of compensatory time off.

D. A **Marine Safety Officer** who is required to work on a holiday shall receive pay computed at 1½ times the employees' bas 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. **Holiday Closures** – The City Manager may designate up to five (5) specific 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.

B. If an employee is required to work on a City Manager designated closure work day, the employee will receive pay computed at 1½ times the employees' basic hourly rate for the number of hours actually worked.

Example: Employee A normally works a 9/80 schedule, and is required to work 4 hours on a City Manager designated holiday closure work day on December 28, 2016. Employee A would earn pay computed as follows:

Hours	Pay Rate
4 hours work pays	1½ times the hourly rate, as applicable under the MOU
5 hours leave time	Compensatory time, vacation, floating holiday, or combination thereof

SECTION 8: 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
Section 20965	Credit of Unused Sick Leave
Section 21024	Military Service Credit

B. All employees incumbent in the **Marine Safety Association** shall participate in the 3% @ 50 formula plan for Local Safety Members.

C. The Marine Safety Association "PERS Classic" employees shall pay 9% of their CALPERS required contribution of their compensation earnable.

D. 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 the PEPRA and other legislation.

SECTION 9: OVERTIME AND CALL OUT PAY

A. The following section pertains to the position of **Marine Safety Officer**:

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. 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 3 hours. Call out time shall start when employee is called to service.

3. 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 pay period is to be submitted and computed with the regular payroll.

4. Notwithstanding any provision of this Section, the employee shall be entitled to select either compensated overtime or compensatory time off subject to budget limitations, departmental rules and regulations, and Section 11 of this MOU.

SECTION 10: COMPENSATORY TIME OFF (CTO)

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

SECTION 11: PROVISIONAL APPOINTMENTS AND ASSIGNMENTS

A. An employee, when authorized by the City Manager, may receive a provisional appointment to a higher classification to fill a temporary vacancy. The employee, when so appointed, must perform the duties and assume the responsibilities of the higher classification for (80) consecutive working hours and shall be paid according to the step in the assigned salary range of the new position which is a minimum of 5% higher than the salary received before the provisional appointment (not to exceed the top step).

B. When necessary and in the best interest of the City, the City Manager may provisionally assign an employee to a higher level of duty and responsibility than provided for in the employee's assigned classification which is not otherwise a part of an adopted classification. In the case of such an assignment, the employee must perform the higher level of duties for (80) consecutive working hours; thereafter the employee shall receive additional compensation of 5% so long as the assignment is authorized by the City Manager.

SECTION 12: SENIORITY BONUS

Employees who have achieved (10) years of uninterrupted employment with the City shall receive a 5% increase in base salary effective on the l0th anniversary of their employment.

SECTION 13: 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 mileage rate established by the Internal Revenue Service (IRS).

SECTION 14: ADMINISTRATIVE LEAVE

Effective the 1st payroll period in July 2017, and every July thereafter:

A. **Marine Safety Lieutenant** shall be entitled to (40) hours of administrative leave during each fiscal year.

B. **Marine Safety Officers** shall be entitled to the equivalent of (2) work days of administrative leave during each fiscal year.

C. Administrative leave hours may not be carried forward to succeeding years nor may they be turned in for cash value.

SECTION 15: LIMITATIONS

A. No employee who is receiving Workers' Compensation payments and benefits is eligible to receive overlapping benefits (except life insurance) stated in this MOU.

B. City shall not make any monthly payments for premiums for any insurance benefit listed in this MOU, or uniform allowance, supplemental pay of any type and/or type of bonus on behalf of or to any employee who has been absent without authorization during entire said month or for any employee who has terminated for any reasons whatsoever or who is on leave of absence without pay of who is suspended from duties without pay for the entire said month.

SECTION 16: DEFERRED COMPENSATION

For the classification of **Marine Safety Lieutenant**, the City shall contribute the equivalent to 3.5% of base salary per payroll period into a deferred compensation program for each employee this classification.

For the classification of **Marine Safety Officer**, the City shall contribute the amount of $40 per payroll period into a deferred compensation program

SECTION 17: BILINGUAL COMPENSATION

A. 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.

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

SECTION 18: CERTIFICATION PAY

A. Employees who possess and maintain valid certification for CPR/AED/First Aid Instructor, as well as a minimum certification of EMT, will receive $500 annually each December 1st.

B. Employees who possess a United States Coast Guard (USCG) Captains License will receive $250 annually each December 1st

SECTION 19: WORK SCHEDULE

A. At the discretion of the City Manager, work schedules may be altered as needed to accommodate service demand levels of the residents of the City of Seal Beach.

SECTION 20: TUITION REIMBURSEMENT

A. Higher Education Degree Programs – Marine Safety Association 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 at the tuition rate of the Cal State University system for up to 2 semesters of full-time, undergraduate enrollment each calendar year.

B. 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 2016 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	$ 494.00 (approx.)
Parking	$ 123.00
Books	$ 300.00 (approx.)
TOTAL	$2,504.00

SECTION 21: COMPENSATION PLAN

A. Basic Compensation Plan

1. 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 first 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 second 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 third, fourth and fifth steps are merit adjustments to encourage an employee to improve their 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 a 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 - 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 first 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 MOU**

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 July 1st 2017. Employees shall receive a 4% cost of living adjustment.

First pay period on or following July 1, 2018 – CPI adjustment, minimum 2% 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 2017 – April 2018.

Mid-Management

Grade	Job Classifications
31	Marine Safety Lieutenant

Technical

Grade	Job Classifications
23	Marine Safety Officer

SECTION 22: 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 level 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 Manager 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 or leave time. "Immediate family" is defined as spouse, registered domestic partner, father, mother, son, daughter, brother, sister, grandparent, grandchild, step-mother, step-father, step-child, mother-in-law, father-in-law, 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 6.

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 23: MISCELLANEOUS

Layoff: The City is to give Association (45) days prior notice before the effective date of any layoffs. During this (45) day period, the City will, upon request, meet and confer on the impact of the layoffs.

SECTION 24: TERM

The Memorandum of Understanding shall remain in full force and effect from July 1, 2017 until midnight June 30, 2019.

SECTION 25: APPEALS

A. Employees shall be allowed to appeal written reprimands to the Personnel Officer. Such appeals shall be filed within (14) calendar days. The decision of the Personnel Office shall be final.

B. Hearings held pursuant to Personnel Rule 10.02, Automatic Resignation shall be interpreted to allow employees to present evidence showing the absence was for good cause and that circumstance prevented them from contacting the City.

SECTION 26: REOPENER

City and Association agrees to reconvene during the terms of this MOU to discuss all fringe benefits, including but not limited to health plans, the implementation of HSA or HRA programs for employee and retiree medical premiums.

SECTION 27: RATIFICATION

This Memorandum of Understanding 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 Memorandum of Understanding shall be implemented by the appropriate resolution(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

Jill R. Ingram, City Manager — Date: 11/1/17

Patrick Gallegos, Assistant City Manager — Date: 11/1/17

CITY OF SEAL BEACH MARINE SAFETY ASSOCIATION:

Chris Pierce President Date: 10/31/17

Nick Bolin Vice President Date: 10/31/2017

Gregorio Daniel Teamsters Date: 11/1/17