

MEMORANDUM OF UNDERSTANDING

Between the

City of Carmel-by-the-Sea

And the

Carmel-by-the-Sea General Employees Association

For the period

July 1, 2007 though June 30, 2009

General Employees Association Memorandum of Understanding

July 1, 2007 through June 30, 2009

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EXHIBITS:

- **“1” Layoff Policy**

**Memorandum of Understanding
Between
The City of Carmel-by-the-Sea
And
City of Carmel-by-the-Sea General Employees Association**

ARTICLE 1: Preamble

This Memorandum of Understanding (MOU) is made and entered into between the City of Carmel-by-the-Sea, hereinafter referred to as "City," and the City of Carmel-by-the-Sea General Employees Union (GEA), an affiliated unit of LIUNA/UPEC Local 270, hereinafter referred to as "Union" pursuant to California Government Code Section 3500 et seq. The purpose of this MOU is the establishment of rates of compensation, hours of work and other terms and conditions of employment. Existing practices and/or benefits which are not referenced in this MOU and which are subject to the meet and confer process shall continue without change unless modified subject to the meet and confer process.

ARTICLE 2: Recognition

2.1 The City of Carmel-by-the-Sea recognizes the Union as the recognized and exclusive representative for the following non-exempt classifications.

Administrative Coordinator	Library Assistant
Assistant Planner	Hourly Library Assistant
Automated Systems Technician	Maintenance Worker
Building Maintenance Specialist	Senior Maintenance Workers
Building Maintenance Supervisor	• Equipment Operator
Building Maintenance Worker	• Sweeper Operator
Circulation Supervisor	• Cement Mason
Finance Specialist	• Traffic Markings Painter
Gardener	Streets Supervisor
Hourly Librarian I	Tree Care Specialist
Librarian II	

2.2 Notwithstanding any other provisions in this MOU, part time hourly positions are not entitled to any other compensation or benefit not specifically listed herein.

ARTICLE 3: Term of Contract

3.1 The term of this MOU shall be from July 1, 2007, and continue through June 30, 2009, unless otherwise stated.

ARTICLE 4: Compensation

4.1 Cost of Living Adjustments:

- A. Effective July 1, 2007, all represented Union members and general hourly employees shall receive across-the-board salary adjustments of 3.0%.
- B. Effective January 1, 2008 all represented Union members and general hourly employees shall receive across-the-board salary adjustments of 3.0%.

(Compensation cont.)

- C. Effective July 1, 2008, all represented Union members and general hourly employees shall receive across-the-board salary adjustments of 4.0%.

ARTICLE 5: Educational Incentive Pay

- 5.1 Payment Established: The City Council, having determined the acquisition of additional education by employees makes those employees more valuable to the City, does hereby establish an Educational Incentive Pay Plan (EIP).
- 5.2 Definitions: For the purpose of this program, the following definitions shall apply:
- A. Base Salary shall mean the monthly salary of the employee as established by the City Council and shall not include any overtime, holiday-in-lieu pay or allowances or other supplemental benefits.
- B. Satisfactory Completion shall mean a grade of "C" or better in any course. No more than one-third (1/3) of the total number of units considered for EIP may be on a "credit only" or "pass/fail" basis (limit of 10 out of 30 units or 20 out of 60 units). Units earned with a "Credit Minus" grade will not be considered eligible under the EIP program.
- 5.3 College Level shall mean any post-high school educational institution accredited by the California State Department of Education, the Western Association of Schools and Colleges, or by equivalent organizations in other states and countries, or which have the prior approval of the City Administrator.
- 5.4 Job-Related shall mean any college level course related to technical or specialized aspects of the employee's position, as well as courses meeting general educational degree requirements, which are reasonably job-related. The City Administrator's determination of the eligibility of any course shall be final and shall be obtained prior to taking a course.
- 5.5 Units shall mean semester units (two semesters to a full academic year). Each quarterly or trimester unit shall be counted at a value of .67% of a semester unit.
- 5.6 Rates of additional compensation:
- A. Academic Education. Upon satisfactory completion of 30 units of college level related courses or the attainment of an intermediate certificate of training from the Commission on Peace Officer Standards and Training (POST), the employee shall receive a salary increase equal to two and one-half percent (2.5%) of their base salary. Upon attainment of 60 units or the attainment of an Associate Degree or an Advanced POST certificate of training, the employee shall receive a salary increase equal to five percent (5%) of base salary.
- B. Non-Academic Training or Instruction. For eligible employees, the City Administrator, upon recommendation of the Department Manager, may grant prior approval for a course of instruction or training, which would lead to the attainment of EIP. The City Administrator shall be guided in this determination by the value to the City of the employee's knowledge and/or skill accumulation, and by the employee's expenditure of time and effort as compared to that put forth by an employee earning the same level of EIP by the accumulation of college-level units (at approximately 30 to 54 hours per college unit).

(Educational Incentive Pay cont.)

- C. In no case shall the EIP rate of compensation exceed five percent (5%).
- 5.7 Eligibility: In order for employees to be eligible for EIP, ALL of the following conditions shall be met:
- A. A regular employee shall become eligible once successfully completing 18 months of continuous service to the City except that this period of time may be waived at the discretion of the City Administrator.
 - B. The education, training or instruction shall be acquired at times when the City does not compensate the employee. Reimbursement to the employee by the City for the costs of books, tuition, or supplies shall not affect eligibility. Scholarships or veterans' benefit shall not be considered compensation.
 - C. Credit shall not be given for work experience, even though an academic institution may have given credit for such experience, until such time as a degree is granted the employee by such institution.
 - D. The employee shall submit to the City Administrator through the Department Manager a list of courses and credits, together with transcripts or other proof of satisfactory completion, as may be required to verify the acquisition of claimed credits.
- 5.8 Time of payment: EIP shall be paid eligible employees beginning with the pay period in which the City Administrator has approved the application for EIP.

ARTICLE 6: Retirement Programs

- 6.1 Retirement benefits for eligible employees represented by the Union shall be those established by the Public Employees' Retirement System (PERS) for local miscellaneous members, 2% @ 55 Full Formula.
- 6.2 The City shall pay the employer rate prescribed by the Public Employees Retirement System (PERS) in accordance with the rules and regulations governing such employer contributions.
- 6.3 In accordance with the provisions of Section 414(h) (2) of the Internal Revenue Code, employee shall pay the employee contribution of seven-percent (7%).
- 6.4 The City shall continue to maintain the following, contracted retirement options:
- A. Single Highest Year
 - B. Fourth level of 1959 Survivors Benefit (\$2.00 per month cost to the employee)
 - C. Permit members, if they choose, to purchase military service credit as public service to the extent permitted by PERS, solely at the members' expense.
 - D. Pursuant to Resolution No. 96-116, qualified members shall have the option to elect the pre-tax payroll deduction plan for their service credit purchases (i.e., redeposit, service prior to membership, military service, etc).
 - E. Pursuant to Government Code Section 20965, provide Service Credit for Unused Sick Leave for eligible non-safety employees (miscellaneous).

6.5 **UNION SUPPLEMENTAL RETIREMENT PLAN:**

- A. **Tier 1:** Effective October 1, 2001, the City agreed to pay a monthly premium of \$1.08 per hour paid, excluding overtime, to the Laborer's International Union of North America, National (Industrial) Pension Fund on behalf of eligible employees who are 1) represented by the Union and 2) are regularly scheduled to work 20 hours or more per week. For the Term of this agreement, the City will continue to pay the monthly premium (\$1.08/hour paid) for eligible UNION employees hired prior to December 7, 2005.
- B. **Tier 2:** Eligible Union employees who are: 1) hired on or after December 7, 2005, 2) represented by the Union and 3) regularly scheduled to work 20 hours or more per week, shall have a premium of \$1.08 per hour deducted from their monthly compensation for payment on their behalf to the Union supplemental retirement plan. In accordance with the provisions of Section 414(h)(2) of the Internal Revenue Code, the employee contribution shall be deducted on a pre-tax basis.

ARTICLE 7: Deferred Compensation

- 7.1 The City offers employees the opportunity to participate in a deferred compensation (457) plan on a voluntary basis through the payroll deduction plan. Participation and contributions are regulated by the rules and regulations established by the Internal Revenue Service (IRS) for such plan (457 Plans). Nothing in this section shall prohibit or restrict this voluntary participation, in the plan(s) offered by the City.

ARTICLE 8: Uniform Allowance

- 8.1 The following specific classifications in the Union shall be entitled to a Uniform Allowance of \$22.00 per month
- Members of the Public Works Department:(Excluding the position of Administrative Coordinator)
 - Members of the Forest and Beach Department,
 - Building Maintenance Worker, Building Maintenance Supervisor, Building Maintenance Specialist
- 8.2 Nothing in this section shall prohibit these designated classifications from refusing to take the specified uniform allowance.

ARTICLE 9: Holidays

- 9.1 The following 12 holidays shall be observed:
1. New Years Day, January 1st
 2. Third Monday of January (Martin Luther King Day)
 3. Lincoln's Birthday, February
 4. President's Day, Third Monday of February
 5. Memorial Day, Last Monday of May
 6. Independence Day, July 4th
 7. Labor Day, First Monday of September
 8. Veterans' Day, November 11th
 9. Thanksgiving Day, Fourth Thursday in November
 10. Friday immediately following the Thursday in November designated as Thanksgiving

(Holidays Cont.)

11. Christmas Eve, December 24
12. Christmas Day, December 25

9.2 In the event a holiday falls on a Saturday, Municipal Departments shall remain open on the preceding Friday, but employees shall be given either the preceding Friday or the following Monday, at the discretion of the Department Manager and City Administrator, as an in-lieu holiday. If a holiday falls on a Sunday, it shall be observed on Monday.

ARTICLE 10: General Leave

- 10.1 Each member of the Union shall be entitled to one day (8 hours) of general leave during the period of the contract. The Department Manager shall approve use of general leave. General leave may not be accumulated from one year to the next.

ARTICLE 11: Hours of Work

- 11.1 Workweek: The normal workweek shall consist of five (5) days, Monday through Friday, inclusive.
- 11.2 Workday: The normal workday shall consist of eight (8) consecutive hours of work within a maximum nine-hour period, interrupted by an unpaid lunch break of not less than one-half hour nor more than one hour. The normal workday shall fall within the hours between 7:00 a.m. and 6:00 p.m. Input from employees at each work site is welcomed. An employee shall be given seven (7) calendar days notice before a change in the daily work schedule can be implemented.
- 11.3 Change in Hours of Work: Should, in the judgment of the City, it be necessary to establish daily or weekly work schedules departing from the normal workday or the normal workweek for a period exceeding two (2) weeks, the City shall meet and discuss the proposed change with the Union at least ten (10) days in advance, except in cases deemed to be an emergency by the City Administrator.
- 11.4 Alternative Work Schedules: During the term of this Agreement the parties may mutually agree to meet and confer regarding alternative work schedules. Notwithstanding subsections A and B above, the City and the Union may agree to establish alternative work schedules consisting of forty (40) hours in a work week or eighty (80) hours in a bi-weekly period. Alternative work schedules may be implemented on a Department-by-Department basis.
 - 11.4.1 Employees assigned to Public Works, Forest/Parks and Beach, and Library shall be scheduled to work Eighty (80) hours within a Nine (9) consecutive day period. The scheduled day off shall be either a Friday or Monday, providing that this work schedule for the library employees does not cause a reduction of hours the library is open to the public.
- 11.5. Rest Periods: During their normal eight (8) hour workday, employees will be granted two (2) fifteen (15) minute rest periods in the approximate middle of each half shift, which may be scheduled by the City.

ARTICLE 12: Vacation Accrual Plan

12.1 The following vacation accrual schedule shall be in effect:

1 - 4 years of service:	80 hours per year
5 - 10 years of service:	120 hours per year
11 - 15 years of service:	160 hours per year
15 years of service and over:	176 hours per year

12.2 Vacation accrual will be reflected in the City's books on a month-to-month basis in hours.

12.3 The maximum amount of vacation time that may be held in an unused status shall be the amount an employee is entitled to accrue in two (2) anniversary years. The department manager may grant exceptions with approval by the City Administrator.

ARTICLE 13: Vacation Buy Back

13.1 The parties agree that eligible members of the UNION will have the option, subject to approval by the City administrator, to sell up to forty (40) hours of accumulated vacation per fiscal year to the CITY in exchange for compensation at the employee's current hourly rate in the fiscal year sold.

13.2 To qualify, an employee must have taken at least 40 hours of vacation in the 12 months prior to the request and have a least a one year accrual balance remaining on the books after the sale of vacation hours.

ARTICLE 14: Bereavement Leave

14.1 Each member of the Union shall be entitled to use twenty-four (24) hours of bereavement leave each fiscal year for serious illness, disability, or death in the employee's immediate family.

14.2 Immediate family is defined as the employee's spouse, child, step-child, parent, stepparent, grandparent, sibling, mother-in-law, father-in-law, sister-in-law, and brother-in-law, or any other person approved by the department manager. The department manager may require the employee furnish satisfactory proof to substantiate the use of bereavement leave. Bereavement leave shall not be subtracted from an employee's sick leave account and shall not accrue from one fiscal year to the next.

ARTICLE 15: Sick Leave

15.1 The City shall continue to grant each eligible employee of the Union eight (8) hours of sick leave per month. These days are to be used in accordance with the procedure(s) outlined below and in the Personnel Ordinance of the Municipal Code of the City of Carmel-by-the-Sea.

15.2 Sick leave shall be charged against an employee's credit only for regular working days and shall not be charged for time absent on holidays or other authorized days off. Charges against an employee's credit shall be rounded off to the lowest hour,

(Sick Leave cont.)

For example:

<u>Time off work</u>	<u>Time charged</u>
59 minutes or less	0
1 hour	1 hour
1 hour and any segment of the next hour	1 hour

- A. Medical appointments of 59 minutes or less, with written physician verification, shall not be charged to an employee's sick leave account.
 - B. Medical appointments of 59 minutes or less, without written physician verification, shall be charged to employee's sick leave account in 15 minute segments.
 - C. If an employee becomes sick on scheduled vacation time, the department manager may, with acceptable documentation, authorize the use of sick leave instead of vacation leave.
- 15.3 Employees hired after 1 November 1984 shall be able to accumulate an unlimited number of sick leave hours. A maximum of six hundred (600) hours will be the total amount for which the City reimburses the employee upon termination or resignation from employment. This provision does not apply to employees with less than five (5) years of continuous service who **shall not** be entitled to any compensation under this section.
- A. **Resignation** from employment after five (5) years will result in reimbursement at 25% of 600 hours maximum, times the actual hourly rate at the time of resignation.
 - B. **Retirement** from CITY employment after five (5) years and with proof of submission of application for retirement from CalPERS will result in reimbursement at the rate of 50% of 600 hours maximum, times the actual hourly rate at the time of retirement.
- 15.4 Employees employed by the City prior to 1 November 1984, will be entitled to accumulate an unlimited amount of sick leave hours. The formula for compensation upon severance of employment will be:
- A. **Retirement** from CITY employment with proof of submission of application for retirement from CalPERS: 50% of the accrued sick leave hours times the current hourly rate.
 - B. **Resignation**: Twenty-five percent (25%) of the accrued sick leave hours times the current hourly rate.
- 15.5 Upon approval of the department manager, accrued sick leave may be used to accommodate the need for additional hours in the case of serious illness, disability, or death in the employee's immediate family. Immediate family is defined as the employee's spouse, child, step-child, parent, stepparent, grandparent, sibling, mother-in-law, father-in-law, sister-in-law, and brother-in-law, or any other person approved by the department manager. The department manager may require the employee furnish satisfactory proof to substantiate the use of sick leave for this purpose.

(Sick Leave cont.)

- 15.6 Pursuant to Government Code Section 20965 to the City's CalPERS retirement contract, an employee may elect to use sick time available to him/her under the provision of the contract for sick leave service credit. If an employee elects to use sick leave available for service credit, such time cannot also be applied to the "sell back" provision under this section.

ARTICLE 16: Catastrophic Illness/Sick Leave Hours Transfer

- 16.1 **General Requirements:** An employee shall be faced with or have incurred either a catastrophic illness or major injury from an accident in order to be eligible for this program. The appointing authority (City Administrator) shall determine individual determinations of catastrophic illness or major injury from an accident.
- 16.2 The employee requesting the transfer of sick leave hours must have reached zero balances in the sick leave, vacation, compensatory time and executive leave accounts during the illness or recovery period in order to be eligible.
- 16.3 Generally, the illness or accident recovery period must be longer than three weeks for the employee to be eligible. The appointing authority will evaluate each request and may modify this time period based on the facts of the case.
- 16.4 An employee desiring to contribute to the transfer of hours must maintain a minimum balance of 120 hours after the transfer has been deducted from the donor's sick leave account.
- 16.5 Employee Use of the Program - Employees **MUST:**
- A. Notify their Department Manager requesting assistance in utilizing the program.
 - B. State the reason for the request and the approximate number of hours they believe will be needed.
- 16.6 The Department Manager **WILL:**
- A. File the employee's request with Human Resources.
- 16.7 Human Resources **WILL:**
- A. Present the request to the City Administrator for authorization and determination of the validity of the request.
 - B. Disseminate notices to Municipal Departments stating that an employee is in need of sick leave hours and request interested employees to contact Human Resources.
 - C. Maintain the confidentiality of the employee(s) who donates sick leave hours to the employee in need.
 - D. Notify the Finance Specialist to make the transfer of sick leave hours when the transfer is approved.
- 16.8 The City Administrator **WILL:**
- A. Review requests for participation in the program.
 - B. Authorize or deny the transfer of sick leave hours pursuant to the request.

ARTICLE 17: Overtime Compensation and/or Compensatory Time

- 17.1. The City shall comply with the regulations established by the Fair Labor Standards Act (FLSA).
- 17.2. Overtime shall be compensated at time and one-half for all work performed over the normal forty (40) hour work period for those employees entitled to overtime pursuant to the guidelines and regulations established by the FLSA. Paid time off shall be counted as time worked.
- 17.3 Employees entitled to overtime compensation may, in-lieu of monetary compensation for statutory overtime, choose to take compensatory time off at a rate of not less than one and one-half hours for each hour of overtime worked. Compensatory time shall only be granted upon approval of the Department Manager.
- 17.4 Accrued compensatory time must be permitted to be used within a reasonable period" of time as long as it does not "unduly disrupt" the operations of the agency. (Per FLSA guidelines).
- 17.5 Compensatory time may be accrued up to the following limits with Department Manager approval:
- Non-Safety Employees (General): 75 hours (equals 50 straight-time hours)
- 17.6 In the event compensatory time is sold back to the City, it will be paid at the straight hourly rate since it was accumulated at the time and one-half rate.

ARTICLE 18: Call-Back Pay

- 18.1 In situations where an employee is called back to work during a non-scheduled period of time the employee shall be granted a minimum of two (2) hours overtime.

ARTICLE 19: Longevity/Merit Program

- 19.1 The Union and the City agreed to discontinue the longevity/merit program (LMP) for all employees in the Union who are not eligible and receiving the benefit under the LMP, as of July 1, 2001.
- 19.2 For the Term of this Agreement, the Union and the City agree to continue the longevity/merit program (LMP) for employees who met the following qualifications:
- A. Had completed ten (10) continuous years of service with the City of Carmel-by-the-Sea as of July 1, 2001; and
 - B. Receive a Satisfactory performance evaluation during the Fiscal Year, July 1 through June 30.
 - 1) Employees receiving more than one performance evaluation during the fiscal year shall have eligibility based on the first evaluation received in the fiscal year.
 - 2) Once completed performance evaluations are received in the Personnel Office, LMP eligibility will be checked. Employees meeting the program requirements shall receive the defined benefit.
- 19.3 Rate of Compensation: Employees **meeting the requirements** of the LMP program shall receive compensation for \$1,200 less mandated deductions.

(Longevity/Merit Program cont.)

19.4 For purposes of the LMP program the following performance evaluation rating definitions shall apply:

- **Satisfactory:** This is the level of work expected of a fully competent employee. The employee is meeting the standards required for the position.
- **Marginally Satisfactory:** The work performance is less than that expected of a fully competent employee.
- **Unsatisfactory:** The work performance is inferior to the standards required for the position.

ARTICLE 20: Insurance Programs

20.1 The City offers a variety of insurance protection programs for the employee and dependents. Some protection is provided through fully insured instruments. Other protection is provided through a City self-funded program. Other protection is employee funded.

20.2 For the purposes of this section the following definitions and groupings of coverage shall exist:

A. **Non-Elective (Core):** Mandatory coverage: (Employer Paid)

- 1) Mandatory per month employer contribution required by CalPERS for each employee enrolled in the CalPERS medical protection program.
- 2) Employee/dependent dental premium, established by the City's broker of record for the self-insured dental plan, depending on the level of coverage chosen.
- 3) Collective employee/dependent vision premium established by City's broker of record for the self-insured vision plan.
- 4) Basic \$30,000 life insurance premium (available only to full-time and regular part time employees).
- 5) Accidental Death and Dismemberment Policy (available only to full-time and regular part time employees).

B. **Elective (non-core) coverage** (Employee Paid): available for purchase with flexible spending monies available to eligible employee:

- 1) Employee and/or dependent medical coverage in the CalPERS Program less the mandatory per month required employer payment.
- 2) I.R.C. Section 125 - Flexible Spending Account
- 3) I.R.C. Section 125 - Dependent Care

C. **Section 125 Plan:** The City's insurance plan is structured within this tax-deferred program. This is an Internal Revenue Code permitted plan. A third party administrator provides administration of the plan.

20.3 City's Maximum Medical Premium Contribution

(Insurance Programs cont.)

- A. The City shall contribute only on behalf of eligible employees who are enrolled in the CITY sponsored PEMHCA medical plan.
- B. **January 1, 2007**, CITY shall cap its contribution for medical insurance according to an eligible employee's dependent status at the following maximum amounts, which include the CalPERS mandatory employer contribution:

Employee Only	Employee & 1 Dependent	Employee & 2+ Dependents
\$378.56	\$757.12	\$984.26

- C. **January 1, 2008**, CITY shall increase its capped contribution over the 2007 maximum contribution for CalPERS medical insurance, according to an eligible employee's dependent status, at a percent equivalent to the actual increase in the CalPERS Choice full rate or up to seven percent (7%) whichever is the lesser.
 - D. **January 1, 2009**, CITY shall increase its capped contribution over the 2008 maximum contribution for CalPERS medical insurance, according to an eligible employee's dependent status, at a percent equivalent to the actual increase in the CalPERS Choice full rate or up to seven percent (7%) whichever is the lesser.
- 20.4 The City agrees to maintain the contract for Group Long Term Disability Insurance (LTD). The cost of this insurance shall continue to be fully paid by participating employees. Participation in the plan is voluntary. Continuation of the coverage requires seventy-five percent (75%) participation by all eligible employees (benefited full-time and part-time).
- 20.5 Plan Contents and Monthly Rates:

- A. Life Insurance and Accidental Death/Dismemberment Insurance (AD&D) (Only available to full-time and benefited part-time employees)

Provider: Life Insurance - Standard Insurance Company
Rates: (E) employee Only: \$ 9.60 p/month
 (E) employee + Dependents: \$ 11.84 p/month

Provider: AD&D Insurance - Standard Insurance Company
Rates: All employees: \$ 1.50 p/month

- B. Vision Insurance:

Provider: Self-funded for Vision Insurance Coverage
Rates: (E) employee Only: \$ 6.10 p/month
 (E) employee + 1 dependent: \$ 11.86 p/month
 (E) employee + 2 or more: \$ 17.38 p/month

- C. Dental Insurance:

Provider: Self-fund for Dental Insurance Coverage
Rates: (E) employee Only: \$ 30.04 p/month
 (E) employee + 1 dependent: \$ 55.13 p/month
 (E) employee + 2 or more: \$103.89 p/month

(Insurance Programs cont.)

- D. **Medical Insurance:** CalPERS Plan (PEMHCA): subject to terms and conditions of the Public Employees' Medical and Hospital Care Act (PEMHCA).

20.6 Retirees and Other Qualified Employees

- A. The City agrees to fund the minimum mandatory per month for medical coverage plus the administrative cost (based on total monthly premium) for currently enrolled retirees and eligible and enrolled un-benefited hourly employees, as required by CalPERS.
- 1) The City agrees to provide additional minimum funding as needed for existing retirees, active or hourly employees who currently are not participating in the medical program, but who would be eligible under CalPERS guidelines.

ARTICLE 21: Workers' Compensation: Salary Continuation Non-Safety Employees

- 21.1 Whenever any full-time, miscellaneous (Non-Safety) employee as defined by the Public Employees' Retirement System (PERS), is disabled, whether temporarily or permanently, by injury or illness arising out of and in the course of his/her duties, he/she shall become entitled, regardless of his/her period of service with the City, to leave of absence while so disabled without loss of salary in lieu of temporary disability payments or maintenance allowance payments, for the period of the disability, but not exceeding six months, or until such earlier date as he/she returns to duty or is retired on permanent disability pension in accordance with the rules/regulations governing such retirement.
- 21.2 If the period of disability extends beyond the six month period, full salary continuation shall be discontinued and the employee shall be entitled to legal allowances provided under Workers' Compensation Laws of the State of California which may be integrated with any other compensation to which the employee may be entitled, i.e., Long Term Disability coverage.
- 21.3 Benefits: During the six month or less period of disability, the employee who suffers such injury/ illness arising out of and in the course of his/her duties shall continue entitlement to all benefits as would have been afforded that employee had he/she not have suffered such injury/illness.

ARTICLE 22: Other Benefits

22.1 Jury Duty

- A. The City provides time off with no loss of salary for employees who must fulfill jury duty obligations. Employees shall be entitled to keep the mileage reimbursement for such service. Any per diem amount received by the employee shall be signed over to the City.

22.2 Employee Payroll Deductions

- A. Upon authorization from any employee the City shall make direct deposit(s) to the financial institution of the employee's choice, through the City's duly authorized financial institution. The employee's financial institution must have direct deposit capabilities.

(Other Benefits cont.)

- B. Employee funded insurance programs and deductions for deferred compensation programs shall be paid through payroll withholding.
- C. Employee deductions for Union dues or service fees shall be made in accordance with the Agency Shop provisions in Section 23, below.

22.3 Layoff Policy: Per Resolution 92-90, the policies and procedures for the layoff of City employees are incorporated herein as "EXHIBIT 1" to the MOU

ARTICLE 23: Agency Shop

23.1. Agency Shop Agreement:

Effective October 1, 2001, the parties agree that all employees covered by this agreement shall either become or remain a member of the Union as a condition of employment for the term of this agreement. This Agency Shop provision is adopted pursuant to California Government Code 3500 ET seq.

23.2 Employee Payroll Deductions

- A. The Union shall have the exclusive right to payroll deduction for its members in this unit including regular dues and employee benefit program costs. Regular dues and employee benefit program costs may be deducted from the employee's individual paycheck. Except as otherwise provided in this Memorandum, payroll deductions shall be made only upon the revocable written authorization of the individual employee.
- B. A continuation of Union payroll deductions, without resigning a payroll deduction card, shall be allowed after an employee returns from a leave of absence.

23.3. Fair Share Fee:

- A. Subject to the remaining provisions of this section, all covered employees employed on or after the effective date of this Agreement and continuing as long as the Union remains the exclusive representative for this bargaining unit, shall as a condition of employment, pay to the Union a fair share fee in an amount which does not exceed the amount of its standard initiation fee, periodic dues, and general assessments.

23.4 Bona Fide Religious Exception

- A. Any employee who is a member of a bona fide religion, body or sect which has historically held conscientious objections to joining or financially supporting public employee organizations shall not be required to join or financially support any public employee organization as a condition of employment. Such employee may be required, in lieu of periodic dues, initiation fees, or agency shop fees, to pay sums equal to the dues, initiation fees, or agency shop fees to a non-religious, non-labor charitable fund exempt from taxation under section 501(c)(3) of the Internal Revenue Code.
- B. Proof of such payments shall be made on a monthly basis to the City as a condition of continued exemption from the requirement of financial support to the public employee organization.

(Agency Shop cont.)

23.5 Separation From Unit

- A. The provisions of this Agreement shall not apply during periods that an employee is separated from the representation unit but shall be reinstated upon the return of the employee to the representation unit. The term "separation" includes transfer out of the unit, layoff, and leave of absence with duration of more than thirty (30) days.

23.6. Compliance

- A. The Union shall provide an employee in or hired into a job classification represented by the Union with an Employee Authorization for Payroll Deduction. If the form authorizing payroll deduction is not returned within thirty (30) calendar days after notice of this fair share fee provision and the Union dues, fair share fee, initiation fee or charitable contribution required are not received, the Union may, in writing, direct that the City withhold the fair share fee and the initiation fee from the employee's salary, in which case the employee's bi-monthly salary shall be reduced by an amount equal to the fair share fee and the City shall pay an equal amount to the Union.

23.7 Change In Dues

- A. Any change in dues will be submitted to the City, in writing, thirty (30) days prior to the effective date of such change.

23.8 Forfeiture of Deductions

- A. If the balance of an employee's wages, after all other involuntary payments, union dues, and insurance premium deductions are made in any one pay period, is not sufficient to pay deductions required by this Agreement, no such deduction shall be made for that period.

23.9 Hold Harmless

- A. The authorization for payroll deductions described in this agreement shall specifically require the employee to agree to hold the City harmless from all claims, demands, suits or other forms of liability that may arise against the City for or on account of any deduction made from the wages of such employee.
- B. The Union shall defend, indemnify and save the City harmless against any and all claims, demands, suits, orders, judgments or other forms of liability that shall arise out of or by reason of, action taken or not taken by the City under this Agreement. This includes not only the City's reasonable attorney fees and costs but the reasonable cost of management preparation time as well. The City shall notify the Union of such costs on a case-by-case basis.

ARTICLE 24: Impasse Resolution

24.1 Impasse Defined

- A. "Impasse" means that the representatives of the City and a recognized employee organization have reached a point in their meeting and conferring in good faith where their differences on matters to be included in a Memorandum of Understanding, and concerning which they are required to meet and confer, remain so substantial and prolonged that further meeting and conferring would be futile.

(Impasse Resolution cont.)

24.2 Initiation of Impasse Procedures

If the meet and confer process has reached impasse as defined in "A" above, either party may initiate the impasse procedures by filing with the other party a written request for an impasse meeting, together with a statement of its position on all issues. The City Administrator shall then schedule an impasse meeting promptly.

The purpose of such meeting shall be:

- A. To allow the parties to review each others position in a final effort to reach agreement on a Memorandum of Understanding; and
- B. To discuss arrangements for the utilization of the impasse procedures if the impasse is not resolved.

24.3 Mediation

- A. The parties agree that if the impasse is not resolved the dispute shall be submitted to a mediator from the California State Mediation and Conciliation Service. Costs for mediation services, if any, shall be borne equally by the City and the Employee Union.
- B. All mediation proceedings shall be private. The mediator shall make no public recommendation, nor take any public position at any time concerning the issues.

ARTICLE 25: Grievance Arbitration

25.1 Process

- A. Within ten (10) working days of the receipt of the City Administrator's final decision, the Union may request arbitration by filing a written request. The request for arbitration shall be in writing to the Department Head with a copy sent to the Human Resources Manager.
- B. If either the City or the Union so requests, the arbitrator shall hear the merits of any issue raised regarding the arbitrability of a grievance first. No hearing on the merits of the grievance shall be conducted until the issue of arbitrability has been decided.
- C. The parties shall request a list of seven (7) arbitrators, within ten (10) working days after receipt of the employee's request for arbitration, from the California State Mediation and Conciliation Service.
- D. The City and the Union shall share the fees and expenses of the arbitrator and the certified court reporter equally. The services of the certified court reporter are optional. Both parties must agree if a certified court reporter is to be employed and that the cost shall be equally shared. Financial responsibility shall be established before the selection of an arbitrator. All other expenses shall be borne by the party incurring them, and neither party shall be responsible for the expense of witnesses called by the other. However, if either party declines the use of a court reporter, the party requesting the court reporter shall pay the entire cost of employing the court reporter.

(Grievance Arbitration cont.)

- E. The arbitrator's review is limited to the interpretation of this Memorandum of Understanding and/or the City's Personnel Rules and Regulations.

25.2 Decision:

- A. The decision of the arbitrator shall be made in writing within thirty (30) working days of the close of the hearing or the submission of written briefs.
- B. The decision of the arbitrator shall be advisory only.
- C. City Administrator reserves the right to accept, reject, or modify the recommendation of the arbitrator. The decision of the City Administrator regarding resolution of the grievance shall be final and binding upon both parties.

ARTICLE 26: Management Rights

- 26.1 It is understood and agreed that the City retains all of its powers and authority to manage municipal services and the work force performing those services.
- 26.2 It is agreed that during the term of this contract the City shall not be required to meet and confer on matters, which are solely a function of management, including the right to:
 - A. Determine and modify the organization of City government and its constituent work units.
 - B. Determine the nature, standards, levels, and mode of delivery of services to be offered to the public.
 - C. Determine the methods, means, and the numbers and kinds of personnel by which services are to be provided.
 - D. Determine whether goods or services shall be made or provided by the City, or shall be purchased, or contracted for.
 - E. Establish employee performance standards and to require compliance therewith.
 - F. Discharge, suspend, demote, reduce in pay, reprimand, withhold salary increases and benefits, or otherwise discipline employees, subject to the requirements of applicable law including the current Personnel Ordinance.
 - G. Relieve employees from duty because of lack of work or lack of funds or for other legitimate reasons.
 - H. Implement rules, regulations, and directives consistent with all applicable laws and the specific provisions of the Memorandum of Understanding.
 - I. Take all necessary actions to protect the public and carry out its mission in emergencies
- 26.3 Decisions under this section shall not be subject to the grievance procedure unless specifically authorized by the Personnel Ordinance or other applicable law.

ARTICLE 27: Separability

- 27.1 If a court of competent jurisdiction finally determines that any provision of the Memorandum of Understanding is invalid and unenforceable, such provision shall be separable, and the remaining provisions of the Memorandum of Understanding shall remain in full force and effect.

ARTICLE 28: Effect of Agreement

- 28.1 This Memorandum of Understanding sets forth the full and complete understanding between the parties hereto. Any items, from previous agreements, not addressed in this agreement are carried forward.

ARTICLE 29: Signatures

- 29.1 **For the City of Carmel-by-the-Sea:**

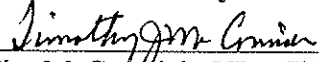


Rich Guillen
City Administrator

9-20-07

Dated

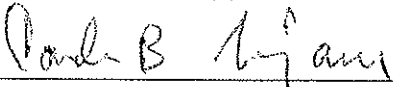
- 29.2 **For the Carmel-by-the-Sea General Employees Association:**



Tim McCormick, VP - Chief Negotiator
LIUNA - Local 270

8/23/07

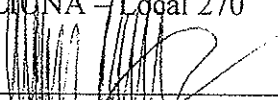
Dated



Carlos Lujan, Business Manager
LIUNA - Local 270

8/28/07


Dated



Margi Perotti, Negotiator

9/17/07

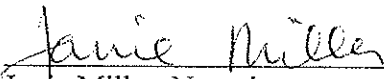
Dated



Benny Marino, Negotiator

9/17/07

Dated



Janie Miller, Negotiator

9/17/07

Dated