

Memorandum of Understanding

between

CITY OF HAYWARD

and

***INTERNATIONAL FEDERATION OF PROFESSIONAL & TECHNICAL
ENGINEERS – LOCAL 21***

October 16, 2018 through June 30, 2021

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Memorandum of Understanding

between

CITY OF HAYWARD

and

INTERNATIONAL FEDERATION OF PROFESSIONAL & TECHNICAL ENGINEERS,
Local 21, AFL-CIO

On the date hereinafter subscribed, authorized representatives of the City of Hayward, herein called "City" and authorized representatives of the International Federation of Professional and Technical Engineers, Local 21, AFL CIO, herein called the "Union" made and entered into this Memorandum of Understanding. It is understood and agreed that this Memorandum of Understanding supersedes and replaces that Memorandum of Understanding effective October 20, 2015 through June 30, 2018 by and between the City of Hayward and the International Federation of Professional and Technical Engineers, Local 21, AFL CIO.

This Memorandum of Understanding is subject to all applicable federal laws, state laws and local laws and rules, including the Charter of the City of Hayward, all ordinances, resolutions, and Administrative Rules and Personnel Rules of the City except as expressly provided to the contrary by this Memorandum of Understanding. The terms and conditions of this Memorandum of Understanding shall not apply to those persons employed by the City in a temporary or provisional status as defined in the City of Hayward Personnel Rules.

1.00 RECOGNITION, DISCRIMINATION AND UNION ACTIVITIES

1.01 Recognition

The City recognizes the Union as the majority representative for the Professional and Technical Unit of employees consisting of the classifications listed in Appendix A as well as any new classification which may be assigned to this representation unit by the City Manager.

1.02 Union Security

A. Union Security

Effective June 27, 2018, upon certification by the Union that an employee has signed a deduction authorization form, the Employer will deduct the appropriate dues from the employee's pay as established, and as may be changed from time to time, by the Union and remit such dues to the Union. Employee requests to cancel or change deductions must be directed to the Union rather than the Employer. Deductions will continue unless the employee mails a written revocation to the Union in accordance with the terms of the authorization form, or absent any such terms, by mailing a written revocation to the Union that is postmarked during the thirty (30)-day period

immediately prior to the annual anniversary date on which the employee signed the authorization form.

Union membership is not a mandatory condition of employment for any employee covered by this Agreement.

B. Deductions

The employee's earnings must be regularly sufficient after other legal and required deductions are made to cover the amount of the dues authorized. When an employee is in an unpaid status for an entire pay period, no withholding will be made to cover the pay period from future earnings. In the case of an employee who is in an unpaid status during only part of the pay period and the salary is not sufficient to cover the full withholding, no deduction shall be made. In this connection, all other legal and required deductions have priority over Union dues.

The Business Manager of the International Federation of Professional and Technical Engineers shall notify the Director of Finance in writing as to the amount of such dues uniformly required of all members of the Union.

Monies withheld by the City shall be transmitted to the Officer designated in writing by the Business Manager of the Union as a person authorized to receive such funds at the address specified.

C. Indemnification

The Union shall indemnify, defend, and save harmless the City of Hayward, its officers, employees, and agents acting on its behalf from and against any and all losses, damages, costs, expenses, claims, demands, actions, suits, judgments and other forms of liability arising out of the application or enforcement of this Section. In addition, the Union shall refund to the City of Hayward any amount paid to it in error upon presentation of supporting evidence.

D. Employee Lists

The City shall provide the Union with the following contact information for new employees within thirty (30) days of the date of hire or by the first pay period of the month following the hire, and for all employees in classifications represented by the bargaining unit on the fifteenth (15th) of January, April, July, and October in digital or other usable format:

- Name
- Job Title
- Department
- Work Location
- Work, Home, and Personal Cellular Telephone Number(s)
- Personal and Work Email Address(es)
- Home Address

E. Employee Orientations

The City shall provide written notice at least ten (10) days prior to an Employee Orientation where one or more employees hired into classifications represented by the bargaining unit will be present. The Union shall be afforded thirty (30) minutes to meet with all employees hired into positions represented by the bargaining unit in attendance.

To the extent such employees for any reason do not, within sixty (60) days of beginning work, attend an Employee Orientation, the Union shall have the option to schedule a thirty (30)-minute meeting with the employee(s) provided that the Union and the Human Resources Director or designee mutually agree on the day and time of the meeting.

One (1) Union representative may be released for up to one (1) hour without loss of pay to attend to present materials and information to the employees in positions represented by the bargaining unit.

1.03 No Discrimination

There shall be no discrimination because of race, creed, color, national origin, sex, religion, sexual orientation, gender identity, marital status, age, political affiliation, legitimate Union activities, or any other protected category recognized under federal or state law, against any employee or applicant for employment by the Union or by the City or by anyone employed by the City.

1.04 Professional Standards

An employee who is concerned that a duty assignment the employee has been asked to perform is inconsistent with professional ethics may request a meeting with the Department Director to address such concerns. "Professional ethics" as used in this Section refers to formal standards published by a professional association whose activities involve the employee's profession. The employee shall be promptly afforded such a meeting upon request. If, after meeting with the Department Director, the employee's concerns have not been resolved, the employee may have the matter reviewed by the City Manager. The decision of the Department Director and/or the decision of the City Manager concerning the duty assignment in question shall not be subject to the grievance procedure in this Memorandum of Understanding.

1.05 Management Rights

The City may exercise its management rights to the extent allowed by law.

2.00 PROBATIONARY PERIOD

2.01 Appointments Subject to Probationary Period

All probationary employees shall be evaluated at regular intervals during their probationary period. All employees who are identified in Appendix A as being members of the classified

service shall serve a probationary period as provided in this Section. The probationary period shall be regarded as part of the selection process and shall be utilized for closely observing the employee's work and for securing the most effective adjustment of a new employee to his or her position.

All appointments (other than temporary and provisional appointments) to full-time positions in the classified service, and appointments to part-time positions regularly scheduled to work twenty (20) or more hours per week, shall be subject to a probationary period. The regular period of probation shall be twelve (12) months, but longer periods may be specified in individual classification descriptions and shall apply to all positions in the classification. In the event of a conflict between the job description of a represented position and this Section, the length of the probationary period provided in this Section shall control. Extensions of probationary periods up to a maximum of six (6) months may be approved by the City Manager or designee in individual cases.

An employee promoted to a higher position who, at the time of promotion, is serving in such position in an acting or provisional status will have up to six (6) months of consecutive time served in an acting or provisional capacity credited towards satisfaction of the probationary period for the promotional position.

2.02 Release of Probationer

During the probationary period, an employee in the classified service may be released at any time without the right of appeal. Written notice of release designating the effective date of such action shall be furnished to the probationer. Persons employed in part-time positions scheduled for less than twenty (20) hours per week are excluded from the classified service and may be released at any time without right or appeal.

2.03 Release Following Promotion

Any employee released during the probationary period following promotion shall be reinstated to the employee's former position or a position in the class from which the employee promoted, unless the reason for release is cause for dismissal. An employee so reinstated shall be placed at a salary step in the position formerly held consistent with the provisions of the Salary Administration Section of this Memorandum of Understanding. In no event shall an employee so reinstated be placed at a salary step lower than the step held prior to promotion. If no vacancy exists in this class, the employee with the least amount of time in this class shall be demoted to the most recent class in which the employee has satisfactorily served. If any employee is caused to be released by such action, such employee shall be placed on a reemployment register for the classification from which the employee is released. Any employee who is released during a probationary period following promotion shall retain appeal rights to dismissal from the City, but not the right to appeal the employee's release from the position from which the employee was demoted.

2.04 Effect of Leaves on Probationary Period

Periods of time on paid or unpaid leave of four (4) weeks or more shall automatically extend the probationary period of any employee on probation. The length of the extension shall be equal to the length of the individual's placement on paid or unpaid leave.

2.05 Effective Date of Regular Status

Upon attaining regular status as a full-time employee or as a regular part-time employee, the effective date shall revert to the date of initial appointment.

3.00 LAYOFFS

3.01 Layoffs

Any employee may be laid off for any lawful reason. The City Manager or designee shall determine classifications subject to layoff.

3.02 Order of Layoffs

Employees shall be laid off in inverse order of their length of seniority. Seniority is determined based upon the date of hire in the classification affected by the layoff. For positions within a flexibly staffed classification, seniority is total time served in the classification series. Seniority based layoffs will occur in the following order: temporary, provisional, probationary, and regular employees.

In the event there are two (2) or more employees subject to layoff with the same seniority, the employee with the highest ranking on the eligibility list for the recruitment from which the appointment was made shall not be laid off. In the event there are two (2) or more employees with the same seniority and ranking on the eligibility list, the City shall determine which employee is laid off.

3.03 Seniority

An employee's seniority is based on:

1. Time worked in a permanent or probationary status;
2. Time spent on an authorized paid leave;
3. Time spent on an authorized unpaid leave of absence under the FMLA/CFRA; and
4. Continuous time spent in a provisional or acting status immediately preceding appointment to the classification.

An employee's seniority will not include:

1. Time worked in a temporary, seasonal, or non-continuous provisional status;
2. Time spent on an unpaid leave of absence;
3. Time spent on a suspension;
4. Time spent on a layoff; and
5. Time spent while separated from the City, voluntarily or involuntarily.

3.04 Notice of Layoff

The City Manager or designee shall notify an employee of the employee's layoff at least fifteen (15) calendar days prior to the effective date of the layoff. Notice can be provided

either by certified or registered mail, return receipt requested, or by personal service. If the notice is provided by mail, the fifteen (15) day notice period runs from the date of postmark, not when the employee signs the return receipt. A copy of any layoff notice shall be placed in the employee's personnel file.

Upon request, the Human Resources Department shall furnish the status registers for all affected classifications to the Union and employees subject to layoff. The lists shall include the names of all present employees who have held these classifications and their appointment dates.

3.05 Employee Options

Regular employees who have been notified that they will be laid off from their current positions shall have the following options:

1. Displacing a City employee with less service in a parallel or lower classification in the department affected by the layoff in which the employee held prior permanent or probationary status ("bumping"). For purposes of this Section, "parallel" shall mean a classification in which the current wage range is equal to or no more than two and one-half percent (2.5%) higher than the wage range of the classification from which the employee is laid off. If an employee has not held status in a parallel or lower classification in the department, then no displacement rights accrue to that individual. All employees must exercise displacement rights within seven (7) working days after notice of the layoff is provided by written notice to the Human Resources Director. If this choice is not exercised within the specified time, it is automatically forfeited. The employee exercising the displacement privilege will displace employees in lower classifications in the inverse order of seniority. Employees who displace other employees will be paid at the rate for the lower classification.
2. If an employee has not held status in a lower classification in the department, or if such lower classification is occupied by a more senior employee, the employee shall be entitled to fill a vacant position in the classification held at the time of layoff in another City department. If there is no vacancy in the classification in another City department, then the employee may be eligible to fill a vacant position in another City classification, provided the employee possesses the necessary skills and fitness for that position as determined by the City Manager or designee. An employee who is transferred to a vacant position will be paid at the rate of pay for that position. Any employee who does not accept a transfer within five (5) working days after a Notice of Transfer is given will have automatically forfeited the ability to transfer.
3. Accepting layoff.

3.06 Rights of Return Following a Layoff

Employees who are displaced from their classification by virtue of layoff shall be placed on a reemployment list as specified:

1. The reemployment eligible list for the position in the department from which the employee was laid off ("primary register").

2. The reemployment eligible list for any parallel or lower classification in the department from which the employee was laid off (“secondary register”).

Each reemployment eligible list shall consist of the names of employees and former employees having probationary or permanent status in the position for which the list was created and who were laid off. The rank order on such list shall be determined by relative seniority calculated pursuant to Section 3.03, Seniority. Such list shall take precedence over all other eligible lists in making an appointment to the position for which the list applies.

As position vacancies occur, employees on layoff and those occupying positions to which they have bumped shall be afforded return rights based on the order in which their names appear on the reemployment eligible list for the position. An employee’s name shall remain on the list for a period of one (1) year or longer at the discretion of the City Manager, unless such person is sooner reemployed or removed from the list as provided in this Section.

If an employee fails to respond to a notice of return within the prescribed time period or declines to return from layoff to a secondary register classification, the employee’s name shall be removed from said secondary register, and the employee shall no longer be eligible for recall to that classification. If an employee fails to respond to a notice of return within the prescribed time period or declines return to the primary register classification, the employee will be considered to have voluntarily resigned employment with the City. An employee who is removed from a reemployment list because the employee has failed to respond to a notice of return or refused the assignment will have no right to appeal such removal. It shall be the employee’s responsibility, at all times, to advise the City as to the employee’s current address.

Full-time employees who have bumped or transferred to a part-time position, or who have been recalled from layoff to a part-time position, shall be afforded an opportunity to return to full-time status as position openings become available.

Former employees appointed from a reemployment eligible list shall be restored all rights and benefits to which they were entitled at the time of layoff, including reinstatement of any unused sick leave at the time of layoff. Reemployed employees shall not be eligible for benefits for which they received compensation at the time of or subsequent to the date they were laid off.

An employee who is reinstated to a position held at the time of layoff will be reinstated to the salary range and step held at the time of layoff. An employee who is reinstated to a lower position will be reinstated to the range for the lower position at a step to be determined by the City Manager or designee. A reinstated employee who has not completed a probationary period for the reinstated position will be required to complete the probationary period for the position.

4.00 WORK SCHEDULES - OVERTIME

4.01 Work Schedules

The normal workweek for all full-time employees shall consist of forty (40) hours during each seven (7) day work period.

For payroll purposes, the City's work week shall commence at 12:00 a.m. on Monday and end at 11:59 p.m. on Sunday, except that the workweek for employees on Alternate Work Schedules may be modified based on individual schedules to accommodate forty (40) hours in a seven (7) day work period.

4.02 Overtime Work

Any work required of full-time employees in excess of the normal workweek shall be classed as overtime work. Overtime work shall be recognized only when directly ordered or required by the Department Head or a designated representative. The City may require employees to work more than the normal eight (8) hours per day or forty (40) hours per week, and also to work outside the employees' scheduled workday or workweek. Any work required of part-time employees in excess of forty (40) hours per work week shall be classed as overtime work.

Prior to the expiration of this Memorandum of Understanding, the City will conclude a study to determine the proper FLSA status designation for each classification. The City will share its findings and make proposals towards implementation of an overtime policy in accordance with the provisions of the FLSA for exempt and non-exempt employees during the next round of negotiations.

4.03 Compensation for Overtime Worked

Payment for authorized overtime worked shall be either in cash or compensatory time off at the employee's option. Overtime work shall be compensated at the rate of time-and-one-half (1½) the regular rate of pay. An employee may choose accrued compensatory time off in lieu of cash payment for overtime worked if the employee's supervisor agrees prior to the overtime work being performed.

At any time, employees may accumulate a maximum of one hundred twenty (120) hours of compensatory time off, maintained on a continuous per pay period basis. Thereafter, the City will compensate employees with overtime pay only for all hours of overtime worked beyond the one hundred twenty (120)-hour limit. Compensatory time may be used at a time mutually agreeable to the employee and the Department Director. Compensatory time off shall not be taken when the employee must be replaced by another employee in an overtime status unless this provision is waived by the Department Director.

Accrued compensatory time up to the maximum of one hundred twenty (120) hours provided above shall be used when requested by the employee and approved by the Department Director. Accrued compensatory time in excess of the maximum of one hundred twenty (120) hours provided above shall be used when requested by the employee and approved by the Department Director, or when scheduled by the

Department Director, provided twenty-four (24) hours advance notice is given to the employee concerned.

4.04 Overtime Work During a Disaster

All employees shall have the duty and obligation to perform emergency work upon request of proper authority declaring such emergency, including overtime work.

4.05 Meal Period and Rest Period

Full-time employees shall be assigned to a one-half ($\frac{1}{2}$) or a one (1) hour unpaid meal period each day within a two (2) hour period at the midpoint of each shift and a fifteen (15) minute paid rest period during the first half of the work shift, and another fifteen (15) minute paid rest period during the second half of the work shift.

4.06 Alternate Work Schedules

The following conditions and understandings will apply to alternate work schedules.

- A. Alternate work schedules shall mean eighty (80) hours of work within each pay period, however, the workday and workweek may vary. Additionally, employees on approved alternate work schedules shall not be entitled to overtime unless overtime hours worked are expressly approved by management.
- B. The Union shall submit proposed new alternate work schedule(s) and any proposed changes to existing alternate work schedule(s) in writing to the affected Department Director(s) or designee(s). It will not be necessary to submit written proposals to continue existing alternate work schedules without changes.
- C. Such proposals shall include a description of the proposed work schedule, a description of arrangements or agreements designed to assure the timely and effective completion of job tasks and work programs, and a description of how the proposed work schedule may enhance services to the public and improve employee morale.
- D. The Department Director or designee will evaluate the proposed schedule, including its effect on public service, efficiency and effectiveness of operations, and for impact on the workgroup and other departments. If acceptable to the Department Director or designee, the schedule will be established and will remain in effect until it is either rescinded or revised pursuant to paragraph B or to paragraph E of this Section. If not acceptable, the Department Director or designee will provide the rationale in writing within thirty (30) days of the date of the proposal. At the request of the Union, the Department Director or designee shall meet with affected employees to attempt to reconcile differences.
- E. However, such schedules may be altered if it can be determined that the public, work group, or the City would be better served by a different work schedule.

Provisions of this Section shall not be subject to the grievance procedure of this Memorandum of Understanding. If an alternate work schedule request is denied or if the Department Director or designee fails to respond to a request within the time frames

outlined above, employees or the Union may appeal the matter to the City Manager or designee, whose decision shall be final. Nothing in this Section shall be construed to limit the ability of the City to require a 9/80 or other alternate work schedules. Any change in work schedule not presently provided for in this Memorandum of Understanding shall be subject to California State Government Code Section 3500.

It is understood that, for the purpose of annual vacation, sick leave, and holiday credit, "day" shall mean a standard eight (8) hour day. Paid leave shall be debited on an hour-for-hour basis.

4.07 Change in Work Schedules

Prior to implementing any work schedule change(s) affecting Union employees, the City will first meet and confer with the Union.

5.00 SPECIAL PAY AND ALLOWANCES

5.01 Certification Fees

When the City or State requires that employees possess a certificate as a prerequisite to the performance of their job duties, the City shall reimburse said employees for any fee involved in the issuance or renewal of said certificate. Driver's license fees are not covered by this provision.

5.02 Meal Allowance

A fifteen-dollar (\$15) meal allowance shall be provided to employees required to attend an evening meeting or required to work at least two (2) hours of overtime when such overtime is worked at the end of or prior to the start of a shift, or as a result of an unscheduled call back on a scheduled day off. For each additional four (4) hours worked, the employee shall receive an additional fifteen-dollar (\$15) meal allowance.

5.03 Bilingual Pay

Employees who, in the performance of their duties, agree to utilize their bilingual skills (including American Sign Language) to converse with the public, and who have passed the City's competency requirements, shall receive bilingual pay in the amount of thirty dollars (\$30) per pay period.

In addition, employees who, in the performance of their duties, agree to utilize their bilingual skills in a manner that exceeds basic conversational skills such as creating written documents, and who have passed the City's competency requirements, shall receive bilingual pay in the amount of one-hundred dollars (\$100) per pay period.

No more than once every twenty-four (24) months, the Department Director or designee may require an employee receiving bilingual pay to demonstrate continued competency in a second language as a condition of continuing to receive pay under this Section. Employees who do not demonstrate continued competency will cease receiving bilingual pay until such time competency is again demonstrated.

5.04 Standby Pay and Callback Premium

Family Counselors assigned standby duty shall be compensated with one (1) hour of straight-time pay or compensatory time off for each three (3)-hour standby assignment (9:00 AM to 12:00 PM on Saturday). Standby pay shall be two (2) hours straight-time pay or compensatory time off for standby on a holiday.

An employee on assigned standby shall be provided with a cellular telephone at the City's expense.

An employee on standby who is called in to work shall receive, in addition to the standby allowance provided above, compensation at the overtime rate for work actually performed with a guaranteed minimum of two (2) hours work or two (2) hours pay at the overtime rate.

Employees are not eligible for standby duty if they are unable to work due to their own illness.

5.05 Standby for Court Duty

Counselors who are subpoenaed to appear in court on a regularly scheduled day off shall receive a minimum of four (4) hours pay at the overtime rate for an actual appearance in court, or four (4) hours pay at the straight time rate if cancellation occurs on the scheduled day of appearance.

Employees are not eligible for standby duty if they are unable to work due to their own illness.

5.06 Information Technology Personnel Standby Pay

Information Technology employees who are required to be available on a standby basis for possible service calls during their off-shift hours shall receive a standby allowance as follows:

1. An employee on standby on weekdays (i.e., a sixteen (16) consecutive-hour period commencing with the end of the regular scheduled work shift Monday through Friday) shall receive a standby allowance of one (1) hour's pay at the employee's regular hourly rate for each weekday night of standby required.
2. An employee on standby on regular scheduled days off and on holidays (i.e., a twenty-four (24) consecutive-hour period commencing at 8:00 A.M.) shall receive a standby allowance of two (2) hours pay at the employee's regular hourly rate for each of the aforementioned days of standby required.

An employee on assigned standby shall be provided with a cellular telephone at the City's expense.

An employee on assigned standby called out on a service call shall receive, in addition to the standby allowance provided above, compensation at the overtime rate for work

actually performed during such standby. An employee on standby who is called in to work shall receive, in addition to the standby allowance provided above, compensation at the overtime rate for work actually performed with a guaranteed minimum of two (2) hours of work or two (2) hours' pay at the overtime rate. The minimum guarantee outlined above does not apply to work performed via telephone or modem.

Employees are not eligible for standby duty if they are unable to work due to their own illness.

5.07 Allowance for Construction Inspectors

Construction Inspectors who obtain registration as a Construction Inspector in Division I or IV (with passage of the contract administration test block) from the American Construction Inspectors Association will be entitled to a five percent (5%) pay differential above the salary step currently held.

In addition to registration with the ACIA, the following will also qualify a Construction Inspector to a five percent (5%) pay differential above the salary step currently held:

1. ICBO certificate in plumbing, building and/or mechanical codes, provided that such certificate is not required by an employee's classification and is used in the course of the employee's duties; or
2. Current or former registration with the State of California as a Registered Public Works Inspector, Division I Engineering.

5.08 Compensation for Testimony Required by Subpoena

An employee answering a subpoena in connection with an incident arising within the course and scope of employment shall inform the employee's supervisor and, if required to testify, shall remain in a paid status. An employee shall provide their supervisor with proof of subpoena.

5.09 Allowance for Surveyor

Surveyors who obtain a Land Surveyor License will be entitled to a three percent (3%) pay differential above the salary step currently held.

5.10 Certified Access Specialist (CASp) Certification Pay

For the duration of this agreement, employees in the classification(s) of Building Inspector and Plan Checker/Plan Check Engineer who obtain a Certified Access Specialist (CASp) certification from the California Division of the State Architect (DSA) shall be paid a differential of three percent (3%) above the salary step currently held for such certification. This differential shall only be provided while there is sufficient funding remaining in the City's "CASp Certification and Training Fund," as described in California Government Code 4467.

Employees who obtain Certified Access Specialist (CASp) certification will be reimbursed for the costs and fees associated with obtaining and maintaining the certification on the condition that (1) such costs and fees are first approved by the Department Director or

designee and (2) there is sufficient funding remaining in the City's "CASp Certification and Training Fund," as described in California Government Code 4467. Authorized training for the certification shall be on City time, except that employees will not be entitled to overtime for any training associated with obtaining the CASp certification.

In the event California Government Code 4467 is stricken or modified funding is no longer available, unless the City and Union mutually agree to meet and confer to discuss continuation of the three percent (3%) pay differential as provided in paragraph 1 of this Section, the differential will no longer be provided.

6.00 MEET AND CONFER TIME OFF FOR REPRESENTATIVES

6.01 Representatives Empowered to Act

The Union shall advise the City of those persons empowered to act as its representatives.

6.02 Time Off for Matters Within the Scope of Representation

The City shall allow a reasonable number of employee representatives of the Union reasonable time off during regular work hours without loss of compensation or other benefits to not more than four (4) such employees when formally meeting and conferring with representatives of the City on matters within the scope of representation.

6.03 Permission to Leave Assignments

Employee representatives shall not leave the duty, work station, or assignment without the specific approval of the Department Director or designee.

6.04 Time off for Dispute Resolution

If an employee desires the assistance of a representative of the Union in resolving a dispute, the City agrees to permit not more than two (2) Union representatives reasonable time off during regular work hours without loss of compensation or other benefits for this purpose. The employee and/or the authorized Union representative(s) shall obtain the approval of their immediate supervisors or other authorized department supervisors before leaving their duty, work stations, or assignments for the purpose of resolving a dispute.

7.00 BENEFIT PLANS

7.01 Medical Insurance

The City currently contracts with the Public Employees' Retirement System (PERS) for the purpose of providing medical insurance benefits for active employees and their eligible dependents, and for eligible retired employees and eligible survivors of retired employees. Eligibility of a dependent to participate in this program shall be in accordance with the terms of the Public Employees' Medical and Hospital Care Act (PEMHCA). Eligibility of retired employees and survivors of retired employees to participate in this program shall

be in accordance with those provisions of PEMHCA providing for participation by “annuitants.”

The City’s employer contribution towards medical insurance benefits for each eligible employee shall be the minimum contribution amount required by Government Code Section 22892. Contributions provided under this Section are required only to the extent mandated by the PEMHCA.

During the calendar year 2018, the City will provide an employer contribution of one hundred and thirty-three dollars (\$133) per month to CalPERS for each eligible active employee towards the purchase of medical insurance benefits.

In the event PERS requires a minimum employer payment in excess of the amount recited above, the City shall pay such additional amounts as approved by the City Council. Because PERS may change carriers and plans, the City shall not be required to provide a specific insurance coverage and shall only be required to provide those benefits as described in this Section so long as the City contracts for benefits with PERS for medical insurance benefits.

The City will provide each eligible annuitant, as defined by the PEMHCA, with an employer contribution towards medical insurance benefits that is equal to any contribution provided to an active employee under this Section.

7.02 Flexible Benefits Allowance

The City shall provide a contribution to the City’s flexible benefits plan (125 plan) for each full-time employee in regular or probationary status who is enrolled in one of the PERS medical insurance plans offered by the City. Employees can use this contribution to offset the cost of benefits purchased through the plan. The value of any flexible benefit allowance provided by the City under this Section shall be determined as follows:

- A. Effective the pay period including July 1, 2017, the allowance provided to an eligible employee shall be equal to ninety percent (90%) of the premium cost for health insurance coverage based on the employee’s plan selection and participation level eligibility (e.g., Employee only coverage, Employee + 1 coverage, or Employee + 2 coverage), less the amount of any contribution provided under Section 7.01, Medical Insurance, above. The City’s maximum contribution under this Section shall not exceed the cost of ninety percent (90%) of the premium for the second most expensive benefit plan as determined by the employee’s participation level, less the City’s contribution toward medical benefits under PEMHCA. In no event shall the sum of the City’s contributions pursuant to the provisions of this Section and Section 7.01, Medical Insurance of this Memorandum of Understanding exceed ninety percent (90%) of the premium cost for the PERS medical insurance plan in which the employee is enrolled.
- B. Effective the pay period including January 1, 2020, the allowance provided to an eligible employee shall be equal to ninety percent (90%) of the premium cost for health insurance coverage based on the employee’s plan selection and participation level eligibility (e.g., Employee only coverage, Employee + 1 coverage, or Employee + 2 coverage), less the amount of any contribution provided under Section 7.01, Medical Insurance, above. The City’s maximum contribution under this Section shall not

exceed the cost of ninety percent (90%) of the premium for the fourth most expensive benefit plan as determined by the employee's participation level, less the City's contribution toward medical benefits under PEMHCA. In no event shall the sum of the City's contributions pursuant to the provisions of this Section and Section 7.01, Medical Insurance, of this Memorandum of Understanding exceed ninety percent (90%) of the premium cost for the PERS medical insurance plan in which the employee is enrolled, and in no event will an employee contribute less than ten percent (10%) towards the premium cost of the CalPERS medical insurance plan in which the employee is enrolled.

- C. The City shall continue to provide Flexible Benefit Allowances as provided in this Section unless amended or repealed by the City Council.
- D. Contributions to an employee's Flexible Benefits Account shall be used only for payment of those benefits that are available through the City's Flexible Benefit Plan.

The City will not treat any contributions made to the Flexible Benefits Plan as compensation subject to income tax withholding unless the Internal Revenue Service and/or the Franchise Tax Board indicates that such contributions are taxable income subject to withholding. Each employee shall be solely and personally responsible for any Federal, State, or local tax liability of the employee that may arise out of the implementation of this Section or any penalty that may be imposed therefore.

- E. Each employee shall file an election in writing during the month of open enrollment for medical insurance each year designating how the contributions in the employee's Flexible Benefits Account are to be spent during the ensuing year. Thereafter, no changes to designations so made shall be allowed until the enrollment of the following year, except for changes due to an eligible qualifying event.
- F. Each employee shall be responsible for providing immediate written notice to the Director of Human Resources or designee of any change to the number of the employee's dependents which would affect the amount of the City's payment to the Flexible Benefits Account. An employee who, by reason of failing to report a change in dependents, receives a City payment greater than the amount to which the employee is entitled shall be liable for refunding the excess amount received via a reduction in the amount paid to an employee's Flexible Benefit Account in subsequent months. Changes to flexible benefit contributions associated with changes in an employee's number of dependents shall take effect at the start of the first pay period in the month following the month in which notice of the change is received by the Human Resources Department. No retroactive increases to the Flexible Benefit Allowance provided by the City shall be allowed.

7.03 Dental Insurance

The City shall contribute towards dental insurance premiums for full-time employees, other than temporary and provisional employees, and their eligible dependents as provided in this Section.

For eligible employees in this bargaining unit who enroll in a City-sponsored dental plan, the City shall contribute an amount equal to eighty percent (80%) of the monthly premium for dental insurance, as determined by the employee's enrolled participation level in the

City sponsored dental plan. Employees enrolled in dental insurance are required to contribute the remaining twenty percent (20%) of the premium costs for dental insurance coverage.

Monthly premium rates are established on a calendar year basis by the insurance provider, or in the case of a self-funded plan, by a third-party examining plan utilization review, market trends, overall plan costs, and any other industry standard metrics deemed necessary by the third party.

Currently, the City provides insurance coverage through either a Delta Dental or United Concordia plan. Details regarding benefits and covered services for each plan may be found in the current Delta Dental or United Concordia benefits summaries for the City of Hayward respectively.

The City reserves the right to provide dental care benefits under a plan or through a carrier of its choice. Alternate coverage may be provided through a consortium of public agencies or private employers which may be formed for the purpose of providing dental care benefits for employees, or through a program of self-insurance. In the event the City exercises this option, the alternate coverage shall be substantially equivalent to the coverage in effect at such time as a change in carrier takes effect.

7.04 Alternative Benefits

- A. An alternative benefit in the form of a cash payment is available to those full-time employees in regular or probationary status who: (1) elect to opt-out of receiving City contributions under Section 7.01, Medical Insurance, and 7.02, Flexible Benefits Allowance, and (2) provide proof of medical insurance coverage from a plan other than a City-sponsored plan.

Any cash payment provided under this Section shall be reported to the Internal Revenue Service (IRS) and the California Franchise Tax Board as compensation subject to income tax withholding. Each employee shall be solely and personally responsible for any tax liability that may arise out of receipt of the alternative benefit provided under this Section. The amount of alternative benefit provided to an employee is based on the level of insurance coverage that the employee could have received if the employee had enrolled in a City-sponsored health insurance plan, as follows:

Employee Only	\$210 per month
Employee and one dependent	\$380 per month
Employee and two + dependents	\$500 per month

For the purpose of this Section, the term “dependent” shall mean a dependent eligible for coverage under a PERS medical insurance plan if such coverage had otherwise been elected by the employee.

- B. A full-time employee who does not receive a City contribution under Section 7.01, Medical Insurance, and 7.02, Flexible Benefits Allowance, and who is enrolled in a City-sponsored health insurance plan as the dependent of another City employee may be eligible to receive an alternative benefit as provided in this Subsection. If the cost to the City of providing an employee with benefits as the dependent of another is less

than the cost of enrolling the employee separately in a City-sponsored health insurance plan, then the individual enrolled as a dependent may receive an alternative benefit. The amount of any alternative benefit shall be equal to the amount of savings to the City for enrollment of the employee as a dependent, up to a maximum alternative benefit of two hundred and ten dollars (\$210) per month.

The following examples illustrate how alternative benefits will be provided to employees who are enrolled as a dependent in a City-sponsored health insurance plan. For purpose of these examples, assume the following amounts as the City's total costs towards providing benefits under Section 7.01, Medical Insurance, and 7.02, Flexible Benefits Allowance:

Employee only - total cost of \$500 per month

Employee and one (1) dependent – total cost of \$1,000 per month

Employee and two (2) or more dependents – total cost of \$1,400 per month

Example 1. Employee A and B are spouses who both work for the City of Hayward. Employee A participates in City-sponsored health insurance at the Employee +1 level (City cost of \$1,000 per month), with Employee B enrolled as Employee A's one dependent. If each employee was to participate in a City-sponsored plan as individual employees, then the City's cost would be \$500 per month for each employee (or a total of \$1,000 per month for two people, each enrolled individually at the employee only level). Since there is no cost savings to the City for enrolling Employee B as a dependent of Employee A, and vice-versa, then neither employee is eligible to receive an alternative benefit.

Example 2. Employee A and B are spouses who both work for the City of Hayward. They have one child. Employee A participates in City-sponsored health insurance at the Employee +2 or more level (City cost of \$1,400 per month), with Employee B and the child enrolled as Employee A's dependents. If Employee B was to enroll in a City sponsored plan individually (City cost of \$500), and Employee A's participation was modified to the Employee +1 (City cost of \$1,000), the City's total cost for providing benefits to both employees would increase from \$1,400 to \$1,500 per month. Since the City realizes a \$100 savings per month due to Employee B's enrollment as a dependent of Employee A, Employee B is eligible to receive an alternative benefit. The amount of this alternative benefit will be \$100 per month.

Example 3. Employee A and B are spouses who both work for the City of Hayward. They have two children. Employee A participates in City-sponsored health insurance at the Employee + 2 or more level (City cost of \$1,400 per month), with Employee B and the two children enrolled as Employee A's dependents. If Employee B was to enroll in a City sponsored plan individually (City cost of \$500), and Employee A continued to participate in Employee +2 or more benefits with the two children as dependents (City cost of \$1,400), the City's costs for providing benefits to both employees would increase from \$1,400 to \$1,900 per month. Since the City realizes a \$500 savings per month due to Employee B's enrollment as a dependent of Employee A, Employee B is eligible to receive an alternative benefit. The amount of this alternative benefit will be \$210 per month (the maximum alternative benefit available to employees enrolled as dependents of another employee).

- C. Enrollment in alternative benefits must be elected each year during open enrollment. Benefit eligibility and alternative benefit amounts may vary from year to year depending on plan premiums.
- D. The provisions of this Section shall be administered in accordance with regulations issued by the City Manager or designee which shall include, but not be limited to, the method and frequency of reimbursement to employees for the alternate benefits program(s) selected, the frequency with which employees may exercise the option to change alternate benefits programs, and appropriate procedures for the verification of payments made in pursuance of this Section.

7.05 Medical, and Dental Benefits for Certain Part-Time Employees

Employees who are hired in part-time status and full-time employees who assume part-time status shall be entitled to participate in group medical, dental, and vision insurance programs, and to receive a payment from the City to be applied to such plans subject to the following conditions:

1. Except as provided in paragraph 2 below, only those employees hired into positions budgeted for twenty (20) or more hours per week shall be entitled to coverage under group medical, dental, and vision plans.
2. The City's contribution toward medical insurance for part-time employees who are eligible to participate in a CalPERS health insurance plan as an "employee" shall be equal to the contribution provided to full-time employees under Section 7.01, Medical Insurance.
3. The City will provide those part-time employees who regularly work more than twenty (20) hours per week (at least as 0.5 FTE) with a Flexible Benefit Allowance. The amount of any allowance provided shall be determined in accordance with the formulas contained in Section 7.02, Flexible Benefits Allowance, except that the sum of the contribution provided to a part-time employee who works more than twenty (20) hours per week under Section 7.01, Medical Insurance, plus the amount provided as a Flexible Benefit Allowance shall be based on the total number of hours worked each month by the part-time employee.

For new employees, the City's contribution for medical insurance shall be based upon the employee's estimated work schedule during the first month of coverage. Thereafter, the actual number of hours worked by the employee each month shall be used to determine the City contribution towards medical insurance premiums in the following month. Except that, the amount provided shall never be less than the amount required by applicable government codes.

4. The City's payment for dental insurance shall be proportionate to the amount paid on behalf of full-time employees as specified in Section 7.03, Dental Insurance, of this Memorandum of Understanding. The calculation of proportionate payment shall be in accordance with the provisions of paragraph 3 of this Section.
5. The City's payment for vision insurance shall be proportionate to the amount paid on behalf of full-time employees as specified in Section 7.09, Vision, of this Memorandum

of Understanding. The calculation of proportionate payment shall be in accordance with the provisions of paragraph 3 of this Section.

6. The City's payment for alternate benefits shall be based upon scheduled hours of work and shall be proportionate to the amounts paid on behalf of full-time employees as specified in Section 7.04, Alternative Benefits, of this Memorandum of Understanding. The calculation and proportionate payments shall be based upon the hours budgeted for the position.

As an exception to the foregoing, full-time employees who become part-time employees as a result of a City imposed reduction in hours will continue to receive City payment of medical, dental, and vision insurance premiums and will continue to participate in the Flexible Benefits plan on the same basis as for full-time employees.

7.06 Life Insurance

The City shall pay the entire cost of providing each regular and probationary employee with fifty thousand dollars (\$50,000) group term life insurance with said policy to include accidental death and dismemberment coverage, and the right to conversion at the time of termination of employment to a form of permanent coverage without medical restriction.

7.07 Community Benefit

The City agrees to contribute five dollars (\$5) per employee per year to a charitable organization identified by the Union in lieu of annual contributions to the Central Labor Council Blood Bank of Alameda County.

7.08 Retired Employees

The City will provide eligible employees who retire from service with a supplemental retirement benefit as provided in this Section. Any supplemental benefit provided under this Section shall be in the form of cash to the retiree on a monthly basis. In order to receive a supplemental benefit under this Section, the employee must begin receiving pension benefits within one hundred twenty (120) days of leaving City employment and must be enrolled in a medical plan offered by the City of Hayward.

The survivor of a retired employee qualifies to receive a supplemental benefit only if the survivor: (a) has been designated by the employee to receive a survivor benefit under the Public Employees' Retirement System (PERS) plan, (b) is currently receiving said survivor benefit, and (c) is a member of a medical plan offered by the City of Hayward. In the event a retired employee has designated more than one survivor who satisfies all three of the above criteria, any supplemental benefit payments made under this Section shall not exceed the monthly benefit that would have otherwise been paid to the retired employee.

A supplemental benefit in the amount of two hundred twenty-six dollars and one cent (\$226.01), less the amount provided for under Section 7.01, Medical Insurance, above, will be provided to any employee who retired from City Service after October 1, 1989 and on or before December 31, 2007, regardless of the employee's years of continuous City service.

For employees who retire on or after January 1, 2008, a supplemental benefit in the amount of two hundred seventy-four dollars and seventy-two cents (\$274.72), less the amount provided for under Section 7.01, Medical Insurance, above, will be provided to an employee who:

1. Was employed by the City on July 1, 2008 and who had a least five (5) years of continuous service with the City as of that date; or
2. Has ten (10) years of continuous service with the City as of their retirement date.

Retirees are solely responsible for any tax consequences associated with the receipt of benefits under this Section.

7.09 Vision

The City shall contribute towards vision care insurance for full-time employees, other than temporary and provisional employees, and their eligible dependents as provided in this Section. Currently, the City provides vision insurance coverage through VSP under a plan that provides for a fifteen-dollar (\$15) deductible, an eye examination, and lenses and frames once per year.

For eligible employees who enroll in a City sponsored vision plan, the cost of the monthly premium shall be shared equally (50/50) between the employee and the City.

Monthly premium rates are established on a calendar year basis by the insurance provider, or in the case of a self-funded plan, by a third-party examining plan utilization review, market trends, and overall plan costs and any other industry standard metrics deemed necessary by the third party.

The City reserves the right to provide vision care benefits under a self-funded plan or through a carrier of its choice. Alternate coverage may be provided through a consortium of public agencies or private employers which may be formed for the purpose of providing vision care benefits for employees, or through a program of self-insurance. In the event the City exercises its option to move to a self-funded plan or to change insurance carriers, any new benefit plan shall provide coverage that is substantially equivalent to the coverage available at the time this option is exercised.

7.10 Domestic Partners

The City agrees to provide medical, dental, and vision plan insurance coverage to registered domestic partners of City employees as defined under the PERS Health Plan law who are otherwise without such benefit coverage and who register with the Secretary of State in accordance with PERS requirements. The employee shall provide the Human Resources Department with a copy of the registration documentation.

7.11 State Disability Insurance - (SDI)

SDI coverage shall continue for employees and shall be coordinated with employees' sick leave in order to extend the period of full pay for as long as possible while employees are disabled.

In conjunction with SDI coverage, employees may be eligible for Paid Family Leave Insurance per state law. Employees eligible for this benefit may coordinate paid leave in order to extend the period of full pay for as long as possible while the employee is disabled.

In no event shall the employee receive disability benefits in conjunction with any other paid leave that will exceed the employee's full monthly gross salary.

7.12 Long-Term Disability Insurance

The City shall continue administering the employee-paid Long-Term Disability Insurance policy with Hartford Life or any other such successor program that provides benefits comparable to those available under the Hartford Life policy.

This program currently provides long-term disability benefits based upon sixty percent (60%) of an employee's current gross salary up to \$6,000 per month after a one-hundred eighty (180) day waiting period.

The Union shall have the sole authority to make decisions on the long-term disability insurance plan provided that there will continue to be no cost to the City.

8.00 SALARY ADMINISTRATION

8.01 Salary Administration Policy

The policy governing preparation of a compensation plan shall be that of salary standardization, or like pay for like work.

8.02 Salary at Time of Employment

The plan may provide a flat salary rate or a salary range for each classification with a minimum, maximum, and one or more intermediate steps. The beginning or normal hiring rate shall usually be at the first step of the range. Every new employee shall be paid the first step on employment, except that the City Manager or other appointing authority may authorize employment at a higher step if the labor supply is restricted or the person to be hired is unusually well qualified.

8.03 Eligibility for Advancement in Pay

Employees shall be advanced from Step A to Step B and from Step B to Step C in accordance with the time-in-step requirements outlined below. Thereafter, eligibility for advancement to Steps D and E will be based upon overall satisfactory performance evaluations. The following time-in-step requirements shall apply before an employee gains eligibility for advancement in pay:

<u>Step</u>	<u>Time-in-Step</u>
A	6 months
B	6 months

C	1 year
D	1 ½ years
E	----

If an employee demonstrates outstanding capacity in performing the employee's duties, advancement may be made prior to completion of the above time-in-step requirements. When a pay range consists of less than five (5) steps, the range shall be established at the higher steps within the above time schedule. In determining time-in-step, it shall begin on the first day of the payroll period if employment occurs during the first five (5) days of the period, otherwise time shall begin on the first day of the next payroll period. If an employee is on leave without pay for more than one (1) month, the period shall be deducted from accumulated time-in-step.

8.04 Withholding Step Advancements

Department Directors have the authority and responsibility to recommend withholding step advancements by the City Manager if they are not merited. Department Directors shall keep their employees informed about their job performance, giving good work its proper recognition and any deficient work all possible guidance and assistance toward improvement. Department Directors shall notify the employee as to the reason for withholding step advancements.

8.05 Change in Pay Upon Promotion

When employees are promoted, they shall normally receive the first step in the salary range for their new position. However, if such step is equal to or less than their present salary, they may receive the next step in the salary range of the new position which is at least four and a half percent (4.5%) above their current salary. The City Manager may authorize employment at a higher step. In no event will an employee's salary be set at a rate that exceeds the range applicable to the employee's new classification.

8.06 Change in Pay Upon Demotion

When an employee is demoted, whether voluntarily or otherwise, the employee's compensation shall be adjusted to the salary prescribed for the class to which the employee is demoted. The employee will be placed in a salary step in the classification to which the employee is demoted that is the same as or above the step held prior to demotion, provided said demotion is not the result of disciplinary action. If the demotion is a result of disciplinary action, the specific salary step shall be determined by the City Manager or designee, whose decision shall be final; provided however, that if the employee had prior service in the position to which the employee is demoted, the employee's step on the salary schedule for the position to which the employee demoted shall not be set at a step that is lower than the step previously held by the employee in that position before the employee's promotion.

8.07 Change in Pay Upon Reclassification

When a position is reallocated to a classification with a higher pay range and the incumbent employee retains the position, the employee shall normally be placed at the first step in the new range. If no increase in pay results, advancement shall be made to the next step immediately above their present salary. When recommended by the Department Director or designee and approved by the City Manager or designee, additional advancement may be granted. If no change in salary is granted, the employee shall be allowed to carry forward time-in-step accumulation.

When a position is reallocated to a classification with a lower salary range, the incumbent employee shall not be reduced in pay while the employee continues to occupy the position. If the employee's current rate is below the maximum step of the new range, the employee shall continue at the present salary and carry forward time-in-step accumulation. If the employee's current rate exceeds the maximum step of the new range, the employee's salary shall be frozen at its current level. When the incumbent leaves the position, a replacement shall normally be hired at the beginning rate.

8.08 Acting Pay

Employees may be assigned to perform the duties of a higher classification on an "acting" basis when, in the judgment of the Department Director or designee, a need exists for work to be performed in such classification. An "acting" assignment shall only be made by the Department Director or designee at the beginning of the work shift, and employees designated to receive "acting" pay shall be provided with a written notice assigning the employee to the higher classification on an "acting" basis.

Employees assigned in accordance with the foregoing to perform the duties of a higher classification on an "acting" basis for a period of at least one (1) workweek shall receive "acting" pay retroactive to the first day of such assignment. Workweek shall be defined as follows: Three/twelve (3/12) work schedule is three (3) days; four/ten (4/10) work schedule is four (4) days; and five/eight (5/8) or nine/eighty (9/80) work schedule is five (5) days. All days of the assigned schedule must be worked to qualify for acting pay. Holidays or leaves occurring during the first workweek do not count toward days worked.

An employee qualifying for "acting" pay shall receive the salary step of the higher classification which represents an increase over the employee's present salary step. If the closest step in the "acting" classification is not equal to at least five percent (5%) above the employee's current salary step, the employee shall receive "acting" pay equal to five percent (5%) above the employee's current salary step, except that the total rate paid (base salary plus any percentage increase) for work performed in "acting" assignments shall not exceed the top step of the salary range for the higher class. Work assignments shall not be changed for the sole purpose of evading the requirement of providing acting pay to an employee who would otherwise be eligible.

Employees who qualify for "acting" pay shall be compensated at their "acting" pay salary level during periods of approved leave with pay which occur while they would otherwise be performing the duties of the higher classification in which they are "acting" but for being on such approved leave with pay. In the event an employee performing such acting assignment is absent from work because of illness or injury for more than five (5)

consecutive days, the City in its sole discretion may terminate the employee's acting assignment designation along with the acting assignment pay.

An employee who is receiving "acting" pay by reason of assignment to a position in the Management Unit or Police Management Unit shall not be entitled to receive overtime compensation during such period of assignment for overtime work involving the performance of duties associated with the "acting" position. If such employee is required to perform overtime work in the performance of duties related to the employee's regular position, the employee shall be entitled to receive overtime compensation based on the rate of pay for the regular position.

8.09 Working-Out-of-Class Pay

Employees may be assigned to perform the duties of a higher paid classification when the incumbent is not available for that work shift. An Out-of-Class assignment shall only be made by the supervisor or the employee's Department Director or designee at the beginning of the work shift.

An employee assigned Out-of-Class work shall receive a five percent (5%) differential pay for all hours worked in the higher classification.

8.10 Special Assignment Positions

Special assignment positions within a classification may be established where duties and responsibilities are of a specialized nature by comparison to other positions in the class. Said positions may be established by the City Council following a report and recommendation thereon by the City Manager. Selection of employees to said positions and removal therefrom shall be made by the City Manager upon recommendation of the Department Director. An employee so assigned shall receive a salary increment from a range of five percent (5%) to ten percent (10%) of the employee's present salary.

8.11 Flexibly Staffed Classification

Employees in flexibly staffed classifications within this unit, upon request, shall be formally evaluated to determine whether duties performed meet the established criteria and justify a reallocation to the higher level of the flexibly staffed classification. Such evaluation shall be performed by the supervisor(s) in conjunction with Human Resources staff, and recommendations for advancement shall require the approval of the City Manager or a designated representative. If advancement is denied, the employees shall receive a written justification for the denial from the Department and shall wait at least six (6) months before reapplying.

9.00 RETIREMENT BENEFIT

9.01 Defined Benefit Retirement Program

The City will continue to contract with the Public Employees' Retirement System (PERS) to provide a retirement program for bargaining unit members. Benefits shall include:

1. 2.5% at age 55 benefit formula
2. Fourth Level 1959 Survivor's Benefits
3. One (1) Year Highest Compensation
4. Military Service Credit as Public Service
5. Continuation of Pre-Retirement Death Benefit after Remarriage of Survivor
6. \$500 Retired Death Benefit
7. 2% Annual Cost-of-Living Allowance Increase

These benefit plans require an employee contribution of eight percent (8%). Employees shall pay the full employee contribution of eight percent (8%), which shall be paid by the employee on a pre-tax basis in accordance with IRS Section 414(h)(2) method of reporting retirement payments.

New members as defined by the Public Employees' Pension Reform Act (PEPRA) shall have a retirement formula dictated by law and shall be required to pay at least fifty percent (50%) of the normal cost of their pension as identified and periodically revised by CalPERS, or eight percent (8%), whichever is greater, up to the legal maximum.

An employee who is not eligible for enrollment in the Public Employees' Retirement System and who, in accordance with the Federal Omnibus Budget Reconciliation Act of 1990, is required to be covered by Social Security or an alternate system shall be enrolled in the Public Agency Retirement System (PARS). The City shall contribute three and three-quarters percent (3.75%) of covered earnings into the employee's PARS account.

9.02 Additional PERS Contributions

In addition to each member's responsibility for payment of the employee retirement contribution, effective the pay period including October 19, 2015, employees shall contribute an additional one percent (1%) of their salaries to the California Public Employees' Retirement System (CalPERS) as payment of the City's employer contributions that the City would otherwise be required to pay to CalPERS for these employees.

Effective the pay period including July 1, 2016, employees shall contribute an additional one percent (1%) for a total of two percent (2%) of their salaries to the California Public Employees' Retirement System (CalPERS) as payment of the City's employer contributions that the City would otherwise be required to pay to CalPERS for these employees.

Effective the pay period including July 1, 2017, employees shall contribute an additional one percent (1%) for a total of three percent (3%) of their salaries to the California Public Employees' Retirement System (CalPERS) as payment of the City's employer contributions that the City would otherwise be required to pay to CalPERS for these employees.

9.03 Deferred Compensation

A Deferred Compensation Plan has been established for the benefit of City employees. Employees may contribute to the Plan as provided by the Plan terms. Effective the pay period including July 1, 2012, the City will no longer provide an employer contribution to a deferred compensation plan on behalf of any Local 21 represented employees. Employees may continue to make employee contributions in accordance with the terms of the Deferred Compensation Plan and subject to state and federal tax law requirements.

10.00 SALARIES

10.01 Salaries

Salaries for classifications in this representation unit shall be as enumerated in Appendix A to this Memorandum of Understanding. All bargaining unit salary range increases shall be as follows:

In lieu of a cost of living adjustment, employees represented by the Union shall receive fifty (50) hours of recognition leave (part-time employees will receive leave hours proportionate to their position's budgeted FTE) in the next full pay period following execution of the contract. To be eligible to receive the fifty (50) hours of leave, Local 21-represented employees must be employed on the date of ratification and the date of award. Employees may have the option to cash-out recognition leave through the pay period that includes June 1, 2019. Employees who do not cash out their recognition leave by the pay period including June 1, 2019 may use their recognition leave prior to the expiration of this agreement on June 30, 2021. Any recognition leave hours remaining in the employee's leave bank will be forfeited upon the expiration of this contract. Recognition leave will not be included in any cash-out upon separation.

Effective the pay period including October 2019: 1%

Effective the pay period including July 1, 2020: 2%

Effective the pay period including January 1, 2021: 4%

10.02 Salary Surveys

The City and the Union agree to perform an equity study on total compensation for all Local 21 represented classifications. The City and Union agree that the following jurisdictions will be included in the survey: City of Alameda, City of Berkeley, City of Daly City, City of Fremont, City of Palo Alto, City of Redwood City, City of Sunnyvale, City of San Leandro, City of Santa Clara, and City of San Mateo.

In addition to the ten (10) agencies listed above, the parties agree that Alameda County Water District, Dublin-San Ramon Services District, Oro Loma Sanitary District, and Union

Sanitary District shall be included in the surveyed jurisdictions for the following classifications only:

1. Assistant Civil Engineer
2. Associate Civil Engineer
3. Senior Construction Inspector
4. Construction Inspector
5. Senior Water Pollution Source Control Inspector
6. Water Pollution Source Control Inspector

The Union and the City shall begin the bidding and selection process for a survey provider no later than April 1, 2019. This survey must be completed on or about December 1, 2019.

All classifications determined to be four percent (4%) or more below the median for the jurisdictions surveyed, after the application of any negotiated compensation terms, shall receive an equity adjustment not to exceed five percent (5%) in fiscal year 2020, and an equity adjustment not to exceed five percent (5%) in fiscal year 2021. No classification shall receive an increase of more than ten percent (10%) over the course of this agreement as a result of the survey. Salary adjustments shall go into effect the pay period including January 1, 2020 and January 1, 2021.

11.00 HOLIDAYS

11.01 Holidays Observed by the City

Holidays observed by the City shall be:

New Year's Day	January 1
Martin Luther King Day	3 rd Monday in January
Lincoln's Birthday	February 12
Presidents' Day	3 rd Monday in February
Memorial Day	Last Monday in May
Independence Day	July 4
Labor Day	1 st Monday in September
Admissions Day	September 9
Indigenous Peoples' Day	2 nd Monday in October
Veterans Day	November 11
Thanksgiving Day	4 th Thursday in November
Friday after Thanksgiving Day	Friday following 4 th Thursday in November
Christmas Eve	December 24
Christmas Day	December 25
New Year's Eve	December 31 (2nd half of workday/4 hours)

Employees shall be allowed the last half, up to four (4) hours, of the workday off on the workday immediately preceding the day on which New Year's Day is observed. An

employee unable to be released for this time shall receive four (4) hours of compensatory time or vacation leave.

If any of the above holidays fall on a Sunday, the following Monday shall be observed as a holiday. If a holiday falls on a Saturday, the previous Friday shall be observed as a holiday. If a holiday falls on an employee's regular day off, an employee shall be entitled to equivalent time off at a later date, and such time shall be credited to the employee's compensatory time off at the straight time rate.

11.02 Holidays for Certain Part-Time Employees

Part-time employees hired into positions budgeted for twenty (20) or more hours per week shall be eligible to receive holiday pay. For each holiday observed by the City, the amount of holiday pay or credit provided to part-time employees shall be based upon the employee's regular work schedule, i.e., the average number of hours worked each week divided by five (5).

For the purposes of the New Year's Eve holiday, part-time employees shall be afforded time off pursuant to the above provisions at the rate of one-half ($\frac{1}{2}$) hour of leave for each full hour of leave granted full-time employees.

11.03 Qualifying for Holiday Pay

All employees who qualify for pay on holidays observed by the City shall receive holiday pay provided that an employee who fails to report for a scheduled work shift on any of such holidays shall receive no pay; and provided also that in order to qualify for such paid holidays the employee must report for work on both the employee's last regular work day immediately preceding the holiday and on the first regular work day following a holiday, and unless the employee so reports employee shall receive no pay for such holiday. As an exception to the foregoing, an employee who does not report for work as herein provided shall receive holiday pay if the reason for such absence is a bona fide illness supported by a statement from the attending physician or for another legitimate reason.

11.04 Compensation for Holidays Worked

Prior approval for holiday work must be secured from the City Manager except in emergency situations where said approval cannot be obtained beforehand.

Any work performed on the above holidays (other than Saturday) shall be paid for at the rate of time and one half ($1\frac{1}{2}$) the straight time rate or time off with pay at time and one half ($1\frac{1}{2}$) the straight time rate; provided that employees who are entitled to pay for any such holidays if not worked shall receive such holiday pay in addition to the time and one half ($1\frac{1}{2}$) they are paid for working. Work performed on a Saturday holiday shall be compensated for by an equivalent credit to vacation leave, in addition to any overtime credit which may apply.

For those employees who work in a department where other employees not covered by this Memorandum of Understanding are compensated at the rate of time and one half ($1\frac{1}{2}$) for working on a Saturday which is a holiday observed by the City, in addition to pay for such holiday, the employees covered by this Memorandum of Understanding shall be

compensated at the rate of time and one half (1½) for working on a Saturday holiday observed by the City in addition to pay for such holiday. There shall be no pyramiding of overtime.

12.00 VACATIONS

12.01 Vacation Leave Policy

Vacation leave is a benefit, and its use shall be approved by the Department Director or designee, taking into account the desires and seniority of employees and, more particularly, the workload requirements of the department. Employees shall take vacation leave regularly each year and shall be encouraged to take vacation at least one (1) full week at a time. In order to give effect to this policy and to realize the greatest benefit from vacation leave for both employees and the City, limitations shall be placed upon the amount of unused vacation leave an employee is allowed to accumulate.

If an employee exhausts all accrued vacation leave, the employee may apply for another eligible paid or unpaid leave (excluding sick leave) as provided for in this Memorandum of Understanding. If, following the approval of vacation leave, it is determined that the employee does not have enough vacation leave available to cover the request and no other leave is requested, payroll will deduct the excess time from another eligible paid leave balance. No vacation leave accruals will be credited in advance. No vacation leave will be earned while on an unpaid leave.

If vacation leave is used to remain in a paid status while on approved leave under the Family Medical Leave Act/California Family Rights Act or Pregnancy Disability Leave, the vacation hours used will run concurrently with the state and/or federal leave entitlement.

Full-time employees may cash out up to forty (40) hours of vacation leave each fiscal year. Part-time employees may cash out up to twenty (20) hours of vacation leave each fiscal year. Employees must elect to cash out their vacation leave prior to the last pay period of the fiscal year.

12.02 Vacation Leave Allowance for Full-Time Employees

All full-time employees, other than temporary and provisional, shall accrue vacation leave benefits each payroll period based upon the number of regularly scheduled hours.

The vacation accrual schedule for employees who are budgeted and work full-time are as follows:

Years of Service	Per 80 Hr. Period	Hourly Equivalent	Annual
Up to 5 yrs.	3.08 hrs.	.0385 hrs.	80 hrs.
From 5 to 9 yrs.	4.62 hrs.	.0578 hrs.	120 hrs.
From 10 to 19 yrs.	6.16 hrs.	.077 hrs.	160 hrs.
From 20 yrs.	7.70 hrs.	.0963 hrs.	200 hrs.

An employee will accrue at the next highest benefit level on the employee's corresponding anniversary date. For purposes of crediting service time for vacation accruals, a former employee who is reinstated within one (1) year from the date of the employee's date of separation shall receive credit for the employee's prior service in a probationary and regular appointment. No service time in a temporary, provisional, or contract appointment will be credited.

Vacation leave can be accrued but shall not be granted during the first three (3) months of service. The increases in the vacation leave allowance provided above shall be granted on the basis of full time, continuous service. An approved leave of absence shall not constitute a break in service for the purpose of this Section, but vacation leave shall not be earned during any period of unpaid absence.

As an exception to the foregoing, the City Manager or designee is authorized to place a new employee at a position in the vacation schedule which recognizes that said employee has left a similar position with another employer where the employee had substantial vacation benefits. The provisions of this paragraph are intended to apply in those instances where recruiting difficulties are encountered or anticipated in the filling of a vacant position.

Vacation leave shall continue to be earned during other authorized leaves with pay. When a holiday falls during an employee's absence on vacation leave, it shall not be deducted from the employee's accrued leave.

The maximum vacation accrual cap shall be twice the employee's annual allowance plus forty (40) hours. The vacation accrual cap shall be maintained on a continuous per pay period basis. Exceptions may be permitted upon approval of the City Manager or designee. In granting such exceptions, the City Manager or designee may specify a time within which such excess vacation leave must be used. Failure to use such excess vacation leave within the time specified by the City Manager shall cause no additional vacation leave to accrue. It shall be the responsibility of each employee to ensure the full use of vacation leave credits received by scheduling the necessary time off each year.

12.03 Vacation Accruals for Certain Part-Time Employees

Only those employees hired into positions budgeted for twenty (20) or more hours per week and who work twenty (20) or more hours per week shall be eligible for vacation leave. Eligible part-time employees, other than temporary and provisional employees, shall accrue vacation leave benefits each payroll period based upon the number of hours the employee actually works. The hourly equivalent rates are as follows:

<u>Years of Service</u>	<u>Hourly Equivalent</u>
Up to 5 yrs.	0.0385 hrs.
From 5 to 9 yrs.	0.0578 hrs.
From 10 to 19 yrs.	0.077 hrs.
From 20 yrs.	0.0963 hrs.

Notwithstanding the foregoing, employees who are hired in a part-time status and full-time employees who assume part-time status shall accrue vacation benefits each payroll period based upon the total number of hours for which the employee was compensated in the

payroll period. In order to be eligible for this benefit, employees must consistently work a half-time schedule or more. The amount of vacation so accrued shall be proportionate to that earned by full-time employees in the same payroll period. The vacation accrual schedule specified in Section 12.02, Vacation Leave Allowance for Full-Time Employees, of this Memorandum of Understanding will be used for purposes of prorating vacation leave.

The use of vacation shall be subject to the provisions of Section 12.00, Vacations, of this Memorandum of Understanding. The maximum vacation accrual cap shall be twice the annual allowance plus forty (40) hours. Exceptions to the foregoing may be permitted pursuant to the provisions of Section 12.02, Vacation Leave Allowance for Full-Time Employees, of the Memorandum of Understanding.

Vacation leave can be accrued but shall not be granted during the first three (3) months of service. Vacation is accrued for all regular hours worked and shall continue to be earned during other authorized leaves with pay.

12.04 Payment for Unused Vacation Leave

Leave time earned but unused at date of termination shall be added to final pay. If the employee owes the City for unearned leave, the actual time shall be deducted from final pay.

13.00 SICK LEAVE

13.01 Sick Leave Policy

Sick leave is a paid leave. Sick leave shall be allowed in case of an employee's bona fide illness or injury, or for an employee's doctor/health appointments. Sick leave shall be approved by the Department Director or designee.

Employees shall, whenever possible, make appointments for medical, dental, and other health and wellness purposes on non-work time. If this is not possible, sick leave may be used for these purposes for a minimum period of one-tenth (0.1) hour and should not exceed four (4) hours, except in unusual circumstances.

In addition to the foregoing, sick leave may be used as family sick leave to care for an ill or injured family member or to take a family member to a doctor's appointment. A family member is a child, parent, spouse, grandparent, grandchild, sibling, registered domestic partner, or the child of a registered domestic partner as defined by California Labor Code 233. Up to half of the employee's annual sick leave accruals per calendar year may be used as family sick leave by full-time employees. Part-time employees are allowed to use up to half of their annual sick leave accruals (based on their budgeted hours) per calendar year.

Sick leave may also be taken by employees who are victims of domestic violence, sexual assault, and stalking.

If an employee exhausts all accrued sick leave, the employee may apply for another eligible paid or unpaid leave as provided for in this Memorandum of Understanding. If no other leave is approved, the leave will be documented as Unauthorized Leave Without Pay. No sick leave accruals will be credited in advance. Sick leave will not be earned while on an unpaid leave.

If sick leave is used for purposes that qualify under a state or federal leave law, such as the Family Medical Leave Act/California Family Rights or Pregnancy Disability Leave, the leave taken will count toward the state or federal leave entitlement. If an employee is unable to return to work and has exhausted all leave entitlements, the employee may be retired for disability or separated.

13.02 Sick Leave Allowance for Full-time Employees

All full-time employees, other than temporary and provisional employees, shall accrue sick leave benefits each payroll period based upon the number of hours the employee is entitled. The full-time sick leave accrual rate is 3.704 hours per payroll period. Employees shall earn sick leave credits in accordance with the foregoing schedule from their initial date of employment and shall be entitled to the use of sick leave upon completion of three (3) months of continuous, full-time satisfactory employment. There shall be no limit upon the number of hours of unused sick leave which may be accumulated by an employee.

13.03 Sick Leave Allowance for Part-time Employees

A. Part-Time Employees Working Thirty (30) Days or More per Year

In accordance with the Healthy Workplaces, Healthy Families Act of 2014 and the City's Administrative Policy 2.46, Paid Sick Leave, part-time employees who work thirty (30) or more days within a year shall receive sick leave. The annual period shall be based on the part-time employee's first day of employment and anniversary date thereafter.

Sick leave may be taken for the diagnosis, care, or treatment of an existing health condition of, or preventative care for, an employee or an employee's family member, as defined in Section 13.01, Sick Leave Policy. Employees may take up to a maximum of twenty-four (24) hours of sick leave per year to care for an eligible family member. A certificate from an attending physician stating the nature and extent of the family member's illness may be required in cases of suspected abuse of this provision.

B. Part-Time Employees Regularly Scheduled Twenty (20) or More Hours per Week

Part-time employees hired into positions budgeted for twenty (20) or more hours per week and who work twenty (20) or more hours per week shall be eligible for sick leave under the terms of this provision of the MOU and shall be exempt from the City's Administrative Rule 2.46, Paid Sick Leave. The amount of sick leave accrued by part-time employees shall be proportionate to the hours worked and shall not be capped.

The use of sick leave so earned by part-time employees shall be subject to the provisions of this Section and Sections 13.01, Sick Leave Policy, 13.04, Sick Leave Notice and Certification, 13.05, Sick Leave Records, and 13.06, Payment for Unused Sick Leave, of this Memorandum of Understanding. Eligible part-time employees who are scheduled but unable to work because of illness shall be charged sick leave in an

amount equal to the number of hours of work for which they were scheduled on the day(s) they were unable to work due to illness.

The use of sick leave shall not be permitted for part-time employees during the first three (3) months of service. Sick leave can be accrued but shall not be granted during the first three (3) months of service. Sick leave is accrued for all regular hours worked and shall continue to be earned during other authorized leaves with pay.

13.04 Sick Leave Notice and Certification

In order to receive compensation while absent on sick leave, an employee or someone on the employee's behalf shall notify the immediate supervisor prior to or within two (2) hours after the time set for reporting to work. Department Directors or designees may waive this requirement upon presentation of a reasonable excuse by the employee.

Employees shall file a personal affidavit or physician's certificate with their supervisor if required by their Department Director or designee, stating cause of absence. After five (5) consecutive working days' absence, the employee's supervisor may require a physician's certificate. If employees become ill while on vacation, periods of illness may be charged to sick leave upon presentation of a physician's certificate. In cases of frequent use of sick leave, employees may be requested to file physician's certificates for each illness, regardless of duration. A physician's certificate must include the name and signature of the attending physician, the date and time the employee was seen by the physician, and the physician's certification that the illness or injury was of such nature to prevent the employee from performing the employee's job. Employees may also be required to take an examination by a physician designated by the City and to authorize consultation with their own physician concerning their illness. Sick leave shall not be granted for absences caused by intoxication or excessive use of alcoholic beverages. As an exception to the foregoing, sick leave may be authorized for the treatment of alcoholism or substance addiction when such condition has been diagnosed by a competent medical authority.

13.05 Sick Leave Records

Sick leave records shall be maintained through the payroll system. After an absence is approved as sick leave, it shall be deducted from an employee's sick leave balance. If at the time of separation an employee owes the City for unearned sick leave, the actual time shall be deducted from final pay. Upon separation of employees, any sick leave balance for which payment has not been made shall be canceled and shall not be restored if a former employee is reinstated. Refer to Section 3.06, Rights of Return Following Layoff, for treatment of sick leave upon layoff.

13.06 Payment for Unused Sick Leave

Any full-time employee leaving the employment of the City in good standing after having completed twenty (20) years of continuous service, or upon retirement from the City for service or disability, or upon termination of employment by reason of death, shall receive payment for a portion of that sick leave earned but unused at the time of separation. The amount of this payment shall be equivalent to one percent (1%) of sick leave earned but unused at the time of separation times the number of whole years of continuous employment times an employee's hourly rate of pay at the time of separation.

For the purpose of this computation, the hourly rate of pay for an employee who works a forty (40) hour week shall be the employee's annual salary, including any City-paid employee PERS contribution, divided by 2080 hours. Payment of unused sick leave for part-time employees shall be based upon the hourly rate of pay in effect at the time of separation, including any City-paid employee PERS contribution. That portion of an employee's sick leave balance for which payment is not provided shall be canceled and shall not be restored if said employee is reinstated.

14.00 MISCELLANEOUS LEAVES

14.01 Bereavement Leave

All full-time employees other than temporary and provisional employees shall be granted bereavement leave with pay for not more than three (3) workdays upon the occasion of the death of a close relative or a domestic partner registered with the City in a manner prescribed by the Human Resources Department. When additional time is desired, employees may be allowed to take accumulated vacation or compensatory time off as approved by their Department Director or designee. For the purpose of this Section, a close relative is defined as any relation of the employee, by blood or marriage, including registered domestic partners, where one (1) or more of the following conditions are present:

- A. The employee will be attending the funeral or memorial of the deceased;
- B. The employee is responsible for or involved with funeral or memorial arrangements and/or estate settlement for the deceased;
- C. The employee's relationship with the deceased was of a close and personal nature such that time is required by the employee to deal with their bereavement or to participate in memorial services, either religious or non-sectarian.

The City may require an employee, when requesting such leave, to certify to the Department Director or a designee that the conditions for granting bereavement leave have been satisfied. Such certification may include, but is not limited to, a published obituary, a police report, a death certificate, a church/temple/synagogue bulletin, a prayer card, a newspaper article, or funeral announcement. Upon presentation of such requested documentation, the Department Director or designee shall determine whether leave shall be granted and in what amount. Additional funeral leave of two (2) workdays for travel purposes not to exceed a total of five (5) workdays may be granted by the Department Director or designee when circumstances warrant the same.

14.02 Bereavement Leave for Part-Time Employees

Part time employees as defined in the first paragraph of Section 12.03, Vacation Accruals for Certain Part-Time Employees, shall also be entitled to bereavement leave as defined in Section 14.01, Bereavement Leave. Part-time employees who work a schedule of twenty (20) or more hours per week shall be granted bereavement leave with pay as necessary on the same basis as full-time employees, except that the leave amount shall

be prorated based on hours worked not to exceed the number of days provided to full-time employees.

14.03 Jury Leave

An employee summoned to jury duty shall inform the employee's supervisor and, if required to serve, may be absent from duty with full pay. Any jury fees received by an employee shall be remitted to the City, excluding mileage reimbursement.

Any employee scheduled to begin service on a jury three (3) or fewer hours after the start of the employee's work shift shall not be required to report to work beforehand. Any employee released from jury duty with four (4) or more hours remaining in the employee's scheduled work shift shall then report to work; provided, however, in no event shall this combination of jury duty and work time exceed the total number of hours of the employee's regularly scheduled shift. The City shall afford the employee reasonable travel and meal time in cases where the employee reports to or from work from or to jury duty.

14.04 Military Leave

Military leave shall be administered in accordance with the provisions of federal and/or state law.

14.05 Industrial Disability Leave

For an employee injury or disability falling within the provisions of the State Workers' Compensation Disability Act, temporary disability compensation benefits at the rate of sixty-six and two-thirds percent (66.67%) of the employee's base pay shall be the basic remuneration during the employee's period of disability. Compensation under this Act will be provided through payroll or the City's third-party administrator. Employees may elect to use their own personal paid leave to supplement any workers' compensation benefits received. If any paid leave is used, the employee must contact the Human Resources Department and integrate the leave with the temporary disability benefits paid under this Act so that compensation does not exceed one hundred percent (100%) of an employee's regular pay.

14.06 Department Director Authorized Leave

A Department Director, upon written request of a full-time or part-time employee, other than temporary or provisional employees, may grant authorized leave under this provision for a maximum of eighty (80) hours per calendar year. An employee will continue to receive health benefits but is still responsible for any out-of-pocket expenses. No leave accruals will be earned. If the leave is requested for purposes covered by a state or federal leave law including but not limited to School Issues and Activities Leave, the leave will be approved if required by law. If leave without pay is used for purposes that qualify under a state or federal leave law, such as the Family Medical Leave Act/California Family Rights or Pregnancy Disability Leave, the leave taken will be administered in accordance with City Administrative Rule 2.45, Family and Medical Leave Act, and count toward the state or federal leave entitlement. If an employee is unable to return to work and has exhausted all leave entitlements, the employee may be retired for disability or separated.

The employee may be required to deplete his or her paid leave balances before requesting this leave.

14.07 City Manager Authorized Leave

The City Manager or designee, upon written request of a full-time employee other than temporary and provisional employees, may grant for the good of the service a leave of absence for a maximum period of one (1) year.

Leaves hereby authorized shall include medical leaves, educational leaves, parental leaves, and leave for any other purpose promoting the good of the service. Part-time employees are eligible for leaves of absence on a pro-rata basis (e.g., half-time employees are eligible for one-half (½) the leave of absence duration of a full-time employee, i.e. a maximum of six (6) months duration). Whenever granted, such leave shall be in writing and signed by the City Manager or designee.

Upon expiration of such a leave, the employee shall be reinstated to the position held at the time the leave was granted. Failure of the employee to report promptly upon the expiration of the approved leave or within a reasonable time after notice to return to duty shall terminate the employee's right to be reinstated.

All eligible paid leaves must be exhausted during any leave granted under this provision. Should the employee exhaust their leave balances while on City Manager-approved leave, all remaining time on leave will be without pay. If a leave of absence is used for purposes that qualify under a state or federal leave law, such as the Family Medical Leave Act/California Family Rights Act or Pregnancy Disability Leave, the leave taken under this provision will count towards the state or federal leave entitlement. If an employee is unable to return to work and has exhausted all leave entitlements, the employee may be retired for disability or separated. No benefits will be provided during this period except in those instances when it is required by law. Health coverage may be continued, but at the employee's own cost.

Requests for parental leave of six (6) months or less shall be approved unless the granting of such leave is deemed a work hardship upon the City. Upon request of the employee and approval of the City Manager, up to six (6) additional months of an unpaid parental leave of absence may be granted for a total not to exceed twelve (12) months. While in an unpaid parental leave status, those employees with two (2) or more continuous years of service shall be entitled to continuation of the City's contributions for group medical insurance and group term life insurance. Said payments shall be made for a period not to exceed four (4) months.

The City Manager may grant an extension of an approved educational leave of absence without pay for an additional period not to exceed one (1) year.

Whenever granted, leaves of absence shall be in writing and signed by the City Manager. Upon expiration of such leave, the employee shall be reinstated to the position held at the time leave was granted. Failure of the employee to report promptly upon the expiration of the approved leave or within a reasonable time after notice to return to duty shall terminate the employee's right to be reinstated.

All eligible paid leaves must be depleted before this leave is taken. If a leave of absence is used for purposes that qualify under a state or federal leave law, such as the Family Medical Leave Act/California Family Rights or Pregnancy Disability Leave, the leave taken will count toward the state or federal leave entitlement. If an employee is unable to return to work and has exhausted all leave entitlements, the employee may be retired for disability or separated. No benefits will be provided during this period except as provided below. Health coverage may be continued, but at the employee's own cost.

Employees who are out on a bona fide work-related injury or illness or who are waiting for a determination on the employee's CalPERS disability retirement application will be placed on a leave of absence. Employees on Workers' Compensation or waiting for a CalPERS disability retirement determination will continue to receive health benefits but are still responsible for any out of pocket expenses.

14.08 Absence Without Leave

No employee shall be absent without leave except in cases of sickness or emergency which prevents the employee from providing notification. Within twenty-four (24) hours of the time required to report for duty, an employee shall notify the Department Director or designee of inability to report. Failure, without cause, to give this proper notification or to report for duty as scheduled after a leave has expired shall be cause for disciplinary action.

14.09 Family and Medical Leave/California Family Rights Act

Employees may be eligible for leave under the Family Medical Leave Act (FMLA) and/or the California Family Rights Act (CFRA). The administration of any FMLA or CFRA leave provided for under this provision shall be in accordance with the provisions of the FMLA and CFRA. Leave provided under this provision may run concurrently with other leaves provided under this agreement. Additional information regarding available leave benefits is set forth in City Administrative Rule 2.45, Family and Medical Leave Act, as that rule may be revised.

14.10 Pregnancy Disability Leave

This provision shall be in compliance with all applicable state and federal laws and is governed by the City of Hayward, Administrative Rule 2.45, Family and Medical Leave Act.

14.11 Parental Leave

Employees shall be granted forty (40) hours leave with pay at their current straight time hourly rate upon the birth of a child, or when a child begins residence with an employee who has commenced adoption proceedings with full intent to adopt. Part-time employees hired into positions budgeted for twenty (20) or more hours per week and who consistently work twenty (20) or more hours per week shall be granted proportionate leave based upon their work schedules. Leave must be taken within one (1) year from the date of birth or placement of the child.

Parental leave taken will count toward any applicable state or federal leave entitlement, such as the Family Medical Leave Act/California Family Rights Act.

14.12 Catastrophic Injury/Illness Time Bank

Upon approval of the City Manager or designee, a time bank may be established for the benefit of an employee who is incapacitated by a catastrophic illness or injury. The intent of this program is to assist catastrophically ill or injured employees who have exhausted all available paid accruals to maintain a paid status as long as possible. Catastrophic injury or illness is defined as a medically certified, severe, and disabling non-industrial condition resulting in an employee's inability to work. Employees may submit requests to donate earned vacation and/or compensatory time on a voluntary basis subject to the conditions listed below:

- A. Employees initially eligible to receive leave contributions must have exhausted all other leave balances available, including earned vacation, earned sick leave, and accrued compensatory time.
- B. State and federal income tax on the value of leave donated shall be deducted from the recipient employee's pay at the time of crediting.
- C. Leave hours that are credited as sick leave to the recipient shall not be reversible.
- D. Hours requested to be donated shall be kept in a pledge status until used, shall be credited on a monthly basis as sick leave, and shall be subject to the provisions of this Memorandum of Understanding regarding the use and payment of the same. Donations shall be credited in the following order:
 - 1. From donors whose vacation accruals are at or within sixteen (16) hours of the maximum allowed for their classification; then
 - 2. From other donors in random order to be determined on a draw basis by the Human Resources Department; and
 - 3. Donation requests shall be credited in the order specified above in subsequent month(s).
- E. Donated leave time shall be changed to its cash value and then credited to the recipient in equivalent hours at the recipient's straight time hourly rate of pay. Recipient employees shall not be credited with more than one hundred percent (100%) of their normally scheduled hours for any given pay period.
- F. Donating employees may not reduce their balance of earned vacation below eighty (80) hours by reason of such donations.
- G. Recipient employees shall be credited with up to forty (40) hours of donated time upon return to work, provided that sufficient hours remain in pledge status during the pay period immediately preceding the return to work date. All undonated, pledged hours exceeding forty (40) hours shall be returned to the respective donors.
- H. In the event of the death of the recipient, the recipient's designated beneficiary shall receive payment for hours credited as donated. Hours remaining in pledge status are not subject to payout to the beneficiary and shall be returned to the donor(s).

- I. Any leave used for purposes that qualify under a state or federal leave law, such as the Family Medical Leave Act/California Family Rights or Pregnancy Disability Leave, will count toward any state or federal leave entitlement. If an employee is unable to return to work and has exhausted all leave entitlements, the employee may be retired for disability or separated.

This provision shall also allow the use and donation of catastrophic leave to employees who need paid time off to care for a catastrophically injured or ill dependent. The use of this leave is limited to a one (1) year period for establishment of any Catastrophic Injury/Illness Time Bank. Upon approval of the City Manager or designee, a time bank may be established for the benefit of an employee who has a dependent who is incapacitated by a catastrophic illness or injury. A dependent is defined as a legal spouse, registered domestic partner, legal child under the age of twenty-six (26), or legal child of a registered domestic partner under the age of twenty-six (26).

An employee must provide a signed medical certification from the treating physician of the employee's dependent stating that the employee's dependent has a severe and disabling injury or illness and indicating the amount of time the employee would need to be off to care for the employee's dependent.

An employee shall not be credited with more than one hundred percent (100%) of the employee's normally budgeted hours for any given pay period. In no event shall an employee receive donated paid leave in addition to any paid benefit provided to the employee for time off to care for the employee's dependent, such as but not limited to, paid family leave, that will result in the employee receiving more than one hundred percent (100%) of the employee's base salary for the pay period. Records of any paid benefit provided to the employee for time off to care for the employee's dependent must be provided by the employee to payroll for integration with catastrophic leave.

Employees can donate paid leave to an employee who has a dependent with a catastrophic injury/illness under the same terms and conditions as for an employee who has a catastrophic injury/illness.

Employees can utilize catastrophic leave for up to a one (1) year period. The period starts on the first day of use of catastrophic leave. For example, if catastrophic leave starts on July 1, 2010, it can only be used up until June 30, 2011. Leave can be taken on an intermittent basis if approved by the City Manager or designee but will not exceed catastrophic leave usage past the one (1) year leave period.

Any leave used for purposes that qualify under a state or federal leave law, such as the Family Medical Leave Act/California Family Rights Act/Pregnancy Disability Leave, will count toward any state or federal leave entitlements. If an employee is unable to return to work and has exhausted all leave entitlements, the employee may be retired for disability and/or separated.

15.00 GRIEVANCES

15.01 Definition

A grievance is any dispute which involves the interpretation or application of any provisions of this Memorandum of Understanding or disciplinary actions.

15.02 Grievance Procedure

Grievances shall be processed in the following manner:

- A. The grievance shall be presented either by the employee or by an authorized Union representative to the designated supervisor of the employee within ten (10) working days after the cause of such grievance occurs.
- B. The designated supervisor shall have ten (10) working days from date of receipt of grievance in which to respond. If the grievance is not satisfactorily adjusted within this period, the grievance may be presented in writing either by the employee or by an authorized Union representative to the Department Director or designee.
- C. The Department Director or designee shall have ten (10) working days from the date of receipt of the grievance in which to respond. If the grievance is not satisfactorily adjusted within this period, the grievance may be presented in writing either by the employee or by an authorized Union representative to the City Manager or designee.
- D. If the parties are unable, within ten (10) working days, to reach a mutually satisfactory accord on any grievance which arises and is presented during the term of this Memorandum of Understanding, such grievance shall be submitted to an Adjustment Board comprised of three (3) Union representatives, no more than one (1) of whom shall be either an employee of the City or an elected or appointed official of the Union; and three (3) representatives of the City, no more than one (1) of whom shall be either an employee of the City or a member of the staff of any organization employed to represent the City in the meeting and conferring process. No decision of the Adjustment Board shall be final and binding without receiving the affirmative votes of at least four (4) members of the Board.
- E. If an Adjustment Board is unable to arrive at a majority decision, then within thirty (30) calendar days of any decision by the Adjustment Board, either the Union or the City may require that the grievance be referred to an impartial arbitrator who shall be designated by mutual agreement between the Union and the City Manager or designee. The fees and expenses of the arbitrator and of a court reporter shall be shared equally by the Union and the City. Each party, however, shall bear the cost of its own representation including preparation and post hearing briefs, if any.
- F. Decisions of Adjustment Boards and arbitrators on matters properly before them shall be final and binding on the parties hereto to the extent permitted by the Charter of the City of Hayward. It is the intent of this provision that Adjustment Board and arbitrator awards be implemented.

Time limits for filing and processing grievances may be extended in writing and by mutual agreement of the parties involved during any phase of the grievance process.

- G. When the City and the Union agree that a dispute to be arbitrated is of a nature not requiring the full arbitration procedure including a formal record, an expedited arbitration may be used by agreement of the parties.

When an expedited arbitration is mutually agreed upon, the parties will jointly request a list of arbitrators from the State Mediation and Conciliation Services. The parties will mutually agree to a method to begin striking the names off the list until one arbitrator remains.

15.03 Authority of Arbitrator and Adjustment Board

No Adjustment Board and no arbitrator shall entertain, hear, decide, or make recommendations on any dispute unless such dispute involves a position in a unit represented by this Union and unless such dispute falls within the definition of a grievance as set forth in subsection 15.01, Definition.

15.04 No Modifications to Memorandum of Understanding

Proposals to add to or change this Memorandum of Understanding or written agreements or addenda supplementary hereto shall not be arbitrable and no proposal to modify, amend, or terminate this Memorandum of Understanding, nor any matter or subject arising out of or in connection with such proposal, may be referred to arbitration under this Section. Neither any Adjustment Board nor any arbitrator shall have the power to amend or modify this Memorandum of Understanding or written agreements or addenda supplementary hereto or to establish any new terms or conditions of employment.

15.05 Grievance Involving Disciplinary Action

No grievance involving disciplinary action taken against an employee will be entertained unless it is filed in writing with the Human Resources Director within ten (10) working days of the time at which the affected employee was notified of such action.

15.06 Grievance Involving Payment of Compensation

All complaints involving or concerning the payment of compensation shall be initially filed in writing with the Human Resources Director. Only complaints which allege that employees are not being compensated in accordance with the provisions of this Memorandum of Understanding shall be considered as grievances. Any other matters of compensation are to be resolved in the meet and confer process and, if not detailed in the Memorandum of Understanding which results from such meet and confer process, shall be deemed withdrawn until the meet and confer process is next opened for such discussion. No adjustment shall be retroactive for more than thirty (30) days from the date upon which the complaint was filed.

15.07 Options

- A. The provisions of this Section shall not abridge any rights to which an employee may be entitled under the City Charter.
- B. All grievances of employees in representation units represented by the Organization shall be processed under this Section. If the City Charter requires that a different option be available to employees, no action under paragraph (D) or (E) of Subsection 15.02, Grievance Procedure, above shall be taken unless it is determined that the employees are not availing themselves of such option.
- C. No action under paragraph (D) or (E) of subsection 15.02, Grievance Procedure, above shall be taken if action on the complaint or grievance has been taken by the Personnel Commission, or if the complaint or grievance is pending before the Personnel Commission.

15.08 Stewards

The Union shall provide the City Manager or designee with timely written notification of any change in the names of unit executive board members and stewards. A steward and one (1) alternate steward shall be appointed by the Union in each of the following work units; provided, however, that only one (1) steward may be involved in the processing of a grievance.

- 1. Office of the City Manager
- 2. Development Services
- 3. Library and Community Services
- 4. Utilities and Environmental Services
- 5. Public Works - Engineering and Transportation
- 6. Finance and Information Technology
- 7. Police and Fire

Grievances which may arise and which cannot be adjusted on the job shall be reported to the Union by the steward; provided, however, in no event shall the steward or the Union order any changes, and no changes shall be made except with the consent of the City.

If the aggrieved employee desires the assistance of a steward as provided in paragraphs (A), (B), (C) or (D) of the grievance procedure, the City shall afford said steward reasonable time off during working hours without loss of compensation or other benefits to investigate and take up said grievance. The grievant and/or the area steward shall obtain the specific approval of the Department Director or, in the latter's absence, another authorized City management official before leaving their duties, work situation, or assignment for the purpose of investigating and/or processing a grievance.

16.00 NO STRIKE

The Union, its members, and its representatives agree that it and they will not engage in or authorize any strike, slowdown, stoppage of work, curtailment of production, refusal to operate designated equipment (provided such equipment is safe and sound), or to perform

customary duties because of any dispute arising during the term of this Memorandum of Understanding; and neither the Union nor any representatives thereof shall engage in job action for the purpose of effecting changes of personnel or operations of management, or of employees not covered by this Memorandum of Understanding.

17.00 EXAMINATIONS

17.01 Examination Announcements for Job Openings within the Representation Unit

Examination announcements for job openings within the representation unit shall be posted on official bulletin boards for at least a two (2) week period prior to the filing deadline. A copy of each examination announcement shall be provided to the Union at the time of the posting.

17.02 Participation in Promotional Examinations and Examinations for Professional Certification

Employees who participate in promotional examinations which are scheduled by the City during the employees' scheduled working hours shall do so without loss of compensation. Employees taking examinations required for professional certification in their field when such certification is directly related to their current employment with the City shall be granted release time when such examinations are given during working hours.

17.03 Seniority List

The City shall maintain a current seniority list in the Human Resources Department which may be inspected during normal working hours.

18.00 MISCELLANEOUS PROVISIONS

18.01 Personnel Files

Employees shall be allowed to review the contents of their personnel files upon request. Access to such personnel files by an employee's designated representative will be permitted, provided the employee authorizes such access in writing. After a period of two (2) years, employees may file a request for removal of disciplinary materials provided there has been no repetition of the behavior giving rise to the disciplinary action, no additional reprimand or disciplinary actions for any other cause have been filed during the intervening two (2) years, and there is no legal impediment to complying with the request. Such requests shall be reviewed by the Human Resources Director who shall grant or deny the request based upon considerations of the severity of the original infraction, advice of the Department Director, and subsequent performance by the employee.

18.02 Workplace Safety

The City agrees to provide a safe place to work consistent with the requirement to conduct efficient operations. The City will attempt to have all harmful substances used in the

workplace labeled with an appropriate warning as to the hazardous properties of the contents, precautions to be taken, and antidotes to be used in the event of over-exposure. Manufacturer's labels which address these concerns shall satisfy the foregoing requirements.

18.03 Safety Equipment

Upon recommendation of the Department Director and approval of the City Manager, an employee may be reimbursed for the purchase of prescription safety glasses in an amount not to exceed one hundred and twenty-five dollars (\$125) per calendar year. This amount shall not apply to fees for eye examinations or prescriptions and shall be available only to those employees who are required to wear safety glasses by reason of exposure to potential eye injury during the course of the performance of job duties.

Employees working in the classifications listed below may be reimbursed for the purchase or repair of safety shoes/boots in an amount not to exceed two hundred dollars (\$200) per calendar year. Employees will be required to wear such safety shoes/boots while performing field work and/or lab work. Specific safety shoe/boot requirements for each class will be defined by employees and supervisors of that class prior to commencement of the program.

Assistant/Associate Civil Engineer	Police Identification Specialist
Assistant/Associate Transportation Engineer	Property Rehabilitation Specialist
Associate Transportation Planner	Real Property Associate
Building Inspector	Recycling Specialist
Code Enforcement Inspector I/II	Senior Building Inspector
Construction Inspector	Senior Code Enforcement Inspector
Development Review Specialist	Senior Property Rehabilitation Specialist
Engineering Technician	Senior Water Pollution Source Control Inspector
Environmental Specialist	Surveyor
Hazardous Materials Investigator	Traffic Signal Technician
Laboratory Technician	Water Pollution Source Control Inspector

Rain gear may be furnished to an employee when, in the judgment of the Department Director, an employee's exposure to inclement weather in the performance of the employee's duties warrants the same.

18.04 Notice of Disciplinary Action

The City agrees to provide the Union with a copy of the Notice of Intended Disciplinary action furnished to an employee.

18.05 Pre-Retirement Counseling

The Human Resources Department will continue to provide, upon request, preretirement counseling for employees.

18.06 Americans With Disabilities Act (ADA)

The City and the Union recognize that the City has an obligation under the law to meet with individual employees who allege a need for reasonable accommodation in the workplace because of a disability. If by reason of the aforesaid requirement, the City contemplates actions to provide reasonable accommodation to an individual employee in compliance with the ADA which are in potential conflict with any provision of this Memorandum of Understanding, the Union will be advised of any such proposed accommodation and be afforded an opportunity to discuss the same prior to implementation by the City.

18.07 Notice of Temporary Appointments

The City will provide notice to the Union of all temporary appointments, as defined in the City's Personnel Rules, including a list of persons serving in temporary positions and the dates upon which they commenced employment, on the 10th of September and March of each year or the next business day if the 10th falls on a holiday or weekend.

18.08 Dignity Clause

Any employee dissatisfied with working conditions or any other phase of the employee's employment shall discuss the problem initially with the employee's immediate supervisor. The employee may thereafter take the complaint to the Department Director, Director of Human Resources, and the City Manager.

The decision of the Department Director, Director of Human Resources, and the City Manager shall not be subject to the grievance procedure in this Memorandum of Understanding.

18.09 Health and Wellness

The City will reimburse full-time employees a maximum of fifty dollars (\$50) per month for expenses associated with health and wellness programs. This reimbursement may be used for recurring monthly fees associate with gym or health club memberships, fitness classes (such as yoga, Zumba, or similar), personal trainers, weight loss programs (such as Weight Watchers, Jenny Craig, or similar), short or long-term disability plans, or other health and wellness related expenses. Requests must be made in writing and submitted with receipts. Requests for reimbursement of monthly fees for health and wellness related expenses must be submitted in writing and accompanied by receipts and proof of monthly membership within forty-five (45) days of the most recent monthly payment made by the employee. Following receipt and approval of the employee's request, the employee shall receive the health and wellness reimbursement on a monthly basis until the employee indicates they have cancelled the monthly health and wellness related payments. The employee will be expected to inform the City in a timely manner that the employee has ceased making recurring monthly payments for health and wellness related expenses. Timely notice under this Section of the MOU shall mean no more than thirty (30) days from when the employee cancels the recurring monthly health and wellness related fees.

For one-time health and wellness expenses, requests for reimbursement must be submitted in writing and with receipts within forty-five (45) days of payment by the employee.

Expenses reimbursed under this program are subject to the approval of the Director of Human Resources and the City Manager. Although participants may not be required to produce monthly receipts for health and wellness payments made on a recurring monthly basis, the City, at the discretion of the Human Resources Director or designee, may at any time request receipts to verify monthly payments have been continuous and the participating employee remains eligible the health and wellness benefit in accordance with this Section of the MOU.

Part-time employees who work less than forty (40) hours per week shall be eligible to receive a maximum of twenty-five dollars (\$25.00) per month for expenses associated with health and wellness programs as described above. Requests must be made in writing within forty-five (45) days of payment by the employee and submitted with receipts.

The City's decision to reimburse an employee is not subject to dispute as provided for in Section 15.00, Grievances, in this MOU.

18.10 Professional Development Reimbursement

The City agrees to reimburse employees for professional development. This reimbursement may be for career development resources such as attendance to conferences, training courses, software, the purchase of books, subscriptions to professional journals or magazines, computers and electronic devices, dues to professional organizations, applications or examination fees associated with registration or certification, and expenses related to professional development including research and training.

Prior to incurring any expense from the professional development fund, employees shall submit a request in writing to the Human Resources Department for preliminary review. Expenses reimbursed under this program are subject to recommended approval of the Director of Human Resources and final approval of the City Manager or designee.

The City will reimburse employees up to three hundred and fifty dollars (\$350) for approved purchases made during that fiscal year. All receipts for reimbursement, regardless of aggregate value, must be submitted prior to the end of the fiscal year, no later than June 1st.

18.11 Contracting Out

As a policy, the City of Hayward affirms its commitment to maintaining the integrity of the Local 21 bargaining unit work and actively seeking ways to preserve jobs and provide career opportunities within the City workforce.

In keeping with this policy, for the duration of this MOU, the City will reserve the use of subcontracting for work that requires special skills not currently within the City workforce, equipment not currently owned by the City, constitutes a discrete, non-recurring project or is seasonal in nature, or results from an emergency situation, including temporarily insufficient staffing levels. The parties expect that during the term of the MOU, work may

need to be subcontracted because the work has met one (1) or more of the above-mentioned criteria.

To the extent the City is currently obligated by contract(s) to perform bargaining unit work which may or may not conform to the above-mentioned criteria, for example, some landscaping work, the Union will make no claim to work covered by those contracts until those contracts expire. The City shall not renew any current contracts to perform bargaining unit work unless those contracts comply with the requirements of this Section. The City shall not enter into any new contracts to perform bargaining unit work unless those contracts comply with the requirements of this Section. Upon request, the City Manager or designee shall provide the Union with information as to the scope of work currently contracted, to whom the work is contracted, the cost associated with those contracts, and the duration of the contracts. The Union may request additional information as needed.

No less than sixty (60) days prior to the contracting of work or services for the above-mentioned criteria or as soon as possible in the case of an emergency, the City shall notify the Union. Upon request, the City Manager or designee shall provide the Union with information as to the scope of work to be contracted, to whom the work is to be contracted, the cost associated with those contracts, and the intended duration of the contracts. The Union may request additional information as needed.

18.12 Labor Management Work Team

The City will develop a problem-solving work team approach to resolving labor-management issues. The work team may be composed of a maximum of one (1) Local 21 Union representative; two (2) employees represented by Local 21; two (2) Human Resources employees; and management from the affected department as requested by the team. The team will work collaboratively to identify and resolve issues including but not limited to staffing levels, work schedules, and training. The team and management of the affected department will work together towards implementation of the team's recommendations.

The team will meet quarterly at a mutually agreed upon time and location, with the first meeting taking place no later than January 15, 2019. Team discussions are in no way intended to supersede or negate the parties' mutual obligation to bargain in good faith or to supersede any Section of this Agreement, including but not limited to discipline and the grievance procedures. However, the team may discuss and attempt to resolve matters subject to the discipline and grievance procedures.

19.00 EDUCATION REIMBURSEMENT

During the course of this Memorandum of Understanding, the City shall maintain a fund to provide resources for Local 21-represented employees to pursue educational opportunities and enhancements. Initial funding shall be \$10,000 per fiscal year. At the end of each fiscal year of this contract, the City shall review the educational reimbursement account to determine if the current funding is adequate. In the event funding of the account is not adequate, the City shall meet with Local 21 to discuss funding adjustments.

A. Eligibility

1. Any full-time, part-time, permanent employee with at least three (3) months of service may apply. Employees in a temporary or provisional status are not eligible.

B. Required Qualifications

Employees may request reimbursement for:

1. Attendance at a school of recognized educational standing, including correspondence schools.
2. Subjects and/or professional licenses must relate directly to the employee's present job or to a reasonably predictable future job with the City. These include:
 - a. Technical or non-technical courses of immediate benefit to the employee and City in the performance of present assignments or in qualifying for promotion within the present field of specialization.
 - b. Technical or non-technical courses outside of the employee's current field of specialization but related to either fields of specialization within the department or to a logical program of personal development and progression in a related field.
3. Other expenses may be considered as they directly apply to educational reimbursement, including but not limited to required text books, lab materials, and certification fees.

C. Procedures

1. Prior to enrolling in a class or otherwise incurring an expense from the educational reimbursement fund, the employee shall submit a completed Application for Educational Reimbursement to the Human Resources Department for preliminary review. The Human Resources Department will review the application and notify the employee's immediate supervisor and/or the affected Department Director as necessary. The Human Resources Department shall then inform the employee if the employee's application for reimbursement is approved or denied. If denied, the Director of Human Resources or designee shall provide the rationale in writing to the employee within seven (7) days. Appeals of denials of educational reimbursement under this Section may be made to the City Manager or designee.
2. In order to receive financial benefits an employee will be expected to complete an approved subject with a satisfactory degree of proficiency.
3. If employees are required to engage in study of subjects that are required for the position, and are so directed by the City, the entire tuition, and other specifically approved expenses, will be considered training and development and paid by the department rather than covered under this Section.

A maximum of One Thousand Dollars (\$1,000) for full-time employees and five hundred dollars (\$500) for part-time employees will be available to an

employee applying for reimbursement each fiscal year for the remainder of the term of this Memorandum of Understanding. Such reimbursement is available only through the Human Resources Department, and as outlined in Administrative Rule 2.5 which may be periodically revised.

20.00 SEPARABILITY OF PROVISIONS

Should any section, clause, or provision of this Memorandum of Understanding be declared illegal by final judgment of a court of competent jurisdiction, such invalidation of such section, clause, or provision shall not invalidate the remaining portions hereof, and such remaining portions shall remain in full force and effect for the duration of this Memorandum of Understanding.

Upon such invalidation, the parties agree to immediately meet and negotiate substitute provisions for such parts or provisions rendered or declared illegal or an unfair labor practice.

21.00 EFFECTIVE DATE OF MOU

This Memorandum of Understanding shall be effective as of October 16, 2018 except for those provisions which have been assigned other effective dates as herein above set forth.

22.00 DURATION OF MOU

This Memorandum of Understanding shall continue in full force and effect from October 16, 2018 through June 30, 2021 and will be renewed from year to year thereafter unless either party gives written notice to the other of a desire to revise or terminate this Memorandum of Understanding not less than sixty (60) days prior to June 30, 2021.

SIGNATURE PAGE

For IFPTE, Local 21:


Katherine General, Negotiator


Cheryl Penick, Local 21 President


Alejandro Perez, Negotiating Team Member


Miguel Del Rio, Negotiating Team Member


Alex Tat, Negotiating Team Member

For City of Hayward:


Kelly McAdoo, City Manager


Nina S. Collins, Director of Human Resources

Made and entered into this 4th day of June, 2019.

APPENDIX A: SALARY PLAN as of July 1, 2018

JCN	Classification Title	A	B	C	D	E
T270	Airport Operations Specialist	30.07	31.59	33.16	34.74	36.52
T210	Assistant Civil Engineer	40.78	42.89	45.08	47.26	49.62
T310	Assistant Planner	36.10	37.86	39.90	41.85	43.99
T235	Assistant Transportation Engineer	40.78	42.89	45.08	47.26	49.62
T215	Associate Civil Engineer	47.34	49.72	52.14	54.79	57.46
T315	Associate Planner	43.99	46.15	48.44	50.93	53.37
T240	Associate Transportation Engineer	47.34	49.72	52.14	54.79	57.46
T225	Associate Transportation Planner	43.99	46.15	48.44	50.93	53.37
T410	Audio Video Specialist	29.57	31.02	32.61	34.22	35.85
T350	Building Inspector	37.41	39.17	41.16	43.26	46.09
T560	Certified Latent Print Examiner	44.81	47.05	49.41	51.87	54.47
T807	Chemist	40.43	42.46	44.58	46.80	49.14
T600	Code Enforcement Inspector I	32.82	34.47	36.18	37.99	39.90
T605	Code Enforcement Inspector II	36.11	37.91	39.81	41.80	43.89
T705	Community Programs Specialist	40.42	42.52	44.68	46.88	49.17
T245	Construction Inspector	36.31	38.17	39.95	41.97	44.11
T320	Development Review Specialist	38.47	40.33	42.52	44.61	46.88
T470	Digital Applications Developer	41.73	43.81	46.00	48.31	50.73
T745	Economic Development Specialist	43.86	46.07	48.32	50.78	53.26
T780	Educational Services Coordinator	30.03	31.55	33.13	34.78	36.52
T200	Engineering Technician	32.36	33.93	35.65	37.43	39.22
T505	Environmental Specialist	44.81	47.05	49.41	51.87	54.47
T550	Family Counselor I	37.66	39.52	41.51	43.41	45.68
T510	Fire Protection Engineer	50.66	53.11	55.79	58.72	61.68

**INTERNATIONAL FEDERATION OF PROFESSIONAL & TECHNICAL ENGINEERS – LOCAL
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T464	Geographic Info System Technician I	34.47	36.18	37.99	39.90	41.89
T465	Geographic Info System Technician II	37.83	39.79	41.77	43.85	46.08
T460	Geographic Info Systems Coordinator	42.53	44.65	46.77	49.13	52.39
T300	Graphics and Media Relations Technician	30.42	31.90	33.59	35.27	36.98
T500	Hazardous Materials Investigator	42.69	44.82	47.06	49.43	51.87
T710	Homeownership Coordinator	38.53	40.46	42.41	44.57	46.75
T750	Housing Development Specialist	43.86	46.07	48.32	50.78	53.26
T415	Information Systems Support Technician	31.04	32.58	34.26	35.96	37.69
T430	Information Technology Analyst I	37.94	39.83	41.83	43.92	46.11
T435	Information Technology Analyst II	41.73	43.81	46.00	48.31	50.73
T424	Information Technology Technician I	34.47	36.18	37.99	39.90	41.89
T425	Information Technology Technician II	37.83	39.79	41.77	43.85	46.08
T305	Junior Planner	32.00	33.69	35.28	37.04	38.85
T805	Laboratory Technician	35.16	36.48	37.88	39.44	40.91
T790	Librarian I	30.07	31.59	33.16	34.74	36.52
T795	Librarian II	33.17	34.83	36.52	38.37	40.18
T785	Literacy Program Coordinator	30.07	31.59	33.16	34.74	36.52
T715	Paratransit Coordinator	38.53	40.46	42.41	44.57	46.75
T325	Plan Checker	39.40	41.48	43.58	45.66	47.93
T335	Plan Checking Engineer	50.66	53.11	55.79	58.69	61.68
T555	Police ID Specialist	33.20	34.89	36.60	38.46	40.27
T455	Programmer Analyst	41.75	43.79	46.07	48.34	50.73
T725	Property Rehabilitation Specialist	40.42	42.52	44.68	46.88	49.17
T255	Real Property Assistant	33.94	35.63	37.34	39.20	41.17
T260	Real Property Associate	39.82	41.90	44.01	46.18	48.42
T800	Recycling Specialist	34.24	35.94	37.69	39.61	41.57
T355	Senior Building Inspector/Electrical	43.33	45.67	47.94	50.20	52.71

**INTERNATIONAL FEDERATION OF PROFESSIONAL & TECHNICAL ENGINEERS – LOCAL
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T360	Senior Building Inspector/Plumbing-Mechanical	43.33	45.67	47.94	50.20	52.71
T365	Senior Building Inspector/Structural	43.33	45.67	47.94	50.20	52.71
T610	Senior Code Enforcement Inspector	39.73	41.72	43.80	45.99	48.29
T250	Senior Construction Inspector	43.33	45.67	47.94	50.20	52.71
T330	Senior Plan Checker	43.33	45.67	47.94	50.20	52.71
T730	Senior Property Rehabilitation Specialist	44.45	46.76	49.14	51.56	54.08
T815	Senior Water Pollution Source Control Inspector	40.20	42.29	44.41	46.51	48.88
T265	Surveyor	38.51	40.41	42.42	44.52	46.76
T802	Sustainability Technician	33.45	35.11	36.86	38.69	40.64
T804	Sustainability Specialist	36.79	38.62	40.55	42.58	44.71
T440	Technology Solutions Analyst I	37.94	39.83	41.83	43.92	46.11
T445	Technology Solutions Analyst II	41.73	43.81	46.00	48.31	50.73
T220	Traffic Signal Technician	32.37	33.93	35.65	37.43	39.22
T400	Video Assistant	-	-	-	-	16.24
T810	Water Pollution Source Control Inspector	36.53	38.44	40.19	42.26	44.36
T450	Web Specialist	41.14	43.22	45.37	47.62	50.01

**CITY OF HAYWARD
and
INTERNATIONAL FEDERATION OF PROFESSIONAL &
TECHNICAL ENGINEERS, LOCAL 21
SIDE LETTER OF AGREEMENT**

Voluntary Employee Beneficiary Association (VEBA) Plan

The parties agree that the City will make available for Bargaining Unit members a Voluntary Employee Beneficiary Association (VEBA) Plan (collectively, “Plan”) to enable eligible employees to accumulate funds in a tax-exempt trust from which qualified medical expenses can be paid, including certain post-retirement medical expenses benefit accounts. The City will not contribute to employee VEBA accounts.

Effective May 1, 2012, Plan requirements are as follows:

1. Eligibility Defined

Effective May 1, 2012, all eligible employees, who are members of the Bargaining Unit, may participate in the Plan. An eligible employee is an employee who is a member of the Bargaining Unit and is in an allocated position of twenty (20) or more hours per week and receives benefits.

Beginning May 1, 2012, all eligible employees will have fifteen (15) days to “opt-in” or “opt-out” of the plan. Elections to “opt-in” or “opt-out” are irrevocable for the duration of the employee’s tenure within the bargaining unit.

Participation will be subject to and governed by all IRS requirements applicable to the VEBA plan. Bargaining unit members who elect to “opt-in” will make uniform monthly contributions and contributions upon separation as outlined in Sections 2 and 3.

2. Employee Contributions

Participation in the Plan by an employee who elects to “opt-in” requires a payroll deduction each pay period to fund the employee’s account. The Bargaining Unit has determined that contributions to the plan shall consist of the following and in the amounts indicated:

Employee Category	Per Pay Period Contributions
Less than 1 Year of Service	\$30
1 – 4 Years of Service	\$50
5 – 9 Years of Service	\$30
10 – 14 Years of Service	\$60
15 – 19 Years of Service	\$60
20 + Years of Service	\$50

Contributions made by an eligible employee must be made through payroll deductions. Eligible employees cannot make direct contributions to the Plan. Once separated from the City, the (former) employee can no longer make contributions to the Plan.

Payroll deductions for all eligible employees who opt-in to the plan will commence during the pay period ending June 3, 2012 and will be reflected on the June 8, 2012 payday.

Employees who “opt-out” will not contribute to the plan on a per pay period basis. Those who have a VEBA account will continue to be eligible to submit for reimbursement for eligible medical expenses, however, they will not be able to make any further contributions to their accounts.

3. Leave Payout

Each eligible employee who “opts-in” to the plan will be required upon service or disability retirement from the City to contribute paid leave balances as follows:

Employee Category	Mandatory Percentage of Leave Balance to VEBA Upon Retirement
0 - 9 Years of Service	50% of cash value ¹ of all accumulated leave balances (vacation, comp, eligible sick) <u>AFTER</u> deducting \$5,000 in gross cash value ² that can be paid out in cash or contributed to the employee’s deferred comp account (subject to IRS limitations).
10 – 19 Years of Service	50% of cash value of all accumulated leave balances (vacation, comp, eligible sick) <u>AFTER</u> deducting \$10,000 in gross cash value that can be paid out in cash or contributed to the employee’s deferred comp account (subject to IRS limitations).
20+ Years of Service	25% of cash value of all accumulated leave balances (vacation, comp, eligible sick) <u>AFTER</u> deducting \$10,000 in gross cash value that can be paid out in cash or contributed to the employee’s deferred comp account (subject to IRS limitations).

Each eligible employee who “opts-in” to the plan will be required upon separation (excluding retirement) from employment with the City to contribute twenty-five percent (25%) of all paid leave balances (e.g. vacation, comp time, eligible sick) to be rolled over to his/her Plan account.

¹ Cash value = Payout in accordance with Local 21 MOU provisions.

² Gross cash value = Cash value before taxes. Any combination of the stated gross cash value can be taken as cash payment and/or deposited into the employee’s deferred comp account so long as the sum of the elections does not exceed the figure stated above.

Employees who have “opted-out” of the plan will not be eligible to contribute leave payouts to the plan upon retirement or separation. Those who have a VEBA account will continue to be eligible to submit for reimbursement for eligible medical expenses, however, they will not be able to make any further contributions to their accounts.

4. New Employees or Newly Eligible Employees

Employees, whether new to the City or to the Bargaining Unit, who become eligible to participate in the Plan after May 1, 2012 will have fifteen (15) calendar days from the date of eligibility to elect whether they would like to “opt-in” or “opt-out” of the plan. If a newly eligible employee elects to “opt-in”, payroll deductions will begin in accordance with Section 2(A) of this Side Letter.

If a newly eligible employee fails to make an election within fifteen (15) days from the date of plan eligibility, it will be deemed that the newly eligible employee has elected to “opt-out.”

5. Participant Account

A separate account is maintained for each contributing eligible employee, which documents the employee’s contributions and disbursements. Contributions to a VEBA, as well as any disbursements to cover non-reimbursed post-tax medical care expenses, are both tax-free. Eligible benefits subject to reimbursement by the Plan shall be limited to long-term care expenses and non-reimbursed medical premiums, co-pays, prescribed drug expenses and other medical care costs as defined by the Internal Revenue Code Section 213.

6. Administrative Fees

An eligible employee’s Plan account is subject to a monthly administrative fee for expenses related to recordkeeping, claims processing and claims reimbursement. The fee will be deducted from the eligible employee’s individual account.

7. Dispute Resolution

This Side Letter and any disputes arising under or in connection with this Side Letter shall not be subject to the dispute resolution procedure contained in the Bargaining Unit’s Memorandum of Understanding or in the City’s Personnel Rules, nor shall this Side Letter and any such dispute relating thereto be subject to the jurisdiction of the City’s Personnel Commission for any reason whatsoever.

8. Indemnification

The Bargaining Unit agrees to indemnify and hold the City of Hayward harmless against any claims made of any nature and against any suit instituted against the City arising from this Side Letter, including but not limited to claims arising from an employee’s participation in VEBA or from any salary reduction initiated by the City for VEBA contributions.

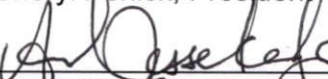
9. Superseding Agreement

This Side Letter agreement supersedes all previous VEBA Side Letter agreements.

For IFPTE, Local 21



Cheryl Penick, President

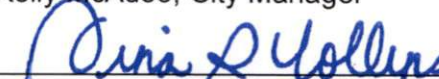


Jesse Kadio, Representative

For City of Hayward



Kelly McAdoo, City Manager



Nina S. Collins, Director of Human Resources

Dated _____

Dated 6/4/2019