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This Memorandum of Understanding constitutes the result of meeting and conferring in good faith in accordance with provisions of Chapter 10, Division 4, Title I, of the Government Code of the State of California.

Modifications to existing wages, hours and conditions of employment set forth below have been agreed to by the signatories to this Memorandum for implementation, for all employees represented by the Management Association hereafter called “Association.” This Memorandum of Understanding shall remain in full force and effect upon the ratification of the members of the Association and approval of the City Council of the City of San Mateo. The Agreement of the parties is outlined in the Memorandum of Understanding which follows.

1.0 RECOGNITION

The City recognizes the Management Association as the recognized employee organization representing those merit system classifications listed in Exhibit A and Exhibit B; as added to, or subtracted from, by formal action of the City Council creating or abolishing merit system classifications.

Those classifications which consist of non-confidential employees who meet the following criteria for merit system management employees shall be assigned to the Management Association:

A. Any merit system employee having significant responsibilities for formulating and administering City policies and programs and

B. Any merit system employee having authority to exercise independent judgment and effectively recommend the hiring, transferring, suspending, promoting, discharging, assigning, rewarding, or disciplining of other employees, or having the responsibility to direct them or adjust their grievances.

Those confidential employees who meet the following criteria for merit system management employees shall be assigned to the Management Association:

1.1 Confidential Employee Defined
A Confidential Employee is any merit system employee who is privy to decisions of City management affecting employer/employee relations. Confidential employees are listed in Exhibit C of the MOU. Confidential employees are not precluded from participating in employee association activities except that Confidential Employees employed in the City Manager’s Office, Human Resources, City Attorney’s Office, and/or Business Services are precluded from representing the Association in labor negotiations.

1.2 Management Association Position Assignment
Before any position is assigned to the Management Association a salary survey and proposed specification will be submitted to the Management Association for review.

1.3 Management Association Rights
The Management Association shall have all of the rights and privileges established by applicable State or Federal law for such employees, including those rights and privileges provided under
Government Code Sections 3500-3510. For purposes of identification, this Association shall be titled the Management Association.

2.0 PROBATIONARY PERIOD

The probationary period is the length of time required for an employee to become proficient in their position and for the Department Head to adequately judge the proficiency. Recognizing that individuals and positions vary, the standard probationary period for all positions shall be twelve (12) months but may be shortened or lengthened by up to six (6) months depending on the proven proficiency of the probationer and with the concurrence of the Department Head.

3.0 LIMITED DURATION POSITIONS

The City may hire employees in limited duration positions (non-permanent positions) that will not exceed three (3) years for any of the following reasons: (1) where the position is created for a project(s) or work that is expected to be completed within three (3) years; (2) where the position is funded by grant funds of three (3) or less years in duration; or (3) where the position is funded by moneys from capital or enterprise funds that may be unavailable after three (3) years. Employees shall be informed of the duration of the position at the time of employment. At the end of the position’s duration, employment shall terminate and the employee shall not have layoff rights, bumping rights, severance payments or reemployment rights. Should an employee who was originally hired to fill a limited duration position be later appointed to a permanent merit position, his/her hire date will be that date that service began in the limited duration position.

4.0 SALARY

Compensation is intended to be consistent with City-wide objectives and commensurate with actual job performance. Job performance will be the sole criteria for determining an employee's placement within a salary range.

4.1 Salary on Initial Appointment
Salary at initial appointment should be the bottom of the established range for the classification. However, appointment may be made at a higher level on the recommendation of the Department Head.

4.2 Salary Advancement Within Range
Salary advancement within a range shall be based on merit and performance as determined by the Department Head. Written objectives will be a component in the annual review of job performance. The supervisor's evaluation and recommendations will be used by the Department Head to determine employee's advancement within the range.

Salary advancement within an established range is typically considered at one-year intervals and/or at the time of a range adjustment resulting from negotiations. The date of salary review and increase may be advanced or delayed as determined by the Department Head. Salary advancement typically occurs in increments of four and one-half percent (4 ½%). At no time shall an employee advance beyond the top of the established range.
Other than the review process outlined in Section 4.3, no appeal shall occur from the decision of the supervisor and/or Department Head whether by discipline procedures, grievance, or otherwise.

4.3 Salary Advancement Review
This subsection shall not apply to and does not include the Salary Adjustment in Section 7.0. An employee who receives a salary advancement totaling less than four percent (4%) during a twelve (12) month period may request a review by the Department Head if the employee is not directly supervised by the Department Head or if so, by the City Manager/designee. Reviews in the City Manager’s and Attorney’s office shall be final with the City Manager and City Attorney, respectively. The review shall be completed within thirty (30) days. A request for review cannot be made more than once during a twelve (12) month period.

The City Manager/designee shall provide their decision to the Department Head and employee. The decision shall be final without right to appeal, whether by disciplinary procedures, grievance, or otherwise. Salary adjustments, if any, shall be effective in accordance with the decision of the Department Head/City Manager/City Attorney.

4.4 Salary on Promotion
Upon promotion, salary shall be increased to the step of the higher classification that is at least five percent (5%) higher than the employee’s current rate of pay.

4.5 Salary on Demotion
"Demotion" means the change from one classification to a different classification where the maximum rate is lower than the maximum rate of the former classification. A demotion will be considered voluntary unless it results from the layoff or discipline process.

The salary rate for demoted employees shall be as follows:

<table>
<thead>
<tr>
<th>Reason</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discipline</td>
<td>As set by discipline</td>
</tr>
<tr>
<td>Voluntary demotion, or layoff</td>
<td>Top of range</td>
</tr>
<tr>
<td>Failure to complete probation after promotion</td>
<td>Return to same relative percentage as held before promotion</td>
</tr>
</tbody>
</table>

4.6 Salary on Transfer
"Transfer" means a change of positions within the same classification or comparable classification with a salary differential of five percent (5%) or less between tops of ranges.

4.7 Salary on Classification Change
If appointed to a classification having a maximum salary equal to that of the immediate former classification, an employee shall be entitled to receive the same rate they would have received if they had remained in the former classification.

No appeals of salary decisions within the discretion of the Department Head or City Manager shall be subject to grievance or any other appeal.

Management Association MOU 2020-2023 3
4.8 **Salary on Military Leave**
All employees who have been granted a military leave may upon their return to City service be entitled to normal salary advancements within their pay-range occurring during their authorized absence.

5.0 **CLASSIFICATION AND COMPENSATION REVIEW**
The purpose of the classification and compensation review will be to determine appropriate classification allocations and compensation for the Management positions in the City of San Mateo.

5.1 **Implementation**
In the event that a study of an individual classification is completed by the Human Resources Department upon the request of a Department Head, it may be implemented at a time other than the date for that Management Association annual increase. The following provisions shall apply:

A. If the individual study is implemented less than six (6) months before the next annual increase: a) the City shall again survey the compensation for the position in conjunction with the annual benchmark survey for the Management Association increase; and b) the position shall receive only the portion of the annual increase necessary to bring the position to market;

B. If the individual study is implemented six (6) months or more before the next annual increase, the position shall receive the full annual increase.

6.0 **SPECIAL PAY**

6.1 **Bilingual Pay**
Based on the City and community need and the language proficiency of the employee, the Human Resources Director may approve bilingual pay for the Management Association classifications upon the recommendation of the Department Head. Approval will only be given where the employee's bilingual skill is regularly used in the course of City business.

Bilingual premium pay shall be $90 biweekly and shall become payable the first day of the pay period following proficiency certification. If a bilingual qualified employee works less than full-time, the biweekly differential will be prorated. If an employee is off work for over 30 days, he/she will not receive the bilingual differential for the remainder of the leave.

In order to ensure that employees retain bilingual proficiency, a periodic requalification may be required and will be administered by the Human Resources Department.

6.2 **Temporary Upgrade Pay**
In the event a Department Head determines that it is necessary to assign an employee to perform all of the duties of a higher paid classification, he/she shall be entitled to payment for the higher classification for the entire duration of the assignment. Such rate of pay shall be at least five percent (5%) higher than the employee’s current rate of pay except that if circumstances warrant, the City Manager may authorize a different salary in the established salary range.
In the event the City Manager appoints an employee in a Department Head temporary upgrade assignment, the employee shall be paid a salary for the entire duration of the assignment which is the average of the established salary for the Department Head and the employee's current salary, except that if circumstances warrant, the City Manager may authorize a different salary in the established salary range. No differentials shall be paid in addition during such period in a Department Head temporary upgrade assignment.

Except with the approval of the City Manager, a temporary upgrade assignment shall not continue for longer than one year.

In the event that the Department Head or the City Manager decides to assign all the duties of a vacant Department Head or Division Head position to a “Management Team,” the cost of paying one of the management employees temporary upgrade pay to fill the vacancy will be split between the members of the “Management Team” and be paid as a work out of class differential (not temporary upgrade pay) for the duration of the assignment.

6.3 Work Out of Class Pay
When an employee performs a significant portion but not all of the duties of a higher paid classification, the employee may petition their department head for approval to receive a differential in pay to be determined by duties assigned for this work out of class.

6.4 On Call Pay
Two percent (2%) will be included in base pay for the Systems and Network Manager, Network Administrator, Sr. Systems Analyst, Systems Analyst II, Senior Project Manager, GIS Coordinator, Network Analyst, Systems Specialist, Consulting and Applications Manager, and Public Works Supervisor in deference to the fact that they are required to respond when contacted on a regularly scheduled basis. When scheduled, they are required to be able to respond if necessary in a reasonable time period as defined by the Department.

6.5 Wastewater Treatment Plant Shift Differential
Shift differential for the hours between 6:00 p.m. – 6:00 a.m. shall be paid at the rate of $2.50 for each hour actually worked.

6.6 Safety Officer Training / Coordinator Premium
One (1) Public Works Supervisor shall be paid a ten percent (10%) premium when assigned the responsibility of coordinating and instructing personnel in safety procedures.

7.0 SALARY ADJUSTMENT

7.1 Performance Based Compensation Increases
The term compensation includes base salary, benefits, and Above-Market Median Pay (Section 7.4). Successful employee performance is a key factor in determining compensation. Employees with an overall performance rating of satisfactory or better will receive increases in base salary, as outlined in this section.

If one or more of the following has occurred within the twelve (12) months preceding the scheduled base salary adjustment, the amount of any increase will be determined by the Department Head.
• The employee has received an overall performance rating of less than satisfactory and a meeting has occurred prior to the performance rating that informed the employee of the performance difficulties.
• The employee has been placed on a performance improvement plan.
• The employee has received a letter of reprimand or disciplinary action.

7.2 Market Placement and Compensation Survey Data
The City agrees to provide survey data at the commencement of negotiations for a successor Memorandum. Data to be provided shall include: top step salary, employee-paid PERS employer cost, deferred compensation, Social Security (City share), health, dental, vision, life insurance, and LTD. Cities with populations from 75,000 to 150,000 in San Mateo, Santa Clara and Alameda counties will be surveyed.

The City will also provide the Association with an updated list of retiree health provisions for the survey cities.

7.3 Above Market Median Pay
The City Council, during the annual budget adoption process, will determine when additional compensation up to two and one-half percent (2.5%) may be provided to set salaries above the three county market median. In doing so, they will consider, among other factors, the employment market, attraction and retention history, as well as the City’s financial health. Additionally, in recognition of a competitive labor market, the City Manager may offer additional compensation or benefits on a case by case basis for challenging recruitment and/or retention circumstances.

7.4 Compensation Increases During the Term of this Agreement
Effective April 5, 2020, the Unit will receive an across the board increase of 2.5%. Effective April 4, 2021, the Unit will receive an across the board increase of 2.0%. Effective April 3, 2022, the Unit will receive an across the board increase of 1.0%.

8.0 OVERTIME

8.1 Definition for Exempt Employees

8.1.1 Executive, administrative and professional employees as defined by the Fair Labor Standards Act (FLSA) are exempt from the provisions of this overtime policy. Federal standards concerning exemptions from federal wage and hour laws shall be used as a guide in determining such exemptions.

8.1.2 The regular salary is considered total compensation without any specific work schedule which might be required to carry out assigned responsibilities.

8.1.3 Notwithstanding this exemption, in the event of a work-stoppage, City Council declared emergency, or other concerted action necessitates the devotion of excessive working time by certain management employees in order to maintain essential public services, the City Manager may authorize, on a case-by-case basis, overtime pay at one and one-half (1 ½) times the employee’s established rate of pay. Such authorization shall terminate upon
cessation of the work stoppage, City Council declared emergency, or other concerted
action.

8.1.4 Recording of Absences Less than Four Hours
Exempt employees are generally expected to work a minimum of 40 hours per week. As
their schedules may vary from day to day based on workplace needs, absences of less than
four hours shall not be deducted from leave balances.

8.2 Definitions for Non-Exempt Employees

8.2.1 Regular overtime is authorized time worked, except emergency overtime, by employees in
excess of their regular tour of duty.

8.2.2 Emergency overtime is authorized time worked by employees when contacted outside of
regular working hours and requested to report to duty because of an emergency, which is
defined as an unpredictable occurrence at unscheduled intervals requiring immediate
action.

8.3 Overtime Rate / Non-Exempt Employees
Overtime worked shall be paid for at one and one-half (1½) times the employee's established rate
of pay.

8.4 Overtime Minimum / Non-Exempt Employees
Overtime shall be of at least six (6) minutes at any one time in order to be compensable, except an
employee called in for emergency overtime of any duration shall be compensated for a minimum
of two (2) hours overtime.

8.5 Advance Overtime Authorization / Non-Exempt Employees
A specific advance authorization must be obtained from the Department Head/designee. In case
of emergency, the employee may perform the required work pending the earliest opportunity to
seek the approval from the Department Head.

8.6 Compensatory Time Off (CTO) in Lieu of Overtime/Non-Exempt Employees
Non-exempt employees may waive direct payment of overtime and in lieu thereof may accumulate
equivalent time off at the one and one-half time (1½) rate to a maximum of eighty (80) straight
time hours.

8.7 Executive Leave/Exempt Personnel
It is the intent of the parties to establish a system for exempt personnel that is in compliance with
FLSA. The City and the Association agree to the following:

Exempt employees shall be designated by the City. Exempt employees accrue forty-eight (48)
hours per year of executive leave. Executive leave accrues on a pay period basis. The executive
leave shall be available for use subject to the following:

8.7.1 Executive Leave Accrual / Sell Back
Executive leave shall have a maximum balance of eighty (80) hours. A Department Head may
recommend to the City Manager that an additional amount of up to forty (40) hours of executive
leave be authorized. This additional leave may be granted based on excessive hours, the value of
the extraordinary effort, and the performance of the employee. The City Manager has full
discretion in deciding whether to grant additional leave. In the event that the additional hours take
the employee over the eighty (80) hour maximum, they will be required to sell back any hours
above the eighty (80) hour maximum accrual.

Employees may elect to sell back up to forty-eight (48) hours during a calendar year, following
the procedure outlined in section 13.8 - Vacation Leave Sell Back. With Department Head
approval, an employee granted additional executive leave hours under section 8.7.1 may elect to
sell back up to an additional forty-eight (48) hours of executive leave, following these same
procedures.

9.0 ACCRUAL OF VACATION, SICK LEAVE AND HOLIDAY LEAVE

Employees shall accrue vacation leave, sick leave and holiday leave on a pro-rata basis in
proportion to regular hours (non-overtime) on the payroll. Credit shall not be received for time
off without pay.

Vacation leave, sick leave, and holiday credits shall accrue from date of appointment.

Employees separating from the City shall not be allowed to remain on the payroll after their last
day at work. Severance payment shall be provided in a lump-sum for all leave accrual eligible for
payout. The intent of this paragraph is to prevent employees from running out vacation and
thereafter not returning to work or returning for only a very short time period.

10.0 DAILY HOUR VALUE

The hour value of a leave day for holidays, vacation leave, sick leave, or other leave shall be
determined by dividing the average number or regularly scheduled weekly hours by five, which
results in the ratio of hours of all weekly hour schedules to the five-day - 40-hour per week
employee.

11.0 CONTINUOUS SERVICE

Continuous service shall mean service in any merit classification since original appointment with
the City, excluding any time prior to a break in service.

11.1 Paid Time Off Impact
As used in this Section, one (1) year of completed continuous service shall include, but not be
limited to, all time while the employee is on sick leave, executive leave, holiday, compensatory
time off, and/or vacation leave.

11.2 Unpaid Time Off Impact
Neither military leave nor leave of absence without pay shall constitute an interruption in computing continuous service. However, leaves of absence without pay of over one month shall not be included when computing length of continuous service for vacation purposes.

12.0 HOLIDAYS

12.1 The holidays to be observed are as follows:

A. New Year's Day, January 1st  
B. Martin Luther King's Birthday, 3rd Monday in January  
C. President's Day, 3rd Monday in February  
D. Memorial Day, last Monday in May  
E. Independence Day, July 4th  
F. Labor Day, 1st Monday in September  
G. Veteran's Day, November 11  
H. Thanksgiving Day, 4th Thursday in November  
I. The day after Thanksgiving  
J. Christmas Day, December 25th  
K. Every day approved by the City Council as a public holiday, public fast, or a day of mourning  
L. Three (3) floating holidays to be taken on working days mutually agreeable to the employee and the department. Employees shall accrue twelve (12) hours of floating holiday time during the first full pay period in January and July each year.

12.2 Weekend Holiday Observance  
Except as provided in 12.4, if a holiday falls on Sunday, the following Monday shall be observed. If a holiday falls on Saturday, the preceding Friday shall be observed as the holiday. If a holiday falls on an employee's regularly scheduled day off, holiday time shall be granted.

12.3 Work on Holiday  
Employees required by their Department Head to work on an observed holiday shall be granted holiday leave or be paid at the employee's established rate of pay. The employee shall be allowed to select the type of compensation granted.

Time off shall be taken at the discretion of the Department Head, with due regard for the desires of the employee and the workload of the department.

12.4 Holiday Factor  
The Wastewater Treatment Plant Shift Supervisors, Police Records and Communications Manager, and Dispatch Services Supervisor cannot always take holidays when they fall. The aforementioned positions shall be compensated for thirteen (13) holidays a year by being placed on a bi-weekly holiday factor.

12.5 Holiday on Vacation  
In the event holidays fall while an employee is on vacation leave, such holidays shall not be charged as vacation leave.

12.6 Holiday Maximum Accumulation
The maximum accumulation is forty (40) hours.

12.7 Holiday Factor
The Wastewater Treatment Plant Shift Supervisors, Police Records and Communications Manager, and Dispatch Services Supervisor cannot always take holidays when they fall. The aforementioned positions shall no longer accrue paid leave for the City’s designated holidays. Effective April 19, 2020, employees in these classifications shall receive holiday-in-lieu pay at the rate of 5.0% of base pay each pay period. Remaining accrued holiday balances shall be used by May 29, 2021 or will be cashed out the following pay period and is not reportable to CalPERS.

13.0 VACATION

13.1 Vacation Policy
Vacations are essential to the employee's welfare and they are granted by the City to allow employees relaxation and rest from their duties. It is the policy of the City not to allow the excess accumulation of vacation leave.

All full-time regular employees shall be entitled to vacation leave with pay as provided below after completion of continuous service with the City.

13.2 Vacation Leave

<table>
<thead>
<tr>
<th>Minimum Continuous Service</th>
<th>Vacation # of working days</th>
<th>Biweekly Accrual</th>
</tr>
</thead>
<tbody>
<tr>
<td>From 0 through 12 years of service</td>
<td>20</td>
<td>6.16 hours</td>
</tr>
<tr>
<td>From 13 through 23 years of service</td>
<td>22.5</td>
<td>6.93 hours</td>
</tr>
<tr>
<td>At beginning of year 24 and beyond</td>
<td>25</td>
<td>7.69 hours</td>
</tr>
</tbody>
</table>

The above allowances shall be pro-rated for employees beginning employment or leaving employment with the City during a biweekly pay period.

13.3 Vacation Leave Accrual
Employees may not accrue more than two times (2x) their vacation leave, unless accrual up to three (3x) times is approved by their Department Head.

13.4 Vacation Scheduling
The time at which an employee may take vacation shall be determined by the Department Head, with due regard for the wishes of the employee and the needs of the City.

13.5 Vacation Leave Maximum
Employees may use only the vacation leave they have accrued. However, the Department Head is authorized to grant use of up to two (2) days' vacation in advance of accrual only in instances where vacationing employees are unavoidably detained through no fault of their own and they have no other accrued leave.
13.6 Vacation Accrual for Part-time Employees
A merit system employee who works part-time shall accrue vacation at a proportionate rate of full-time credit.

13.7 Vacation Pay at Separation
Employees who leave employment shall be paid the straight-time salary equivalent in a lump sum for all accrued vacation leave earned.

Such compensation for prorated vacation of separated employees shall be paid by adding or deducting from his or her final paycheck.

13.8 Vacation Leave Sell Back
An employee who, at the time of election, has taken at least eighty (80) hours of accrued vacation, executive leave, and/or holiday leave during the preceding twelve (12) months may make an irrevocable election to sell back to the City up to eighty (80) hours of accrued vacation at the employee's established rate of pay.

Requests must be received by Payroll no later than December 31 for the following year elections. No employee can elect to sell back more than their annual vacation accrual. Elected hours not requested for distribution (sell back) by December 1 will be automatically distributed in the next pay period (sell back cannot be more than the hours available at time of distribution).

Employees joining the bargaining unit with leave balances in excess of the maximum accumulation of leave hours will automatically sell back the number of hours required to meet the maximum accumulation allowed.

14.0 SICK LEAVE

14.1 Purpose
The purpose of this Section is to continue the compensation of employees who must remain off their jobs because of illness or disability. Such sick leave is a privilege which the employee can exercise in the event of his/her bona fide illness or disability or in the event their presence away from work is essential because of illness, death or disability of their immediate family.

14.2 Sick Leave Accrual
For full-time regular and probationary employees on a forty (40) hour workweek schedule, sick leave shall be accrued at the rate of 3.7 hours for each biweekly pay period (12 days per year). Unused sick leave shall be accumulated.

Any employee who is on paid leave shall continue to earn sick leave. An employee who is on leave without pay shall not accrue sick leave. Sick leave shall accrue during an absence due to a work related disability, as long as the employee is in a paid status, prorated based on hours paid.
14.3 Medical Professional’s Certificate
A Department Head is responsible for determining that only bona fide personal or protected sick leave is taken, consistent with standards established by the City. This may include the submission of a medical professional’s certificate with prior notice.

14.4 Sick Leave Payout

14.4.1 Service or Disability Retirement
Upon service or disability retirement, employees shall be paid fifty (50%) of their accrued sick leave up to a maximum of four hundred eighty (480) hours payment. No payments of sick leave shall be due or owed to any employee who is terminated by the City under the discipline process.

14.4.2 Severance Pay
All employees with one (1) year of continuous merit system service whose employment is terminated because of layoff or death shall be granted the most advantageous of the following two (2) options:

- Fifty percent (50%) of their accrued sick leave up to a maximum of four hundred eighty (480) hours payment, or
- One (1) working day termination allowance at their basic pay rate, and one additional day for each complete year worked thereafter.

14.5 Protected Sick Leave
Protected sick leave may be taken and if taken, shall be charged to sick leave or, with the concurrence of the department head, to vacation, holiday, or Compensatory Time Off (CTO), or executive leave for the following reasons:

- The diagnosis, care, or treatment of an existing health condition of, or preventative care for, an employee.
- The diagnosis, care, or treatment of an existing health condition of, or preventative care for, an employee’s family member, as defined in California Labor Code 245.5(c).
- An employee who is a victim of domestic violence, sexual assault, or stalking.

Not more than six (6) days of such protected sick leave shall be granted in any one calendar year. However, if extenuating circumstances exist in at the opinion discretion of the department head, a reasonable extension of the six (6) day limit may be granted. Any additional leave so granted shall be charged against the worker’s accumulated sick leave.

The City will adhere to state and federal guidelines regarding family, maternity, adoption and bonding leaves. Employees may refer to City-wide policies in the Human Resources Department.

14.6 Bereavement Leave
In the event of a death in the immediate family, workers may take accrued sick leave of up to three (3) days, or up to five (5) days at the discretion of the employee’s Department Head. Bereavement Leave shall be tracked separately from Protected Sick Leave.

In this context only, immediate family shall be defined as: spouse, domestic partner, child, foster child who resided with the employee at the time of his/her death, stepchild, mother, father, stepmother, stepfather, mother-in-law, father-in-law, brother, stepbrother, sister, stepsister,
brother-in-law, sister-in-law, grandmother, grandfather, spouse’s grandmother, spouse’s grandfather, son-in-law, daughter-in-law or grandchildren.

14.7 Extended Sick Leave
After one year of continuous merit system service, employees who have exhausted their accrued sick leave may be granted extended sick leave pay at the rate of seventy five (75%) of regular salary upon the recommendation of their Department Head and approval of the City Manager. After each thirty (30) days of such sick leave, each case requiring additional sick leave shall be reviewed by the Department Head and approved by the City Manager. Such extended sick leave shall not be charged to the employee’s future sick leave accumulation during this period of extended sick leave.

15.0 DISABILITY LEAVE

15.1 Purpose
The purpose of this Section is to continue the compensation of employees who must remain off their jobs as a result of disability occasioned or injury received as a result of the discharge of their duties as employees of the City.

15.2 Disability Leave Authorization
The Department Head is responsible for determining that only bona fide disability leave is taken.

15.3 Disability Leave Time
For each disability, employees shall be allowed disability leave up to and including sixty (60) working days. Such disability leave shall be at full pay, less the amount paid by Workers’ Compensation.

15.4 Supplemental Sick Leave Time
If the sixty (60) working days provided for under Section 15.3 become exhausted, additional time off may be charged to sick leave with the following exceptions: Employees shall not be charged sick leave for that portion of their salary for which temporary disability payments are received under the State Worker's Compensation Law.

15.5 Additional Disability Compensation
Additional compensation may be awarded by Resolution of the City Council to employees disabled or injured in line of duty, if recommended by the City Manager.

15.6 Workers’ Compensation Coverage
Disability in excess of that provided in this Section shall be compensated for only under the provisions of the Workers’ Compensation Act of the State of California.

15.7 Americans With Disabilities Act
The City shall comply with the Americans With Disabilities Act (ADA) and shall, consistent with ADA, provide reasonable accommodation to employees with disabilities.
16.0 FAMILY CARE LEAVE

In accordance with the Federal Family and Medical Leave Act and the California Family Rights Act, the City will grant job protected unpaid family and medical leave to eligible workers in accordance with the law.

The City-wide policy will adhere to applicable Federal and State laws regarding Family and Medical Leave.

17.0 JURY LEAVE

Employees required to report for jury duty shall be granted a leave of absence with pay from their assigned duties until released by the court, provided the employee notifies their Department Head immediately of the notice of jury duty and provides a copy of the notice.

18.0 MILITARY LEAVE

Military leave shall be granted by the City in accordance with the provisions of State and Federal laws.

19.0 LEAVE OF ABSENCE

Regardless of the combination of paid and unpaid leave used, a leave of absence shall not exceed twelve (12) months in duration.

Leaves of absence may be granted in cases of illness; in cases of personal emergencies, including childbirth; for education and training; or when such absences would not be contrary to the best interests of the City. Any request for leave of absence shall be made in writing and approved by the Department Head.

19.1 State Disability Insurance Leave of Absence

For approved leaves of absence covered by the State Disability Insurance (SDI) Program, employees shall integrate their accrued sick leave with SDI. Upon exhaustion of accrued sick leave, employees may elect to use accrued executive leave, holiday leave, and vacation leave or retain said accrued leave time for use upon return to employment.

19.2 Non-State Disability Insurance Leave of Absence

For all other approved leaves of absence, employees may elect to use accrued sick leave (provided eligible for sick leave), executive leave, holiday leave, and vacation leave, or retain their accrued leave time for use upon return to employment.

Employees who do not return to their employment on or before the date of expiration of their leave shall be deemed separated from the City as of such date of expiration, subject to due process.
20.0 DISCIPLINARY PROCEDURES

20.1 Disciplinary Action Definition
The term "disciplinary action" shall include the following actions which may be taken by a Department Head (or designee, not below a Division Manager, where the department head’s absence is extensive and action is required):

A. Suspension without pay up to thirty (30) calendar days;
B. In-grade salary reduction;
C. Demotion; or
D. Dismissal.

A reduction in hours or a change in schedule, scheduling for work load reasons, or a change in work assignment shall not be considered as discipline. No action to lay off a member shall be considered as discipline. Letters of reprimand and performance evaluations shall not be considered as discipline. In this section, as throughout this contract, “working days” is defined as days on which City Hall is open for business.

20.2 Weingarten Rights (Right to have Association Representation in an Investigatory Meeting)
A member shall be entitled to a representative of his/her choice, so long as that representative is available within a reasonable time, at an investigative interview or meeting that the member reasonably believes may result in discipline.

20.3 Disciplinary Action

20.3.1 Notice of Proposed Discipline
Whenever a disciplinary action is proposed to be taken against a member, the member shall be notified in writing of the proposed disciplinary action at least five (5) working days in advance of the pre-disciplinary (“Skelly”) hearing.

Such written notification shall include:

A. A statement of the proposed disciplinary action to be taken against the member;
B. A statement of the facts upon which the disciplinary action is based which shall set forth clearly and with such particularity the charges against the member so that the member can understand said charges;
C. A statement indicating the cause for the disciplinary action pursuant to the Personnel Rules or other relevant City policies;
D. A statement describing any actions taken against the member in the past; and
E. A statement advising the member that he/she has a right to Association representation.
The written notice of proposed disciplinary action shall be considered to be sufficient notice to the member if the above information is contained. The written notice of proposed disciplinary action must be presented to the employee, either by personal service or sent via regular and certified mail (return receipt requested) to the last address that member has furnished to the appointing authority.

20.3.2 Notice of Disciplinary Action
Whenever a disciplinary action is taken against a member, the member shall be notified in writing of the action taken.

Such written notification shall include:

A. A statement of the disciplinary action taken against the member;
B. A statement of the facts upon which the disciplinary action is based, which shall set forth clearly and with such particularity the charges against the member so that the member can understand said charges;
C. A statement indicating the cause for the disciplinary action pursuant to the Personnel Rules or other relevant City policies;
D. A statement describing any actions taken against the member in the past; and
E. A statement advising the member that the written notice is to be placed in his/her official personnel file and that said member has a right to appeal to the Personnel Board.

The written notice of disciplinary action shall be considered to be sufficient notice to the member if the above information is contained. The written notice of disciplinary action must be presented to the employee, either by personal service or sent via regular and certified mail (return receipt requested) to the last address that member has furnished to the appointing authority.

20.4 Appeals

20.4.1 Time for Appeal
Any member against whom disciplinary action is taken shall have the right to appeal the disciplinary action; provided, however, that the member must deliver a written notice of appeal to the Human Resources Department within ten (10) working days of the date the written notice of disciplinary action was served upon the member. In the event member fails to deliver a notice of appeal to the Human Resources Department within said ten (10) working day period, the disciplinary action shall become final, and the member shall have no further right to appeal.

20.4.2 Notice of Appeal, Contents
The written notice of appeal filed with the Human Resources Department shall not be required to be in any particular format; however, it shall contain at least the following information:
1. The name and address of the member;
2. The date of the disciplinary action and a statement of the effect that the member appeals from the disciplinary action; and
3. The notice of appeal shall be dated and signed by the member or by his representative.

20.4.3 Setting Hearing Date
When the Human Resources Department receives a notice of appeal which complies with the requirements set forth herein, the Human Resources Director shall schedule the matter for hearing at the next available regular meeting of the Personnel Board at least fifteen (15) working days after receipt of the notice of appeal.

20.4.4 Findings and Conclusions
The Personnel Board shall render written findings and recommendations and final decisions concerning the appeal within ten (10) working days after the matter is submitted. The decision of the Personnel Board shall be final and conclusive unless determined otherwise by a court of competent jurisdiction.

20.4.5 Discipline Prior to Hearing
A Department Head may impose discipline immediately. The discipline is subject to the administrative appeal process.

21.0 GRIEVANCE PROCEDURES

21.1 Purpose

A. This grievance procedure shall be used to process and resolve grievances arising under this Memorandum of Understanding except to the extent that the City Charter or City ordinance vests or affords jurisdiction elsewhere.

B. The purposes of this procedure are:

   1. To resolve grievances informally at the lowest possible level;
   2. To provide an orderly procedure for reviewing and resolving grievances promptly.

21.2 Grievance Definitions

A. Grievance
A grievance is a good faith complaint of one (1) or a group of unit members or a dispute between the City and the Association involving the interpretation, application, or enforcement of the express terms of this Memorandum of Understanding.

B. Supervisor
As used in this procedure, the term “supervisor” means the individual who assigns, reviews, and directs the work of a unit member.
C. Party
As used in this procedure, the term “party” means a unit member, the Association, the City, or his/her authorized representatives.

D. Working Day
A working day or workday is defined as a day on which City Hall is open for business.

The unit member retains all rights conferred by Sections 3500 et. seq., of the Government Code or Civil Service Rules and Regulations of the City unless waived by such unit member.

21.3 Informal Discussion
Not later than fifteen (15) working days after the date of the event giving rise to the grievance or the date the unit member should reasonably have learned of the event giving rise to the grievance, whichever is later, the unit member must discuss the grievance with his immediate management supervisor. The supervisor shall respond, either orally or in writing, to the unit member not later than ten (10) working days thereafter.

21.4 Formal Grievance — Step One
If after discussion with the immediate supervisor, the grievant does not feel the grievance has been properly adjusted, the grievance may be reduced to writing on the prescribed form. The form must be presented to the unit member’s Department Head (or Department Head designee) and the Director of Human Resources within fifteen (15) working days. The grievance statement shall include the following:

A. A statement of the grievance clearly indicating the question raised by the grievance and the article(s) and section(s) of this Memorandum of Understanding.

B. The remedy or correction requested of the City.

C. The grievance form shall be signed by the grieving unit member, the date and time of presentation affixed thereto, and signed as received by the unit member's division head.

D. The grieving unit member’s Department Head or his/her designee shall give his/her answer to the grievance in writing within fifteen (15) working days from the time he/she receives the grievance in writing. This first step answer shall include the following:

1. A complete statement of the City's position and the facts upon which it is based.
2. The remedy or correction that has been offered, if any.

21.5 Formal Grievance - Step Two
If the grievance is not resolved at Step Two, the aggrieved unit member may appeal to an Adjustment Board. Appeals to the Adjustment Board shall be made in writing and directed to the Human Resources Director within ten (10) working days of receipt of the Department Head’s response. The Human Resources Director shall convene an Adjustment Board within ten (10)
working days of receipt of the appeal. The Adjustment Board shall consist of two (2) persons appointed by the Association and two (2) persons appointed by the City Manager.

The Adjustment Board is empowered to call City unit members as witnesses.

A majority decision of the Adjustment Board shall be final and binding. The Adjustment Board shall render its findings and decision (if any) to the parties within ten (10) working days of its meeting.

21.6 Personnel Board - Step Three
If the grievance is not settled by Step 3, the aggrieved unit member or City, not later than ten (10) working days after the decision is personally served or mailed by first class to the unit member’s residence as shown on his records in the Human Resources Department, may submit a written appeal to the Personnel Board by delivery to the Human Resources Department. The appeal shall state the reasons for the appeal and the remedy requested.

The Personnel Board shall schedule a meeting within forty-five (45) calendar days of the date of appeal at which both sides can present their evidence and arguments. The Personnel Board shall render its decision within ten (10) working days of completion of the hearing and shall adopt its findings not later than at its next regularly scheduled meeting.

The Personnel Board is limited to interpreting the MOU and shall have no authority to modify the MOU or to provide any salary or benefit not expressly authorized by the MOU.

21.7 Time
The time limitations set forth in the Article are of the essence. The term “working day(s)” shall mean days on which City Hall is open for business. No grievance shall be accepted unless it is timely filed and no appeal may be considered unless it is timely taken.

For purposes of this Article, the time limitations applicable to the unit member shall be the same time limitations regulating the Association and the information attributable to the individual unit member shall be attributable to the Association. If the grievance is not timely filed, it shall be deemed waived. If an appeal is not timely taken, the grievance shall be deemed to be settled in accordance with the City’s decision at the step prior to the untimely appeal. If the City fails to answer the grievance within the prescribed time limits, the grievance shall automatically proceed to the next step; provided, however, that in no event shall the grievance be deemed to be upheld by the City’s failure to act timely.

21.8 General

A. Either party to this Memorandum shall, upon receipt of a written grievance, have the right to refuse to handle such grievance if the aggrieved party has not followed the steps outlined in this Article for processing a grievance.

B. Unless where otherwise specifically provided in the Memorandum of Understanding, no matter shall be considered as a grievance under this Article unless it is presented in writing within fifteen (15) working days after occurrence of the events on which the grievance was based.
C. A Bargaining Unit Representative or an Association representative shall have the authority to settle grievances for the Association or unit members at the respective steps of the grievances procedure.

D. Time limits set forth within this Article may be extended upon mutual agreement of the affected parties where the agreement is made before the expiration of the timeline.

E. Unit members may be represented by an Association Bargaining Unit Representative at all levels of the grievance process. Copies of all written grievance documentation will be provided to the Association and the representing Bargaining Unit Representative.

21.9 **Exclusions**
The following matters are specifically excluded from consideration under the grievance procedure:

A. Determination and application of the procedures, qualifications, and standards of employment;
B. Budget and capital expenditures;
C. Items subject to meet and confer;
D. Performance evaluations;
E. Disciplinary actions;
F. Letters of Reprimand; and
G. Items that are expressly designated in this MOU as not subject to grievance.

22.0 **LAYOFF**

22.1 **Layoff Procedure**
Whenever, in the judgment of the City Council, it becomes necessary to abolish a position(s), including the reduction of work hours over twenty percent (20%) per year, the employee(s) displaced shall be deemed to be laid off (employees may accept an hour's reduction in excess of twenty percent (20%) without exercising their layoff rights). The rights of employees affected by the abolishment of positions by the City Council shall be hereafter set forth in this Section.

22.2 **Seniority for Service Crediting**
Seniority for purposes of layoff need not be continuous and shall include total accumulated length of service under the following types of appointment:

A. Emergency appointment under SMMC 2.57.60(h) or previous SMMC Section 2.57.020 (11).
B. Regular appointment under SMMC 2.57.080.
C. Provisional appointment under SMMC 2.57.070(d).
D. Appointment as City Manager's assistants under SMMC 2.57.060(a) from a position in the classified service.
E. Appointment as a Department Head under SMMC 2.57.060(d) from a position in the classified service.

In the case of ties, seniority shall be determined on the basis of greater hire date seniority, then by random number if necessary.

22.3 Seniority for Layoff Purposes

A. The least senior employee in the classification from which the position is abolished is to be first laid off. Prior to layoff of regular employees, temporary and/or provisional employees in the same classification will be laid off first. For purposes of initial layoff, seniority means time in the classification in question. Flexibly staffed positions will be considered a single classification for layoff purposes.

B. For the purposes of Section 22.4 (Bumping Rights) seniority is defined as seniority within the classification and seniority in a directly related higher classification; i.e., a classification that is within the promotional line and has a higher salary.

22.4 Bumping Rights

Employees laid off may elect to be reassigned to a formerly held classification in any Unit held by an employee with less seniority as defined in 22.2, provided the following conditions are met:

A. The formerly held classification exists and has positions allocated and budgeted. Formerly held position includes successor classification if determined by the City to exist. A successor classification exists where the Personnel Board has changed the title of a position or included new duties in the same titled classification, provided that a competitive test was not thereafter given for the retitled or re-dutied classification.

B. The employee has the ability to perform the essential functions of the formerly held classification. Qualifications may be tested by the City as described in the current job description.

C. If the employee has more than one formerly held City classification, they shall bump to the classification most recently held; the employee may bump into another formerly held classification if no position is available in the "most recently held" classification.

22.5 Mutually Agreed Upon Transfer

The City and an employee who has been laid off or bumped may agree to an appointment to a classification that has a vacant position without the need for competitive testing. The following conditions shall apply:

A. The City may test the ability of the employee for the position prior to City's decision on whether it will mutually agree to the transfer;
B. The appointment shall be subordinate to the bumping rights of other employees and may not be used to prevent another employee from having access to the vacant position if permitted by the bumping provisions.

22.6 Severance Package
In the event there is not a less senior, formerly held position for the employee to access through layoff or bumping, the employee will be provided a severance package equal to two (2) weeks pay for each complete year of service, to a maximum of six (6) months pay.

This severance package shall be in addition to any other buyouts and/or severance payments to which the employee is entitled under their MOU.

In addition to providing severance as described in this Section, the City shall make arrangements to provide employees laid off with job search assistance for forty five (45) days following the effective date of layoff. Job search assistance shall include job and career counseling, resume preparation, and job search assistance at City expense.

22.7 Salary in Event of Change Due to Layoff
An employee's rate of compensation in the event of position change resulting from layoff shall be the salary step in the classification to which the employee is laid off which is closest to the base salary received immediately prior to layoff.

22.8 Notice of Layoff
The City will notice the employee to be laid off and the employees who will be impacted by bumping by registered mail or hand delivery. Affected employee organizations shall be noticed concurrently by registered mail. The notice shall be sent to the mailing address as shown on the employee's last paycheck unless a more recent address has been provided to the Human Resources Department by the employee. After notice to the employee and employee organizations, the names of employees to whom layoff notices have been sent will be posted at the Human Resources Department in City Hall. The notice shall state the layoff action to be taken, the options available to the employee, reemployment rights, and layoff procedures. Employees shall have ten (10) calendar days to inform the Human Resources Department in writing of the decisions on options stated in the notice. In the event that the employee fails to state their decision, the City shall select an option and City's decision shall not be subject to appeal. City shall select an option that retains employment with the City if such option exists. The failure to receive notice shall not be grounds to set aside actions taken.

22.9 Effective Date of Layoff
(30) calendar days after notice is mailed to the employee, unless a later effective date is stated in the notice. An appeal shall not modify the effective date, provided, however, that where an appeal is successful and the layoff is nullified the employee shall be provided salary and benefits as if there was not a layoff.
22.10 **Appeal**
An employee may not appeal the decision to layoff their position except as stated in Section 22.9 above, but may appeal the order of layoff, the bumping provisions (except the test or results of a test of qualifications), and the seniority computation by filing a written appeal with the Human Resources Department stating the basis of the appeal. An appeal must be filed within fourteen (14) calendar days of mailing of notice. The appeal shall be heard by the City Manager/designee within ten (10) calendar days of filing the appeal. A decision will be rendered within ten (10) calendar days of the hearing. Notice will be given by first class mail to the employee and the Association. A further appeal to the Personnel Board may be filed within five (5) calendar days of mailing by filing a written appeal with the Human Resources Office stating the basis for the appeal. The hearing will be held within ten (10) calendar days of the filing of the appeal or as soon thereafter as a quorum of the Board may be gathered and a decision rendered within five (5) calendar days of the hearing.

22.11 **Recall and Reinstatement**
Employees shall be entitled to recall rights to the position from which they were laid off or bumped for a period of two (2) consecutive years from the effective date of layoff or bumping. The effective date of layoff or bumping shall be the employee's last day of work in the classification from which they were laid off or bumped.

When a vacancy occurs in a job classification, laid off or bumped employees eligible to return to that job classification shall be recalled in the inverse order of bump or layoff. Permanent employees who were laid off or bumped are eligible to return to the job classification in which permanent status was held. Employees reinstated under this Section shall not be subject to a new probationary period. Probationary employees who did not have permanent status at the time of layoff shall be required to serve the remainder of any probationary period upon recall.

When a vacancy exists and employees are to be recalled, notice of the opening(s) shall be sent to the mailing address as shown on the employee's last paycheck unless a more recent address has been furnished by the laid off/bumped employee. To expedite recall, more than one employee may be notified of an opening.

The employee shall have fourteen (14) calendar days to reply to City from the date of mailing of the recall notice. If employees fail to respond within fourteen (14) calendar days of notice to the City, they shall lose all recall rights.

Employees reinstated under this Section shall receive credit for former employment in computing salary, vacation, and other benefits.

Employees reinstated after layoff shall be treated as though they have been on leave of absence without pay in computing salary, vacation, sick leave and other benefits.

The right to reinstatement is contingent upon the ability of the employee to perform the essential functions of the position to which the employee is being returned.

It is the responsibility of the employee who has been laid off to keep the City informed of their address and telephone number. The City has no responsibility to attempt to trace an employee if notice of reinstatement is not delivered by the Post Office.
22.12 Meet and Confer
Upon request, the City shall meet and confer with affected employee organizations on the impact of any layoffs occurring pursuant to this policy. Furthermore, the City will notify employee organizations of possible layoffs as soon as reasonably possible, and afford the organization the opportunity to provide options/alternatives to layoffs for consideration by the City Council prior to the Council reaching a final decision.

23.0 REEMPLOYMENT

Any past, present or future permanent employee, separated from a position through resignation and without fault of delinquency on their part upon recommendation of the reemploying Department Head may be reemployed to the former position, or to another position in the same class, within two (2) years, provided there is an authorized vacancy and the employee meets the requirements for employment.

Employees reemployed under this Section shall be subject to a probationary period and upon the recommendation of the reemploying Department Head may receive credit for former employment in the determination of the amount of vacation allowance, sick leave, other benefits and their salary step.

Any classified employee who is laid off or demoted in lieu of layoff and who is still interested in reinstatement on the expiration of the reinstatement list, shall be entitled to be reinstated to their former classification for a period of one year provided there is a vacancy, all reinstatement lists have been exhausted, and they have the highest layoff seniority. Employees reinstated under this section shall not be subject to a new probationary period and shall receive credit for former employment in computing salary, vacation, sick leave and other benefits.

24.0 HEALTH AND WELFARE BENEFITS

24.1 Health Insurance
The City shall make contributions on behalf of those workers eligible for Group Medical Coverage under the various plans available to the City in the amounts necessary to a maximum contribution of $160.00 per worker per month. The City's health contribution for part-time merit workers shall be made on a prorata basis in accordance to hours on the payroll.

The City shall make available to eligible current and retired workers benefits equal to the Meyers-Geddes State Employees' Medical and Hospital Care Act.

24.2 Internal Revenue Code Section 125 Plan
The City shall offer an Internal Revenue Code Section 125 Plan (the ‘Plan’), which contains the components of premium conversion, healthcare reimbursement account and dependent care reimbursement account.

The parties are aware the Plan may be impacted by recent and ongoing changes in tax laws. The City agrees to meet and confer regarding proposed changes in the structure of the Plan prior to
During the term of the agreement, the level of benefits and City's contribution as identified in Section 24.6 shall not be open to re-negotiation. Benefits shall be taxed as required by law.

24.3 **Life Insurance**
Employees in the Management Association will be provided Fifty Thousand Dollars ($50,000) of life insurance without regard to membership in any health plan.

24.4 **AD&D Insurance**
Employees in the Management Association will be provided Ten Thousand Dollars ($10,000) accidental death and dismemberment insurance without regard to membership in any health plan.

24.5 **Dental Insurance**
The City shall provide dental care benefits for employees and their dependents including domestic partners. The dental benefits 100/80/80 include a maximum calendar year payment of $3,000 and 50% orthodontic coverage with a $3,500 lifetime maximum.

24.6 **Flexible Benefits Plan**
It is understood that during the term of this contract, the City may seek expert opinion as to the parameters of this plan and all contributions to the Plan and to the Retirement Health Savings Account outlined below are contingent upon compliance with state and federal rules and regulations. The Parties agree to meet and confer regarding a replacement provision if any part of this structure is found to be noncompliant.

Effective January 1, 2020, the City shall contribute up to $1,798.26 (inclusive of the $160 maximum City contribution towards group medical insurance) per month towards the flexible benefit plan.

Each January during the term of this Agreement, the City’s contribution to the Plan will be adjusted to 100% of the Kaiser Bay Area health plan Single rate, 90% of the Kaiser Bay Area health plan Two-Party rate, and 90% of the Kaiser Bay Area health plan Family rate offered under the PEMHCA contract.

The City’s contribution for part-time merit workers working less than 40 hours per week shall be prorated.

If an employee is eligible for alternative group medical insurance through a spouse or domestic partner’s employer-sponsored medical plan, the employee may waive the City’s medical insurance coverage and select such alternate plan. Proof of such alternate coverage is required prior to waiving coverage through the City plan. Any employee who waives medical coverage entirely shall be eligible to receive in cash the waiver amounts outlined below.

**Waiver of Coverage:**

For employees waiving health insurance entirely, the employee will be eligible to receive $160.00 per month as part of their salary.
Cash disbursements for part-time merit workers working less than 40 hours per week shall be prorated. Any workers exceeding 40 hours per week will not be given any additional cash disbursement.

24.7 Long Term Disability Insurance
The City shall provide long-term disability insurance providing for a sixty (60) day elimination period, subject to prior exhaustion of accrued sick leave or other applicable benefits, and payment of a monthly benefit equivalent to sixty-six and two-thirds percent (66 2/3%) of full basic monthly salary less any deductible benefits.

24.8 Vision Insurance
Vision Benefits include an annual exam, lenses, and frames with an annual deductible of twenty-five dollars ($25).

24.9 State Disability Insurance (SDI)
Management Employees’ Association members are covered by State Disability Insurance. State Disability Insurance shall be integrated with paid sick leave, and the combined amount shall not exceed the employee’s regular biweekly earnings.

25.0 RETIREMENT BENEFITS

25.1 Retirement Benefits
Retirement benefits shall be compensated for under applicable legislation pertaining to the California Public Employees' Retirement System (CalPERS).

25.2 Provisions
The City currently provides the following retirement benefits:

- 2% @ 55 Formula with single highest year compensation for “classic members” hired before December 9, 2012.
- 2% @ 55 Formula with three year final compensation for “classic members” hired on or after December 9, 2012.
- 2% @ 62 Formula with three-year final compensation for “new members” hired on or after January 1, 2013.

  Social Security Coverage
  COLA 2% in retirement
  Death Benefit (DB) Continues (spouse continues to get DB after remarriage)
  Pre-Retirement Option 2 DB (If retirement eligible employee dies prior to retirement, spouse can elect to get ongoing retirement benefits)
  Military Service Buyback
  Retired Death Benefit (DB) $500
  Prior Service Credit
  Peace Corps: VISTA Buyback
25.3 **Cost Sharing**
Effective April 13, 2014, classic members shall pay one-half the total normal cost for the 2% @ 55 Formula in accordance with Government Code 7522.30, to a maximum of 9.0% pensionable compensation on a pre-tax basis.

Effective April 13, 2014, new members shall continue to pay one-half the total normal cost for the 2% @ 62 Formula in accordance with Government Code 7522.30 on a pre-tax basis.

25.4 **Deferred Compensation for Members of the Bargaining Unit**
Employees are eligible to participate in the City-offered deferred compensation 457 plans. The City shall pay biweekly contributions of an amount equal to 1.5% of the employee’s base salary into his/her deferred compensation 457 plan for all Association members. Effective May 7, 2017, on a biweekly basis the City shall match up to an additional 1.0% of an employee’s contribution into his/her deferred compensation 457 plan for all Association members.

Effective with the City’s change to the calculation of the FLSA overtime rate to exclude ‘pool money’ (the City contribution to the cost of medical insurance premiums) from the calculation, for employees in non-exempt classifications only hired on or before the effective date of the change, the City shall make bi-weekly contributions of an amount equal to zero point nine percent (0.9%) of the employee’s base salary into his/her deferred compensation 457 plan in recognition that ‘pool money’ will no longer be included in calculation of the FLSA overtime rate. This contribution ceases when the employee leaves the bargaining unit or moves into an exempt classification.

25.5 **Retirement Health Savings Account**
Effective the pay period of April 5, 2020, the City will contribute 0.25% of base salary per month for all classifications in the bargaining unit to a Retirement Health Savings Account (RHSA).

Effective April 19, 2009 the existing RHSA plan was modified to be compliant with IRS rulings covering individual contributions and separation pay.

At the time of service or disability retirement from City merit employment, separation pay arrangements shall be as follows:

- For employees with 15 years or less of merit service credit, all eligible leave balances shall be contributed to the employee’s RHSA.

- For employees with 16 or more years of merit service credit, 100% of all eligible accrued sick leave balances shall be contributed to the employee’s RHSA.

At the time of non-retirement separation from City merit employment, employees shall contribute no accrued leaves to his/her RHSA.

The Association may elect to change the above conversion of separation pay arrangement for each successive calendar year of this Agreement. The Association must notify the City’s Human Resources Department in writing no later than November 30th of the change(s) to be made for the following calendar year. In the event notification is not received by the deadline, the separation pay arrangement in effect at the time will continue for the following calendar year.
During the term of this MOU, employees in this bargaining unit may elect to contribute a set amount of salary to the RHSA. The City shall be notified of any such election sixty (60) days prior to the effective date.

26.0 MISCELLANEOUS PROVISIONS

26.1 Mileage Allowance
Employees who must use their private vehicles for official business shall be compensated at the current IRS rate.

26.2 Professional Dues
Upon request, the City shall pay a reasonable amount for membership dues for one professional organization for each employee in the Management Association.

26.3 Personnel Files

26.3.1 Release of Information
Unless required by court process, the City will only release information to creditors or other persons outside of City government only upon proper identification of the inquirer and acceptable reasons for the inquiry. Information then given is limited to verification of employment, length of employment, and verification of salary information if the person inquiring first states the correct salary to the City. Release of more specific information may be authorized by the member.

26.3.2 Access and Contents
A member (or his/her representative, on the presentation of written authorization signed by the member) shall have access to, and the right to receive a copy of, the member's personnel file on request for a reasonable amount of time at a reasonable time and place. Release of more specific information may only be authorized by the member in writing, signed by the employee. The member may be required to acknowledge the receipt of any document entered into his/her personnel file without prejudice to subsequent arguments concerning the contents of such documents.

26.3.3 Letters of Reprimand
The City shall furnish the member copies of all letters of reprimand prior to placement of such documents into the member's personnel file, and copies of letters of reprimand shall be sent to the Human Resources Director. Upon receipt of a letter of reprimand which the member feels is factually incorrect, he/she may so advise in writing the department head and the Human Resources Director. The letters of reprimand may not be appealed through the grievance procedure. Letters of reprimand not submitted in accordance with the provisions above may not be introduced as evidence against the member.

Letters of reprimand shall be removed from a member's personnel file after two (2) years upon the written request of the member and approval by the department head provided there has not been subsequent discipline.

26.3.4 Performance Evaluations and Letters of Reprimand
Employee performance goals are set early in the evaluation year. A mid-year review of the employee’s progress towards completing the performance goals should occur. A written evaluation shall be completed by the supervisor and reviewed with the employee at the end of the evaluation year.

If the employee disagrees with a letter of reprimand or a performance evaluation, that employee may discuss it with the Department Head (or the department head’s designee, not below division manager). If the issuing supervisor is the employee’s Department Head, the employee may discuss it with the Human Resources Director (or the Human Resources Director’s designee, not below Human Resources Division Manager). An employee may also write a rebuttal to either a performance evaluation or a written reprimand and that document will be placed in the employee’s personnel file.

26.4 **Flexible Work Hours or Telecommuting**

Flex time can result in better morale and in reducing commute-related traffic congestion and is consistent with the City’s interest in becoming a more sustainable community. Employees may propose an alternate work schedule (flexible work hours) such as the 9/80 or 4/10 plans with forty (40) hour workweeks. With department head approval, the use of alternative flexible work schedules can be implemented where such schedule can be accommodated without impairing departmental operation or service to the public. Such alternate schedules will not be unreasonably denied by the City. A decision not to approve an alternate work schedule proposal is not grievable. If a member’s request for telecommuting or a flexible work hours schedule is denied, the Department Head will meet, upon the member’s request, to explain the reason(s) for denial.

If provided, time will be accrued based on the standard 5/8, forty (40) hour work schedule. Employee leave banks will be charged on the hours actually taken off. Employees will be required to supplement holiday time (eight (8) hours for full time employees) to receive full payment for nine (9) or ten (10) hour holidays designated.

The workweek will change to accommodate 9/80 schedules without accruing an overtime obligation for the basic work schedule.

26.5 **Safety Shoes**

The City shall provide a reimbursement of up to $200.00 every two years for one (1) pair of safety shoes for the following classifications:

- Building Official
- Field Maintenance Manager
- Fleet Services Supervisor
- Golf Course Maintenance Supervisor
- Inspection Supervisor
- Managing Arborist
- Parks and Landscape Maintenance Supervisor
- Public Works Supervisor
- Senior Code Enforcement Officer
- Senior Engineer
- Senior Traffic Engineer
- WWTP Maintenance Superintendent
Additional classifications may be approved for reimbursement by the department head as deemed necessary. Said reimbursement shall be paid against official receipts for safety shoe expenditures. Safety shoes shall be defined by a classification’s standard or by the employee’s department head.

26.6 **Housing Allowance**
To assist with the cost of housing for management association employees and to encourage them to live as close to the City of San Mateo as possible, effective April 5, 2020 the City shall provide a $200.00/month ($92.31 biweekly) housing allowance.

26.7 **Reporting of Special Compensation**
Special Compensation items must meet definitions listed in California Code of Regulations (CCR) Section 57(a) as well as the criteria outlined in CCR section 571(b) to be reported to CalPERS.

**27.0 SEPARABILITY OF PROVISIONS**

In the event that any provision of this Memorandum of Understanding is declared by a court of competent jurisdiction to be illegal or unenforceable, that provision of the Memorandum of Understanding shall be null and void but such nullification shall not affect any other provision of this Memorandum of Understanding, all of which other provisions shall remain in full force and effect.

**28.0 TERM OF MOU**

This MOU shall terminate as of 11:59 p.m., April 15, 2023. The existing and unmodified rules, regulations, resolutions or ordinances relating to wages, hours and conditions of employment not covered in this agreement for employees in this unit shall remain unchanged for said period unless such changes are the result of meeting and conferring as required by law.

This does not preclude the City from increasing wages and benefits during such period as deemed warranted by the City Council.
SIGNATURES

FOR MANAGEMENT ASSOCIATION

By: Philip Kawakami
By: Kevin Kobayashi
By: Jay Yu
By: 

FOR CITY OF SAN MATEO

By: Casey Echarte
By: Teresa Abrahamsohn
By: Richard Lee
By: Kohar Kojayan

DATED: 7/27/2020
EXHIBIT A

Non-Exempt positions (as defined by Section 8.2)

Accountant II
Business Systems Analyst I
Golf Course Maintenance Supervisor
Human Resources Analyst I
Management Analyst I
Project Manager I
Wastewater Treatment Plant Shift Supervisor
EXHIBIT B

**Exempt Positions** (as defined by Section 8.1)

Accounting Manager
Assistant City Attorney
Budget Analyst
Budget Manager
Building Maintenance Supervisor
Building Official
Business Manager
Business Systems Analyst II
Code Enforcement Manager
Communications and Public Relations Analyst
Community Services Manager
Community Services Section Manager
Consulting & Applications Manager
Deputy City Attorney I/II
Dispatch Services Supervisor
Economic Development Manager
Engineering Manager
Facilities and Fleet Services Manager
Field Maintenance Manager
Fleet Services Supervisor
GIS Coordinator
Golf Services Manager
Housing Supervisor
Human Resources Analyst II
Inspection Supervisor
Laboratory Supervisor
Managing Arborist
Management Analyst II
Network Analyst
Park Planning Administrator
Parks and Landscape Maintenance Supervisor
Parks and Landscape Manager
Payroll Supervisor
Permit Center Supervisor
Plan Check Supervisor
Planning Manager
Police Evidence Analyst
Police Records & Communications Manager
Police Records Supervisor
Principal Planner
Principal Transportation Planner
Project Manager II
Public Works Supervisor
Regulatory Compliance Manager
Senior Accountant
Senior Business Systems Analyst
Senior Code Enforcement Officer
Senior Community Services Supervisor
Senior Engineer
Senior Human Resources Analyst
Senior Management Analyst
Senior Planner
Senior Project Manager
Senior Risk Management Analyst
Senior Systems Analyst
Senior Traffic Engineer
Supervising Librarian
Supervising Library Assistant
Sustainability Analyst
Systems Analyst II
Systems & Networks Manager
Systems Specialist
Technical Support Supervisor
Treasury & Debt Manager
Wastewater Treatment Plant Maintenance Superintendent
Wastewater Treatment Plant Operations Superintendent
Wastewater Treatment Plant Manager
Web Specialist
EXHIBIT C

Confidential Employees in Unit (as defined by Section 1.1)

Accounting Manager
Assistant City Attorney
Budget Manager
Deputy City Attorney
Human Resources Analyst I/II
Payroll Supervisor
Senior Accountant
Senior Human Resources Analyst
Treasury & Debt Manager
EXHIBIT D
BENEFIT SUMMARY SHEET
Management Association - 2017

The following list summarizes the various benefit programs in effect for members of the Management Unit as of April 2020:

DENTAL INSURANCE
City Paid, 100/80/80 $3,000 annual maximum. Orthodontics - 50% to $2,000 maximum (increases to $3,500 lifetime maximum on 7/1/17).

HEALTH INSURANCE
$160.00 per month City contribution

FLEXIBLE BENEFITS PLAN
See MOU for premium cost sharing

HOLIDAYS
13 per year -- see MOU for specifics.

HOUSING ALLOWANCE
Effective April 5, 2020: $200.00 per month

LIFE INSURANCE
$50,000 Life coverage; $10,000 Accidental Death and Dismemberment Coverage contribution.

LONG TERM DISABILITY INSURANCE (LTD)
Full salary insured at 66-2/3% contribution.

MILEAGE ALLOWANCE
IRS Rate per mile paid to employee who uses personal car for business related purposes.

RETIREMENT PROGRAM
2% at 55 formula. Hired before July 1, 2012: one year final comp; on or after December 9, 2012 classic member; average of 36 months final comp. Hired on or after January 1, 2013 new member: 2% @ 62 average of 36 months final comp.

Effective April 5, 2020, City will contribute 0.025% of base salary to a RHSA.

SHIFT DIFFERENTIAL
For WWTP Shift Supervisors only: $2.50/hour.

SICK LEAVE
12 days per year earned; unlimited accumulation; see MOU for specifics regarding use, extended sick leave, and family sick leave.

SOCIAL SECURITY
Paid equally by City and employee @ 6.2% of first $127,200 of earnings.

VISION INSURANCE:
Effective August 1, 1995, annual exam, lenses and frames with $25 annual deductible.
DEFERRED COMP See MOU for specifics.

The above listing summarizes various benefit programs provided to members of the Management Unit as of April 2017. The list is not inclusive and employees should refer to the MOU and/or contact Human Resources at x7260 if they have specific questions about benefits and/or benefit programs.
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CITY OF SAN MATEO
AND
SAN MATEO MANAGEMENT EMPLOYEES’ ASSOCIATION

Letter of Understanding: Compaction

The City agrees that in negotiations for a successor contract, the City shall review salary differentials between the MEA and non-management employee organizations and take that differential into consideration when discussing compensation.
The City of San Mateo and the San Mateo Management Employees Association agree that prior to the expiration of this agreement, the Association and the City will meet and confer to determine the appropriate benchmarks for the purposes of the compensation data survey.