Full text contract begins on following page.
FISCAL YEAR 2001-2002

AND

FISCAL YEAR 2002-2003

AND

FISCAL YEAR 2003-2004

MEMORANDUM OF UNDERSTANDING

BETWEEN

CITY OF FOSTER CITY/ESTERO MUNICIPAL IMPROVEMENT DISTRICT

AND

COUNCIL 57, LOCAL 829

AMERICAN FEDERATION OF STATE, COUNTY AND MUNICIPAL EMPLOYEES
TABLE OF CONTENTS

ARTICLE I – WAGES AND OTHER COMPENSATION ................................................................. 2
  Section 1 – Wages and Retirement ................................................................................ 2
  Section 2 – Merit Increases ......................................................................................... 2
  Section 3 – Probationary Period .................................................................................. 3
  Section 4 – Pay for Work in Higher Class ..................................................................... 3
  Section 5 – Work Week ............................................................................................... 3
  Section 6 – Premium / Additional Pays ......................................................................... 4
  Section 7 – Certification/Accomplishment Pay .............................................................. 8
  Section 8 – Flexible Benefit Plan ................................................................................ 9
  Section 9 – Long Term/Accident Disability Insurance ................................................... 9
  Section 10 – Life Insurance Premium ....................................................................... 10
  Section 11 – Sick Leave Payment ............................................................................. 10
  Section 12 – Employee Assistance Program (EAP) ..................................................... 11
  Section 13 – Voluntary Deferred Compensation Program ........................................... 11
  Section 14 – 401(a)(h) Plan ....................................................................................... 12
  Section 15 – Employee Service Recognition Plan ....................................................... 12
  Section 16 – Vision / Professional Development Reimbursement ............................... 13

ARTICLE II – HOLIDAYS ................................................................................................... 14
  Section 1 – Official City/District Holidays .................................................................. 14

ARTICLE III – VACATIONS AND OTHER LEAVES ............................................................ 14
  Section 1 – Vacation Accrual ..................................................................................... 14
  Section 2 – Discretionary Leave ............................................................................... 15
  Section 3 – Service Recognition Leave ..................................................................... 16
  Section 4 – Funeral/Emergency Leave ..................................................................... 16
  Section 5 – Sick Leave Accrual and Use ................................................................... 17
  Section 6 – Industrial Disability Leave ...................................................................... 17
  Section 7 – Other Leave Provision ............................................................................ 18

ARTICLE IV – REPRESENTATION ..................................................................................... 18
  Section 1 – Advanced Notice ..................................................................................... 18
  Section 2 – Stewards ................................................................................................. 18
  Section 3 – Representation for Employee Interest ..................................................... 19
ARTICLE VI – SAFETY................................................................. 21
   Section 1 – Safety Program .................................................... 21

ARTICLE VII – GRIEVANCE PROCEDURE........................................... 21
   Section 1 – Grievance Procedure ........................................... 21

ARTICLE VIII – LAYOFF PROCEDURE.................................................. 23
   Section 1 – Definition .......................................................... 23
   Section 2 – Notice to Employees .......................................... 23
   Section 3 – Layoff Order and Procedure ............................... 24
   Section 4 – Priority Employment Rights ............................... 24
   Section 5 – Reemployment Lists ......................................... 25
   Section 6 – Status of Laid Off Employees .............................. 25
   Section 7 – Fringe Benefits ................................................ 25
   Section 8 – Reemployment .................................................. 26
   Section 9 – Status of Rehired Employees .............................. 26
   Section 10 – Anniversary Date of Rehired Employees ............ 27
   Section 11 – Pay of Rehired Employees ............................... 27
   Section 12 – Medical Examination for Rehires .................... 27

ARTICLE IX – MISCELLANEOUS TERMS AND CONDITIONS OF EMPLOYMENT ... 27
   Section 1 – Non-Discrimination .......................................... 27
   Section 2 – Access to Personnel Files .................................. 28
   Section 3 – Job Specifications ............................................. 28
   Section 4 – Personnel Rules ............................................... 29
   Section 5 – Transfer, Promotion, Demotion ......................... 29
   Section 6 – Discipline, Discharge ....................................... 29
   Section 7 – Light Duty/Light Work ..................................... 29
   Section 8 – Seniority ....................................................... 29
   Section 9 – Uniform Policy ............................................... 29
   Section 10 – Education and Career Development ................ 30
   Section 11 – Contracting Work ......................................... 31
   Section 12 – Temporary Employees .................................... 31
   Section 13 – Permanent, Part-Time and Job Sharing Employees ............................................. 31
FISCAL YEAR 2001-2002
AND
FISCAL YEAR 2002-2003
AND
FISCAL YEAR 2003-2004
MEMORANDUM OF UNDERSTANDING
BETWEEN
CITY OF FOSTER CITY/
ESTERO MUNICIPAL IMPROVEMENT DISTRICT
AND
COUNCIL 57, LOCAL 829
AMERICAN FEDERATION OF STATE, COUNTY AND MUNICIPAL EMPLOYEES

This Memorandum of Understanding is entered into by the City of Foster City/Estero Municipal Improvement District (hereinafter referred to as the City/District) and the American Federation of State, County and Municipal Employees, Council 57, Local 829 (hereinafter referred to as the Union) pursuant to and subject to Section 3500 et seq. of the Government Code of the State of California. The City/District acknowledges that the American Federation of State, County and Municipal Employees, Council 57, Local 829 is the recognized employee organization which, within the scope of representation, represents the bargaining unit consisting of all permanent employees in the classifications listed in Attachment A. Hereinafter "Employees" shall mean employees serving in classifications assigned to the American Federation of State, County and Municipal Employees, Council 57, Local 829 bargaining unit as defined above.

The staff representatives of the City/District (hereinafter referred to as Management) and the representatives of the Union have met and conferred in good faith, exchanged proposals, and have
ARTICLE I
WAGES AND OTHER COMPENSATION

Section 1 - Wages and Retirement

1.1 Effective July 1, 2001, wages for classes represented by the Union shall be increased by a cost of living increase of 5.7% across the board for all classes, which is 100% of the April 2000 to April 2001 CPI wage earners index (W) for the San Francisco-Oakland-San Jose area, and other adjustments to individual classes to conform with the City's compensation policy, as set forth in Attachment A.

1.2 Effective July 1, 2002, wages for the classes represented by the Union shall be increased by 100% of the CPI (as determined by the San Francisco-Oakland-San Jose region index for urban wage earners and clerical workers for the year ending April, 2002), with a minimum increase of 3% and a maximum increase of 6%.

1.3 Effective July 1, 2003, wages for the classes represented by the Union shall be increased by 100% of the CPI (as determined by the San Francisco-Oakland-San Jose region index for urban wage earners and clerical workers for the year ending April, 2003), with a minimum increase of 3% and a maximum increase of 6%.

1.4 City/District has contracted with the Public Employees Retirement System (P.E.R.S.) to provide the 2% at 55 retirement plan for miscellaneous employees.

1.5 Employee contributions shall be administered in accordance with Internal Revenue Code Section 414 (h)(2).

1.6 The City/District has contracted with the Public Employees Retirement System (P.E.R.S.) to provide the 4th Level of 1959 Survivor Benefits.

1.7 The City/District shall contract with the Public Employees Retirement System (P.E.R.S.) to provide the Military Service Credit as Public Service benefit (21024) as soon as possible after the effective date of this contract.

Section 2 - Merit Increases
Section 3 – Probationary Period

3.1 The probationary period for new employees shall be for a period of not less than twelve (12) months of actual service. The length of the promotional probationary period shall be for a period of not less than twelve (12) months of actual service, unless an employee has already served a twelve (12) month probationary period in another class in this bargaining unit. In such case, the probationary period shall be for a period of not less than six (6) months of actual service.

3.2 Further provisions regarding probationary periods are found in the City/District Personnel Rules.

Section 4 - Pay for Work in Higher Class

4.1 In order to receive additional compensation for performing duties assigned to a higher job class, all the following conditions must be met:

a. The higher job class must be vacant or filled by another employee who is absent;
b. The employee must receive prior written approval from his/her department head before performing such duties;
c. The employee must be assigned to perform all the duties of the higher job class; and
d. The duration of the assignment shall be for a minimum of five (5) consecutive full working days in that higher job class. Pay shall be retroactive to the first day.

4.2 An employee who believes he/she is performing all the duties of a vacant position or an absent employee in a higher class, but has not received prior written approval from his/her department head shall immediately notify his/her department head in writing.

4.3 Compensation for performing duties assigned to a higher job class shall be paid at the first step of that higher class or at a step which is not less than 5% more than the employee's current rate, whichever is more, provide the maximum pay step is not exceeded. The pay rate established for work in a higher class shall be considered the straight rate of pay for an employee so assigned.

4.4 The maximum amount of time required to work out of class shall not exceed three (3) months. No employee shall be required regularly to perform the duties of another
5.2 An employee who is required to work in excess of a regularly scheduled work day shall not be required to reduce another regularly scheduled work week in whole or in part to compensate for that additional time worked. However, in lieu of overtime pay, an employee may request to apply any excess hours at straight time towards reducing his/her work schedule during that same work week, subject to the approval of his/her department head.

**Hours Off Between Shifts**

5.3 Nothing herein shall prohibit department management from occasionally adjusting work hours or days due to a special event or circumstance with at least 48 hours advance notice to the affected employee(s).

When maintenance employees are scheduled to work shifts which have been changed, to accommodate business needs of the City/District, eight hours of off-duty time will be scheduled between shifts. If eight (8) hours of time between shifts can not be granted, all time worked on the second shift shall be paid at the overtime rate of time-and-one-half. Any release time necessary to provide eight (8) hours between shifts will be paid at straight time.

**Release Time**

5.4 When a maintenance employee has worked overtime equal to or greater than 3 hours between the hours of 11:00 p.m. and 7:00 a.m. on any one night between Sunday evening and Friday morning, for safety reasons, paid release time shall be granted in 30-minute increments. Release time shall be in 30-minute increments, and shall not be provided for fractions of hours worked. The release time may be taken at the beginning or the end of the next shift, depending on business needs and the preference of the employee.

When an employee works four or more overtime hours immediately prior to his/her shift, release time shall be hour for hour, up to a maximum of eight (8) hours.

**Section 6 - Premium / Additional Pays**

6.1 **Overtime and Compensatory Leave** - An employee who is required to work in excess of the regular working hours during any one work day, or who is required to attend a meeting not held during regular working hours (e.g., Planning Commission meeting), shall be compensated by overtime pay at the rate of one and one-half times the employee's straight rate of pay (e.g. base pay plus any applicable additional pay in Section 7.2), or by compensatory time off at the rate of one and one-half times the hours worked. The decision to grant overtime or compensatory leave shall be made by the department head with due
Police/Fire Dispatch Specialist and Police/Fire Dispatchers may accumulate compensatory leave up to a maximum of 120 hours. Compensatory time accumulation must be used before November 15, or pay will take place by separate check on December 10 or the first working day thereafter. A maximum of 40 hours of compensatory time may be carried over to the succeeding year. Employees must notify Payroll in writing on or before November 1 regarding any hours to be carried over. Absent any written notice from the employee to the contrary, payment for accrued compensatory time shall take place as specified in this section.

6.4 Work on a Holiday - An employee, other than the Police/Fire Dispatch Specialist and Police/Fire Dispatchers, who is required to work on an authorized holiday shall be compensated at the rate of one and one-half times the hours worked in addition to the usual straight time pay for the holiday.

Police/Fire Dispatch Specialist and Police/Fire Dispatchers, other than those regularly assigned to work day shift with weekends off, who are required to work on a holiday shall receive holiday pay in lieu thereof for holidays authorized in Article II, Section 1. Said holiday pay shall be one additional day of pay at time and one half for each holiday worked. If the holiday falls on a scheduled day off, the employee shall have the choice to be paid for one additional day, or can accrue comp time for the day off, at the regular rate. The Police/Fire Dispatch Specialist and Police/Fire Dispatchers regularly assigned to work day shift with weekends off shall receive straight time pay for authorized holidays and will not be required to report to duty; however, should these employees be required to work on a holiday, their pay shall accrue at time and one half for actual time worked or 8 hours at their regular rate whichever is greater. Such pay shall be in addition to their straight time pay.

For purposes of determining eligibility for premium pay for work on a holiday, the authorized holiday shall be defined as the day observed by the City/District as an official holiday in accordance with Article II-Section 1, or as the actual date of the holiday, but not both.

6.5 Night Shift Differential – Effective July 1, 2001, there shall be a $1.10 per hour shift differential as follows:
   a) For the Police/Fire Dispatch Specialist or Police/Fire Dispatchers who work a minimum of four (4) hours between 5:00 p.m. and 7:00 a.m.
   b) For any maintenance employees who work non-overtime hours between 10 p.m. and 6 a.m.
a) One hour for work within one hour of the start of their shift.
b) Two hours for work between one and two hours prior to the start of their shift.

6.7 **Standby Pay** - To provide for operation and maintenance of water and sewer systems, designated employees shall be available as scheduled based on item j) below. The following rules and regulations are established with regard to "standby pay".

a) Off-hour service (i.e., service outside the employee's 40-hour work week) shall be provided by standby employees.

b) Employees shall be specifically assigned standby duty by department management. The routine standby period shall be one week. Employees on the standby list who do not wish to work standby on their given date(s) can change or trade the assignment if they can find another eligible person to fill his/her day or week on standby. He/she shall be responsible for notifying management of the replacement in advance. In the event a replacement cannot be found, it is the responsibility of the employee to work standby as assigned.

c) Each standby employee shall be paid $35 per calendar day of standby occurring on a regularly scheduled work day (Monday through Friday).

d) Each standby employee shall be paid $45 for each standby shift on which a holiday occurs or a day which is not a regularly scheduled work day (e.g., weekend days, 9/80 day off).

e) In addition to standby pay provided in c) and d), standby employees who are called for service during off-duty hours by an authorized employee shall be compensated for hours worked pursuant to Section 6.1 Overtime and Compensatory Leave, based on hours worked only and shall exclude any travel time. However, pay or compensatory leave shall not be less than three (3) hours at the rate of time and one-half. For each additional call that occurs within the original three (3) hour time period, but after the employee has left the City, the employee shall be paid a minimum of two (2) hours of pay at time and one half. On weekends or holidays, should the standby employee be on a call between the hours of 8:00 a.m. to 10:00 a.m., upon resolving the original problem, the employee shall complete routine yard check duties before returning home. Standby employees shall advise the Public Safety dispatcher of arrival and departure from City/District facilities when called for service.

f) Standby employees may take home a City/District service vehicle to be used only for official business of the City/District. Employees who elect to use a City/District vehicle must
h) The City/District shall provide one pager device to be used by employees assigned to standby duty. Employees shall be responsible for negligent loss or damage of the standby pager.

i) An employee assigned to standby duty for sewage lift station emergencies, which involve work below ground, shall comply with all the standards and procedures outlined in the City's Confined Space Policy which shall comply with all appropriate Federal or State regulations.

j) Routine One Week Standby Schedule:

<table>
<thead>
<tr>
<th>Standby Period Schedule</th>
<th>Hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monday 4:30 p.m. to 8:00 a.m. Tuesday</td>
<td>15.5</td>
</tr>
<tr>
<td>Tuesday 4:30 p.m. to 8:00 a.m. Wednesday</td>
<td>15.5</td>
</tr>
<tr>
<td>Wednesday 4:30 p.m. to 8:00 a.m. Thursday</td>
<td>15.5</td>
</tr>
<tr>
<td>Thursday 4:30 p.m. to 8:00 a.m. Friday</td>
<td>15.5</td>
</tr>
<tr>
<td>Friday 4:30 p.m. to 8:00 a.m. Saturday</td>
<td>15.5</td>
</tr>
<tr>
<td>Saturday 8:00 a.m. to 8:00 a.m. Sunday</td>
<td>24.0</td>
</tr>
<tr>
<td>Sunday 8:00 a.m. to 8:00 a.m. Monday</td>
<td>24.0</td>
</tr>
<tr>
<td></td>
<td>125.5</td>
</tr>
</tbody>
</table>

k) When a maintenance employee is called more than once between the hours of 12 midnight and 6 a.m. in any 24 hour period which does not result in a response (no call back pay applies), the employee shall receive one (1) hour of straight-time pay.

6.8 Court-Time Pay - Police/Fire Dispatch Specialist, Police/Fire Dispatchers, or Senior Community Service Officers subpoenaed to court in their capacity as an employee of the City/District during off-duty hours shall receive a minimum of four (4) hours paid at a rate of time and one-half. However, if the scheduled court appearance falls within one hour prior to the commencement of his/her scheduled shift, or within one hour after the end of his/her scheduled shift, the employee shall receive a maximum of two (2) hours paid at a rate of time and one-half.

6.9 Special Assignment Pay – An employee who performs a substantial portion of specially assigned work that includes lead worker duties including supervising staff, special projects, Dispatchers who perform dispatch training, or other work which may be deemed to be working outside of one's specified job classification, that is otherwise not considered to be working in a higher class as specified in Section 4, shall be eligible to receive up to a 10%
Section 7 – Certification Accomplishment Pay

7.1 Employees in the maintenance classifications who earn City-approved and endorsed certifications, or who successfully renew their existing certifications, are eligible to earn a lump-sum bonus as follows:

(.DOHS) & (CWEA)
Grade 1 - $200  Qualified Applicator (QAC)- $200
Grade 2 - $100  Pesticide Control Advisor (PCA)- $300
Grade 3 - $100  Backflow Prevention License - $300
Grade 4 - $100  Certified Arborist - $200
National Certified Playground Inspector - $200
TCSA Sign & Markings Certificate Level 3 - $200

Employees may earn or successfully renew multiple certifications and are eligible for multiple lump-sum bonuses to a maximum of $500 over a two-year period. In the case of DOHS & CWEA Certifications, an employee who passes a higher grade level before a lower one is entitled to the aggregate amount (e.g. if an employee does not hold a Grade 1 certificate but takes and passes Grade 2, he/she is entitled to $300).

Employees holding Certified Arborist, National Certified Playground Inspector, or TCSA Sign & Markings Certificate Level 3 certifications on July 1, 2001 will become immediately eligible for the amounts listed in 7.1 upon submission of supporting documentation.

7.2 Employees in the building inspection classifications who earn City-approved and endorsed certifications listed are eligible to earn additional monthly pay as follows:

a) $100/month  ICBO Combination Inspector
b) Additional $100/month  Either Plans Examiner or Building /Code Accessibility/Usability Specialist; or both Energy Plan Checking for Residential and Non-Residential Compliance
c) Additional $100/month  Any one certificate listed in b) that has not been previously earned or a combination of two (2) of the
Section 8 - Flexible Benefits Plan

8.1 The City/District shall offer a Flexible Benefits Plan and make monthly contributions for employee benefit allowances for allocation to health, dental, optional vision insurance premiums, deferred compensation and/or health and dependent care reimbursement accounts.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>No Plan</td>
<td>$265</td>
<td>$265</td>
<td>$315</td>
<td>$365</td>
</tr>
<tr>
<td>Employee Only</td>
<td>$365</td>
<td>$365</td>
<td>$415</td>
<td>$465</td>
</tr>
<tr>
<td>Employee + One</td>
<td>$515</td>
<td>$515</td>
<td>$565</td>
<td>$615</td>
</tr>
<tr>
<td>Employee + Two or More</td>
<td>$625</td>
<td>$625</td>
<td>$675</td>
<td>$725</td>
</tr>
</tbody>
</table>

8.2 Employees who have leftover benefit allowance available after deducting all selected plan premium amounts may annually choose to either:
   a) Allocate remaining funds into one or more reimbursement accounts; and/or
   b) Receive the available leftover benefit allowance as salary, providing the employee shows evidence of contributing the same or greater amount into a 457 deferred compensation plan.

8.3 The City will assume the third party administration costs for participation in the health and/or dependent reimbursement plans. A plan participant is defined as any member for whom the third party plan administrator charges a fee.

8.4 Family members include state-registered domestic partners and their dependents as recognized by the City’s medical plan provider.

Section 9 - Long Term/Accident Disability Insurance

9.1 The City/District shall pay the full premium amount necessary to provide Long Term Disability (LTD) insurance for employees.
Section 10 - Life Insurance Premium

10.1 The City/District shall pay the full premium amount necessary to provide $45,000 term life insurance policy plus the same amount of Accidental Death and Dismemberment (AD&D) insurance for each employee.

10.2 Additional life insurance can be purchased at the employee's option on an after-tax payroll deduction basis.

Section 11 - Sick Leave Payment

General Provisions

11.1 Employees who have completed six (6) months of service and terminate their employment in good standing shall receive compensation for unused sick leave in a sum equal to twenty-five percent (25%) of the prescribed value of unused sick leave.

11.2 The prescribed value of unused sick leave shall be calculated as follows:

a) Determine number of hours of sick leave accrued at each rate of pay based on salary history, until current balance is reached assuming "first hours earned are first used".

b) Calculate value of sick leave hours accrued at each pay rate by multiplying the number of hours by the pay rate during which the hours were accrued, then add each calculation together for a total dollar value of all accrued sick leave.

c) 25% of the total dollar value as calculated above will be the sick leave payment.

Sick Leave Provisions and the 401(a)(h) Plan

11.3 Effective 1/1/97, the City/District agreed to exchange the cash out provision described above for the implementation of a 401 (a)(h) Plan as defined in Section 14. Employees had the option whether or not to participate in the 401(a)(h) Plan at that time.

11.4 Upon implementation of the 401(a)(h) Plan as described in Section 14, an employee was allowed to "set aside" or "side car" any amount of hours over the minimum balance as described in the 401 (a)(h) Plan, into a reserve bank of hours for use if needed during the first two years of the Plan (1997 & 1998). The “side car” contained the most recently earned hours of sick leave. The prescribed value of sick leave hours was calculated as described in Section 11.2. As of January 1, 1999, all or part of the hours were allowed to be converted to dollars and interest earned for that period was attributed to the amount and
Sick leave hours accrued after this designation shall be available for maintaining minimum balances in the 401(a)(h) Plan and for sick leave use.

11.5 Provisions regarding the calculation and use of the "side car" accrued sick leave hours and/or dollars, including the type of interest-earning account for the prescribed value of these accrued sick leave hours, were developed jointly by the Union and the City/District. These provisions were incorporated into the 401(a)(h) Plan Document and communicated to all employees prior to the Plan implementation date.

Sick Leave Provisions Upon Discontinuation of 401(a)(h) Plan

11.6 Effective July 1, 2001, the 401(a)(h) Plan will be discontinued as described in Section 14. Accordingly, all 401(a)(h) plan participants with "side car" reserve balances will no longer be able to convert those hours to fund the 401(a)(h) plan. Any unused "side car" reserve balances will be available for use as sick leave prior to separation or retirement. Any unused "side car" reserve balances upon separation or retirement will be cashed out as described in this Section.

11.7 Effective July 1, 2001, any employee who has completed six (6) months of service and who separates from the City in good standing will receive compensation for 25% of the sick leave accrual on the books as of the date of retirement or separation as described in Section 11.2.

Section 12 - Employee Assistance Program (EAP)

12.1 The City/District and the Union have a mutual interest in the health and welfare of its employees. To this end, both parties will work cooperatively to utilize the employee assistance program in accordance with the City/District Employee Assistance Program Policy Statement and Implementation Guidelines. The City bears the full cost of the program and reserves the right to modify benefits and change providers of the EAP at its discretion, based on cost and service considerations. The City/District will give notice and seek input and feedback from the Union prior to implementing changes in providers or benefits. State-registered domestic partners and their dependents as recognized and allowable by the EAP provider are considered eligible family members for EAP benefits.
Section 14 - 401(a)(h) Plan

14.1 Effective 1/1/1997, the City/District offered a voluntary 401(a)(h) Plan to all current employees. Employees have an opportunity to elect participation in the plan on December 1, 1996, and one further opportunity on December 1, 1998. Employees choosing not to participate were ineligible to later join the plan or benefit from the contribution in lieu of Single Highest Year as outlined in Section 14.2. Participation in the plan was mandatory for all employees hired after 1/1/1997.

14.2 Implementation – The City/District contracted with an outside administrator to establish and administer a 401 (a)(h) Plan that included the 401 (h) component for funding of retirement medical expenses. Any administrative fees associated with administering the plan were paid by the participating members. The designated annual contribution level of the plan was 68 hours of compensation for all participants, which included a City contribution of 20 hours in lieu of the Single Highest Year provision under PERS. An employee was allowed to reduce sick leave accrual, vacation accrual, compensatory time accrual, "side car" balances and/or wages to fund the annual contribution. Contributions were made in equal installments throughout the year. See Section 11 for further implementation provisions.

Discontinuation of the 401(a)(h) Plan

14.3 Effective July 1, 2001, and in recognition of the City/District implementing the Employee Service Recognition Plan as described in Section 15, contribution to the 401(a)(h) plan as provided in this section shall discontinue. The following changes shall take place immediately thereafter:

a) All assets contributed to participants’ 401(a)(h) plan accounts are the property of the plan participants. Distribution options (including cash-out and/or transfer to another qualified deferred retirement account) will be made available as provided by Internal Revenue Code statutes.

b) Any unused “side car” reserved sick leave balances upon separation or retirement from the City shall be paid out at specified in Section 11.4.

c) Any unused current sick leave balances upon separation or retirement from the City shall be paid out as specified in Section 11.7.
15.2 Employees who retire from the City / District as defined by PERS, whether for a normal retirement or an industrial disability retirement, shall receive a monthly benefits payment as outlined in the table below starting at the beginning of the first calendar month following retirement:

<table>
<thead>
<tr>
<th>Years of Service Upon Retirement</th>
<th>Monthly Benefit Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Day 1, Year 10 through Year 14</td>
<td>$75</td>
</tr>
<tr>
<td>Day 1, Year 15 through Year 19</td>
<td>$200</td>
</tr>
<tr>
<td>Day 1, Year 20 through Year 24</td>
<td>$250</td>
</tr>
<tr>
<td>Day 1, Year 25 and thereafter</td>
<td>$300</td>
</tr>
</tbody>
</table>

15.3 The monthly benefit as described in Section 15.2 is payable to the employee up until the employee’s death. Benefits shall cease in the calendar month following the employee’s death.

15.4 Prior to implementation of the Plan, the City / District shall determine whether or not a third party administrator is necessary to establish and administer the Plan. Such decision will be discussed upon mutual consent with the Union prior to implementation and will be mutually agreed upon. If a third-party administrator is used, any recurring administrative fees associated with administering the plan shall be paid by the participating members. The City / District shall pay for any fees associated with setup and implementation of the Plan. The City / District shall also strive to implement the Plan in accordance with Internal Revenue Code statutes and in a manner that minimizes the tax liability of the employee to the extent possible.

15.5 Retirees currently receiving plan benefits will be eligible for future benefits enhancements and increases as negotiated in future MOU’s.

Section 16 - Vision/Professional Development Reimbursement

16.1 The City/District shall reimburse, upon presentation of proper documentation as outlined below, up to $200 per fiscal year (July through June of the following year) for the following items:

a) **Vision** – Presentation of bills from a qualified optometrist and/or optician towards the cost of the employee's eye examination, prescription eye glasses and/or contact lenses.
not provided through any other budgetary means such as the city-wide training fund, or departmental travel/meeting funds.

ARTICLE II
HOLIDAYS

Section 1 - Official City/District Holidays

1.1 The following holidays are observed by the City/District:

- New Year's Day, January 1
- Martin Luther King, Jr. Day, January 15 or its legal substitute (third Monday in January)
- Lincoln's Birthday, February 12
- Washington's Birthday, February 22 or its legal substitute (third Monday in February)
- Memorial Day, May 31 or its legal substitute (last Monday in May)
- Independence Day, July 4
- Labor Day, first Monday in September
- Veteran's Day, November 11
- Thanksgiving Day, fourth Thursday in November
- Day after Thanksgiving, fourth Friday in November
- Christmas Day, December 25

When any day recognized as a holiday falls on a Sunday, the holiday shall be observed on the following Monday. When any day recognized as a holiday falls on a Saturday, the holiday shall be observed on the preceding Friday.

The City shall also recognize half-day holidays on Christmas Eve (December 24) and New Years’ Eve (December 31). Should either date fall on a Saturday or Sunday, the preceding Friday shall be observed.

1.2 Holidays shall have a compensatory value of eight (8) hours for each full holiday. Half-day holidays have a compensatory value of four (4) hours each. Other provisions regarding official City/District holidays are found in the City/District Personnel Rules.
1.1 Employees shall accrue vacation in accordance with the following schedule; such accrual shall not be credited until completion of the initial six (6) months of employment:

<table>
<thead>
<tr>
<th>Hours per Maximum</th>
<th>Hrs. per Pay</th>
<th>Max. Hours</th>
<th>Days per Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Years of Service</td>
<td>Hrs. Per Pay Period</td>
<td></td>
<td>(8 hour days)</td>
</tr>
<tr>
<td>1 through 3</td>
<td>3.67</td>
<td>176</td>
<td>11</td>
</tr>
<tr>
<td>Day 1, Year 4</td>
<td>4.00</td>
<td>192</td>
<td>12</td>
</tr>
<tr>
<td>Day 1, Year 5</td>
<td>5.00</td>
<td>240</td>
<td>15</td>
</tr>
<tr>
<td>Day 1, Year 6</td>
<td>5.33</td>
<td>256</td>
<td>16</td>
</tr>
<tr>
<td>Day 1, Year 7</td>
<td>5.67</td>
<td>272</td>
<td>17</td>
</tr>
<tr>
<td>Day 1, Year 8</td>
<td>6.00</td>
<td>288</td>
<td>18</td>
</tr>
<tr>
<td>Day 1, Year 9</td>
<td>6.33</td>
<td>304</td>
<td>19</td>
</tr>
<tr>
<td>Day 1, Year 10</td>
<td>6.67</td>
<td>320</td>
<td>20</td>
</tr>
<tr>
<td>Day 1, Year 11</td>
<td>7.00</td>
<td>336</td>
<td>21</td>
</tr>
<tr>
<td>through 15</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Day 1, Year 16</td>
<td>7.67</td>
<td>368</td>
<td>23</td>
</tr>
<tr>
<td>and thereafter</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1.2 Employees shall accrue vacation leave only as it is earned. New employees shall not be eligible to use any vacation leave, however, until after completion of their initial six months of employment.

1.3 Employees may use accrued vacation in no less than one hour increments, subject to department head approval. This provision does not apply to the Police/Fire Dispatch Specialist or Police/Fire Dispatchers, who may use accrued vacation in no less than half-shifts.

1.4 **Vacation Accumulation** - Employees shall not accumulate more than the equivalent of two annual vacation accruals. An employee who accumulates vacation in excess of two annual vacation accruals shall not accrue additional hours until balance is below maximum amount pursuant to this section.

Vacation use may be deferred by the written approval of the City/District Manager when in the best interests of City/District government and the employee. Requests for deferring vacation use must be presented to the City/District Manager 60 days before the maximum accrual is reached.
2.1 Employees shall be entitled to thirty-two (32) hours of discretionary leave. Such time off shall be taken at the employee's discretion contingent upon approval by the department head. Such time may not be taken in increments of less than one-half hour (30 minutes). The thirty-two (32) hours shall be credited at the beginning of the fiscal year. Twelve (12) hours may be carried over to the succeeding fiscal year and must be used within that subsequent fiscal year, otherwise they expire. The hours shall be prorated at the rate of 2.66 hours per month and may be used in advance subject to adjustments for periods of unpaid leave of absence and deduction from final paycheck should employee not complete the fiscal year. Upon appointment, new employees shall receive this leave on the same prorated basis. No employee shall receive pay in lieu of time off.

Section 3 – Service Recognition Leave

3.1 In recognition of years of service fifteen years and beyond, the following Service Recognition Leave will be posted to the employee's leave bank:

<table>
<thead>
<tr>
<th>Years of Service</th>
<th>Hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>15</td>
<td>24</td>
</tr>
<tr>
<td>20</td>
<td>32</td>
</tr>
<tr>
<td>25</td>
<td>40</td>
</tr>
<tr>
<td>30</td>
<td>48</td>
</tr>
</tbody>
</table>

3.2 Employees who, upon implementation of this benefit as of 7/1/1998, were not eligible to receive the benefit but were over 20 years of service, and did not subsequently receive their hours in accordance with the schedule above, shall receive the appropriate hours based upon their current years of service. This does not prevent an employee from receiving another benefit level after 7/1/2001 as provided above.

3.3 On July 1, 2001, employees who have completed over 15 years of service, and less than 20 years of service, shall receive one 24 hour increment of paid leave as of that date.

3.4 No employee shall receive pay in lieu of time off. This special leave will be posted by Payroll automatically upon obtaining the above level of service and must be used within one year of the date of posting.

Section 4 - Funeral/Emergency Leave

4.1 Permanent and probationary employees shall be entitled to up to three (3) working days of
sister-in-law. Other relatives and significant persons may be included with the approval of the City/District Manager. This leave shall not be accumulated and is in addition to sick leave and vacation benefits.

4.2 Employees may be entitled to additional leave upon request, pursuant to Federal and State Family Leave laws.

Section 5 - Sick Leave Accrual & Use

5.1 Sick leave shall be accrued at a rate of eight (8) hours per calendar month for each month that a probationary or permanent employee has worked regularly scheduled hours. There shall be no maximum accumulation of sick leave. Sick leave shall be allowed and used only in cases when the employee is too sick or disabled to safely and effectively perform his/her duties, for medical or dental treatment, or as authorized for funeral/emergency leave, family illness and injury (including state-registered domestic partners); and as an income supplement to worker's compensation benefits. In order to receive sick leave compensation while absent, an eligible employee who is unable to report to work due to illness or injury shall notify his/her department head or supervisor, either in person or by voice mail, prior to or within one (1) hour after the time set for reporting to work.

5.2 Sick Leave shall be defined to include absence due to members of the immediate family and/or household members (including state-registered domestic partners) in need of medical attention not normally considered a life threatening situation (such as date of childbirth by employee's spouse or domestic partner, date of surgery of immediate family members), or sufficient mental distress so as to render the employee incapable of satisfactorily performing his/her duties.

5.3 Employees may be entitled to additional leave upon request, pursuant to Federal and State Family Leave laws.

5.4 The patterns of use, frequency of occurrence, total hours used, and hours available compared to hours accrued for each employee will be periodically and routinely reviewed by department management. Department standards will be communicated and applied to evaluate the individual use of this benefit. An improvement plan may be developed and implemented with approval of the department head, considering factors such as employee's circumstances, the operational impact of the unscheduled absences and the obligation to provide consistency within the department.
6.1 The City/District will pay full pay for the initial three (3) months to non-Safety employees who suffer industrial disabilities and are on authorized disability leave. During this period, the employee will accrue benefits and the City/District will continue to contribute to benefits as usual. Employee will pay the usual portion of benefits.

Worker's Compensation benefits will be integrated and checks endorsed to the City/District by employee. No use of sick leave will be required during the first three (3) months.

6.2 After the first three (3) months of Industrial Disability Leave, until the employee is determined to be able to return to work or permanent and stationary and unable to return to work, the employee may integrate Worker's Compensation benefits with unused sick leave to assure no loss of compensation. The continuing eligibility for employee benefits will be determined in accordance with insurance contracts, state and federal law, and city policy after the first three months.

Section 7 - Other Leave Provisions

7.1 Other provisions regarding leaves are found in the City/District Personnel Rules.

ARTICLE IV
REPRESENTATION

Section 1 - Advance Notice

1.1 Except in cases of emergency as provided in this section, the City/District shall give reasonable written notice to the Union, if affected, of any ordinance, rule, resolution, or regulation directly relating to matters within the scope of representation proposed to be adopted by the City/District and shall give the Union the opportunity to meet with the City/District.

In cases of emergency when the City/District determines that an ordinance, rule, resolution, or regulation must be adopted immediately without prior notice or meeting, the City/District shall provide such notice and opportunity to meet at the earliest practicable time following the adoption of such ordinance, rule, resolution, or regulation.
a) Serve as the Union's representative during meet and confer sessions with City/District representatives; however, not more than one shall be from the same work crew for maintenance unit employees, or from the same department for general unit employees;
b) Be the Union's official representatives on all City/District committees on which the Union is entitled to serve; and
c) Investigate and process grievances to assist other employees in their unit. Only one (1) Steward shall process any one grievance. Time for such purpose shall not exceed four hours per month. A steward shall obtain permission from his/her supervisor before leaving his/her work station and shall notify his/her supervisor when returning to work. This provision shall not be used to prevent Stewards from performing their duties set forth in this Section; and
d) Attend new employee orientations for the purpose of informing employees about Union representation. Human Resources will notify the appropriate Union Steward in advance of the time and place of a new employee orientation. It is the responsibility of the notified Steward to arrange for an alternate Steward if he/she cannot attend.

2.2 Stewards shall serve as provided above unless the Union has designated, in writing, another employee in their unit. Stewards and other employees officially serving in the capacities outlined above, shall be given reasonable time off with pay on regularly scheduled work days. Each Steward may have one Alternate Steward whose sole purpose shall be to serve in the absence of the Steward.

Section 3 - Representation for Employees at Interviews

3.1 Whenever an employee is required to meet with a supervisor or other department management and the employee reasonably anticipates that such meeting may result in adverse action, upon request the employee shall be entitled to have a Steward or Union representative present. The employee shall arrange for the presence of such representative at the earliest possible time. When such representative is not reasonably available and the circumstances warrant immediate inquiry and/or action, the City/District shall have the right to proceed and the employee shall have the right to have another employee in his/her unit of his/her choice present as a witness.

Section 4 - Bulletin Boards

4.1 The Union is authorized to use portions of City/District bulletin boards under the following conditions:
d) Reasonable space (approximately 2 feet by 3 feet minimum) shall be allocated for Union use. The City/District reserves the right to determine where bulletin boards shall be placed.

Section 5 - Proviso

5.1 In the event that the Union concurs with the language regarding Representation in the Employer-Employee Relations Policy as adopted after revisions, the pertinent language of the agreed upon sections will supersede this Article and be incorporated herein. Article IV shall remain in force until such concurrence.

ARTICLE V
UNION SECURITY

Section 1 - Dues Deduction

1.1 Dues Deduction - The City/District shall deduct Union dues from those employees who authorize such deduction. The amount shall be certified to the employee by the Treasurer of the Union and the aggregate deduction of all employees shall be remitted with a monthly itemized statement to the Union.

Section 2 - PEOPLE Deduction

2.1 PEOPLE Deduction - The City/District shall deduct voluntary contributions to Public Employees Organized to Promote Legislative Equality (PEOPLE) from the pay of those employees who request, in writing on a form supplied by the Union and approved by the City/District, that such deductions be made. The amount to be deducted shall be determined by the employee except that there shall be a minimum deduction of two ($2.00) per month. The aggregate deductions of all employees shall be remitted with a monthly itemized statement to the Union.

Section 3 - Maintenance of Membership
The Union shall be advised of such cancellation on the monthly itemized dues statements when remitted. Failure to notify the Union shall not serve to negate such cancellation. Authorization of dues deduction shall not be a condition of employment, nor shall Union membership. This maintenance of membership provision shall apply only as long as an employee occupies a class in the aforesaid units and receives sufficient salary to cover the deduction, after all other required deductions are made. When a salary in a given pay period is not sufficient to cover the full deduction, no deduction shall be made for that pay period.

3.2 The City/District shall prepare and submit to the Union Business Agent twice a year in June and December or at the request of the Union, a current list, including name, department, and classification, of all City/District employees in classes represented by the Union.

Section 4 - Hold Harmless

4.1 The Union agrees to indemnify the City/District and hold it harmless against any and all suits, claims, demands, and liabilities which may arise out of or by reason of the application of or implementation of the provisions of this Article.

ARTICLE VI
SAFETY

Section 1 - Safety Program

1.1 The City/District and the Union have a mutual interest in providing safe and healthful working conditions for its employees, in protecting the City/District property from damage and loss and in ensuring the safety of the public when using City Facilities. To this end both parties will work actively to adhere to the provision of the City/District Safety/Loss Control Policy and Procedures.

ARTICLE VII
GRIEVANCE PROCEDURE
Step 1 – First Level of Review -- Immediate Supervisor: No matter shall be considered a grievance until it conforms to the definition contained in this Section and is first taken up orally by the employee and/or his/her designated representative with the immediate supervisor or other designated management representative, who will attempt to settle the matter, and the immediate supervisor will render a decision within ten (10) working days. If the alleged grievance is not settled, it shall be reduced to writing and processed directly into Step 2, at which time it will be considered an official grievance.

Step 2 - Second Level of Review -- Division Head: If any such grievance or complaint is not settled by the procedure above described, it shall within ten (10) working days be set forth in writing by the employee or his/her designated representative, and submitted to the division head. Within ten (10) working days thereafter, there shall be a meeting between the division head and the employee and/or his/her designated representative, and an attempt shall be made by these representatives to settle the matter. Within ten (10) working days following such meeting, the division head shall give a written reply to the grievance.

Step 3 – Third Level of Review – Adjustment Board: Within a two-week period, if the grievance is appealed beyond the division head, the employee and the division head shall be afforded a hearing before the Adjustment Board. Such Board will include two (2) representatives (appointed by the City) and two (2) representatives (appointed by the union), not directly working in the same department with or for the employee or division head. The employee (and his or her designated representative) and the division head responding in Step 2 will appear before the Board to present the facts as they are known and offer any additional information relevant to the grievance. The Adjustment Board shall render an opinion on whether the grievance is justified and/or offer alternative resolution to the dispute within one week of the hearing. If the opinion of the Adjustment Board is unanimous, the advisory recommendation shall be reduced to writing and seriously considered by the Department Head (if appealed to Step 4) and the City/District Manager (if appealed to Step 5). A majority opinion (three in agreement) on the grievance shall be considered by the employee, the Department Head and the City/District Manager if appealed. In the event the Board cannot reach majority or consensus, all opinions of the Board will be considered and a non-consensus advisory recommendation shall be submitted to the employee (and his or her designated representative), the Department Head and the City/District Manager if appealed.

Step 4 – Fourth Level of Review – Department Head: If any such grievance or complaint is not settled by the procedure above described, it shall within ten (10) working days be set
Step 5 – Fifth Level of Review – City/District Manager: Any dispute not resolved at Step 4, may be submitted in writing to the City/District Manager by the employee or his/her designated representative, with copies of all advisory recommendation(s) and responses, within ten (10) working days after the department head's response. In lieu of submitting the grievance directly to the City/District Manager, the employee's Union representative and the City/District Manager may, by mutual agreement, submit the grievance to advisory factfinding pursuant to Paragraph A below.

A) Submittal to Advisory Factfinding: In the event that a dispute is referred to advisory factfinding, the parties shall mutually agree upon an individual or a group, not to exceed three (3), to hear the facts of the case. If the parties cannot mutually agree as to the factfinder(s) within fourteen (14) calendar days after referral, the matter shall be referred to the California State Mediation and Conciliation Service for advisory factfinding.

Any and all costs associated with the advisory factfinding, including, but not limited to such items as court reporters, transcripts, witnesses, and factfinder(s) shall be divided equally between the two parties. The cost of each party's legal counsel shall be handled separately by each party.

The advisory factfinding body shall render its recommendations to both parties within thirty (30) calendar days after referral. After receipt of the factfinder(s) decision, either party may request a meeting with the City/District Manager. Within ten (10) working days after receipt of the advisory recommendations or after meeting with the employee or his Union representative, the City/District Manager shall consider the recommendations and give his/her written decision to the employee. The decision of the City/District Manager shall be final and binding.

ARTICLE VIII
LAYOFF PROCEDURE

Section 1 -- Definition

1.1 Layoff shall mean the separation of employees from the active work force due to lack of work or funds, organization or duty changes, or the abolition of positions by the
expected layoff. With such notice, the employee shall be informed of the procedure to be followed and the rights to which he/she is entitled. Similar notice shall be provided to the Union for the represented classes affected. Department Heads shall make every effort to allow employees who will be laid off reasonable time to seek other employment.

Section 3 -- Layoff Order and Procedure

3.1 In the event of the need for layoffs, employees will be laid off in the following order:
   a) Seasonal
   b) Temporary
   c) Part-time
   d) Probationary
   e) Permanent Part-time
   f) Permanent Full-time

3.2 Layoff shall be based on seniority of initial hire / anniversary date as defined in the City/District Personnel Rules and Article IX, Section 8 of this MOU.

Maintenance Unit -- An employee who is laid off from his/her classification shall be entitled to displace another employee with less seniority in an equal or lower paying classification in his/her unit, for which he/she meets the minimum qualifications and in which he/she has held prior status.

General Unit -- An employee shall have the right to displace an employee in a classification in his/her unit, for which he/she meets the minimum qualifications and over whom he/she has seniority.

The laid off employee who has successfully displaced another employee shall be placed in his/her chronological position of seniority in the new class. Employees identified for layoff who have seniority (displacement) rights to equal or lower paying classifications must declare their intention to exercise these rights at least twenty-five (25) days prior to layoff, otherwise displacement rights will automatically terminate. Employees of another representation unit may not be displaced. (An employee who declares seniority rights may not also claim priority employment rights for other vacant positions pursuant to Section 4, below.) Employees laid off as a result of another employee's exercise of seniority rights shall not be entitled to an additional thirty (30) days notice, but the minimum notice shall be fourteen (14) days.
4.2 When all laid off employees within a unit have fully exercised their priority employment rights under 4.1 above, employees remaining on layoff shall be entitled to transfer into positions outside the representation unit for which they possess the minimum qualifications pursuant to the City/District's Layoff Transfer Policy.

Section 5 – Reemployment Lists

5.1 An employee shall be placed on the Reemployment List for any classification from which laid off and any classification previously held in the unit. Employees shall be ranked on such lists in order of total City/District seniority.

5.2 A laid off employee who has fully exercised his/her rights pursuant to 5.1 above shall be entitled to be placed on the Reemployment Lists for classifications outside the representation unit, only pursuant to the City/District Reemployment List Policy for all representation units.

Section 6 -- Status of Laid Off Employees

6.1 Layoff for permanent and probationary employees is considered a leave of absence without pay (See Section 9) until an employee resigns. Termination occurs at the end of the life of a reemployment list. Layoff is not the same as termination unless the employee chooses to terminate in lieu of being placed on a reemployment list.

Section 7 -- Fringe Benefits

7.1 In the event of layoff, a permanent full-time or probationary employee may continue to participate in the employee insurance plans until termination of reemployment lists or resignation if premiums are paid in full by employee and the contract permits. Agreement to pay premiums must be in writing.

Other fringe benefits such as worker's compensation, and unemployment insurance will cease on the last day on payroll. Sick leave and vacation accruals will cease on the last day on payroll. Any unused discretionary leave should be used within the thirty (30) day notice period as it cannot be paid or carried as an accrual.

Contributions to the Public Employee's Retirement System (PERS) will cease on the last day
Employees who have less than five years service may apply for a refund or leave funds on deposit for one year. Details should be obtained from the PERS Office.

The provisions of Article I, Section 11 shall apply to unused sick leave payout for permanent employees upon the termination of the reemployment list unless an employee requests the payout provisions at an earlier date. Payment for unused vacation time will be made in a lump sum at this time or at a later date if desired.

Section 8 -- Reemployment

8.1 City/District will send notice of reemployment by certified mail to the last address of record, but has no responsibility to attempt to trace an employee if such notice is not delivered by the Post Office. It is the responsibility of the employee who has been laid off to keep the City/District informed as to his/her current address and telephone number. Employee has ten (10) working days in which to notify the City/District by mail, telephone or otherwise, regarding intention to return to position offered. If at the end of ten (10) working days from date of notice, no response has been received from employee on layoff, City/District will be entitled to fill positions in the following order: (a) the laid off employee next in line for recall, if available for work, until the reemployment list is exhausted, and then; (b) by the normal recruiting process. An employee on layoff shall have the right to refuse an offer of reemployment without forfeiting the right to reemployment or his/her place on the list. If the employee on layoff fails to respond within ten (10) working days of mailing of two separate written offers of reemployment sent by certified mail, the employee shall forfeit the right to reemployment pursuant to the terms of this Layoff Procedure and his/her name shall be removed from the reemployment list.

In order to expedite the reemployment process, the City/District may notify more than one employee simultaneously, indicating the order of priority to each person.

The right to reemployment is contingent upon the ability of the employee to meet the physical and other requirements of the position to which the employee is being returned.

Section 9 -- Status of Rehired Employees

9.1 Permanent and probationary employees rehired within 12 months following layoff shall be considered as having been on leave of absence without pay. If rehired within 12 months, the
10.1 Layoff time which exceeds 30 days shall cause the anniversary date of the employee to be adjusted commensurate with the length of absence from work.

Section 11 -- Pay of Rehired Employees

11.1 An employee rehired into the classification from which originally laid off shall be paid at the current rate for that classification and at the pay step held at the time of layoff.

An employee rehired into a classification previously held but not that from which originally laid off shall be paid at the current rate for that classification and at the pay step which most closely approximates, but does not exceed, the pay step held in the classification from which originally laid off.

An employee rehired into a classification not previously held shall be paid at the current rate for that classification and at a pay step recommended by the department head and approved by the City/District Manager.

Section 12 -- Medical Examination for Rehires

12.1 An employee, to be rehired, must pass a medical examination. At the time of layoff, exit interviews will be conducted, which will include a medical checklist for the employee to complete; complete recovery from worker's compensation injuries must be testified to.

ARTICLE IX
MISCELLANEOUS TERMS AND CONDITIONS OF EMPLOYMENT

Section 1 - Non-Discrimination

1.1 There shall be no discrimination by the City/District, recognized employee organizations, or anyone employed by the City/District for or against any employee or applicant for employment, promotion, demotion or discharge, because of race, religious creed, color, ancestry, national origin, sex or sexual preference, marital status, political opinions or
1.2 The City/District and the Union recognize that the City/District has an obligation under law
to meet with individual employees who allege a need for a reasonable accommodation in the
workplace because of a disability. If by reason of the aforesaid requirement, the City/District
contemplates actions to provide reasonable accommodation to an individual employee in
compliance with the Americans with Disabilities Act (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 same prior to
implementation by the City/District.

Section 2 - Access to Personnel Files

2.1 The City/District shall retain one official personnel file on its employees in its Human
Resources Department. An employee may review his/her own personnel file (with the
exception of investigative data pertaining to a possible criminal offense and letters of
reference) when Human Resources staff is available. The employee may also by his/her
written authorization, permit his/her Union representative to review his/her personnel file
under the supervision of Human Resources staff. An employee may request in writing that
the Personnel Officer remove from his/her file any written warnings, reprimands or similar
documentation older than three (3) years, providing no disciplinary action was taken and no
similar conduct has occurred within that period. An employee may also request in writing
that the Personnel Officer remove any allegedly derogatory or erroneous data from his/her
file. The Personnel Officer shall give his/her decision as to the removal of such data within 10
calendar days.

Section 3 - Job Specifications

3.1 New or revised job descriptions shall be sent to the Union Business Agent and steward
representing the affected classification. The Union shall be given the opportunity to discuss
job specifications for classes represented by the Union with the City/District prior to
submittal to the Council/Board.

3.2 An employee may request a copy of his/her job description from Human Resources. Related
job descriptions are also available at each non-City Hall facility.

3.3 The City/District shall pay the Class B Driver's License renewal fees for any employees in job
4.1 The City/District agrees to meet and confer with the Union on proposed changes to the existing Personnel Rules affecting matters within the scope of representation.

Section 5 - Transfer, Promotion, Demotion

5.1 Provisions regarding transfer, promotion, and demotion are found in the City/District Personnel Rules.

Section 6 – Discipline, Discharge

6.1 Provisions regarding discipline and discharge are found in the City/District Personnel Rules.

Section 7 - Light Duty/Light Work

7.1 Provisions regarding light duty work are found in the City/District Personnel Rules.

Section 8 - Seniority

8.1 Seniority will be a factor in determining promotions and vacations.

8.2 Employees who separate from employment due to a catastrophic leave illness, in accordance with the Catastrophic Leave Policy, and after having exhausted their FMLA leave, who are subsequently rehired by the City in the same or equivalent position within 12 months of separation from employment, will have their previous seniority reinstated to the time which they stopped accruing seniority.

Section 9 - Uniform Policy

9.1 Safety Boots and Work Pants – The City/District will reimburse up to $300 per fiscal year for probationary and permanent employees upon submittal of a receipt for the purchase of OSHA approved, safety-toed footwear or work pants appropriate for the assignment as determined by department management. The payment for footwear or work pants will be prorated at $25.00 per month subject to deduction from the final paycheck of employees who do not complete the probationary period or fiscal year. The wearing of footwear as defined herein shall be required of all maintenance unit employees, Senior Engineering Technicians,
9.2 The uniform requirements for the Maintenance Unit shall be as set forth in the City/District uniform policy. The City/District agrees to meet and discuss proposed changes if requested by the Union.

9.3 Uniform allowance for Police/Fire Dispatch Specialist, Police/Fire Dispatchers and Senior Community Service Officers shall be for purchase and maintenance of uniforms, footwear and other necessary equipment. Employees shall be required to adhere to the maintenance standards, uniform specifications and appearance standards established by the Police Department. Uniforms and footwear shall become the property of the employee after purchase and shall not be returned to the City/District in lieu of repaying any prorated uniform allowance upon termination.

Newly appointed employees shall upon completion of the second pay period after the initial date of employment or upon completion of the second pay period occurring after being required to wear a uniform, receive $650 per fiscal year towards the initial uniform and footwear expense. New hires shall not be entitled to any additional uniform allowance during the first year of employment with the City/District. Upon completion of one (1) year as an employee, such employee shall receive $54.17 per month for each month of service to be completed between the end of the first year of employment and the next July. Employees eligible for initial uniform allowance who terminate before completing one (1) year of service shall reimburse the City/District a prorated amount of $54.17 for each month of service not completed by deduction from the employee's final paycheck. After completing the first year of service, Continuing Uniform Allowance shall apply as provided below.

In July of each calendar year, the City/District shall pay to each employee who is required to wear a uniform, the sum of $650 per fiscal year. Employees who terminate City/District employment for any reason shall be entitled only to compensation at the rate of $54.17 for each month of service in the fiscal year and shall reimburse the City/District a prorated amount of $54.17 for each month of service not completed, by deduction from the employee's final paycheck.

Alternate Uniform Provisions - The City/District retains the option of considering and implementing alternative methods of providing uniforms to employees and nothing herein shall limit the option. The City/District and AFSCME will discuss alternate methods before a change is undertaken.
Section 11 - Contracting Work

11.1 The City/District will notify the Union if it contemplates contracting or subcontracting work customarily performed by members of the Union bargaining units; the Union shall be given an opportunity to discuss the effect of the proposed action upon its members and, upon request, to propose and effective and economical alternative way in which such services could continue to be provided by the City/District's own employees. In the event that the City/District decides to contract or subcontract work the City/District will 1) make reasonable efforts to transfer affected employees to positions for which they meet minimum qualifications, 2) pursue in a reasonable manner obtaining employment for affected employees with the proposed contractor or subcontractor, and 3) provide thirty (30) days written notice to all affected employees prior to contracting work. However, the City/District does not guarantee employment in the event work is no longer performed by City/District employees.

Section 12 - Temporary Employees

12.1 Provisions regarding temporary employees are found in the City/District Personnel Rules.

Section 13 - Permanent Part-Time and Job Sharing Employees

13.1 Provisions for permanent part-time and job sharing employees in job classes represented by AFSCME, Local 829 are found in the City of Foster City/Estero Municipal Improvement District Permanent Part-Time and Job Sharing Employment Policy Statement and Procedures. These policies and procedures shall apply during the term of this Memorandum of Understanding. All other provisions of this M.O.U. that are not in conflict with these policy and procedures apply to permanent part-time and job sharing employees in job classes represented by AFSCME, Local 829.

ARTICLE X
PROVISIONS OF LAW

Section 1 - City/District Rights
efficiency of City/District operations; establish budget procedures and determine budgetary allocation; determine the methods of raising revenue; and contract out work. In addition, the City/District retains the right to hire, classify, assign, evaluate, promote, terminate and discipline permanent employees for just cause and probationary employees in accordance with relevant local ordinances and rules and State and Federal statutes.

Section 2 - Effect of Agreement

2.1 To the extent there is a conflict, it is understood and agreed that the specific provisions contained in this MOU shall prevail over City/District rules, regulations policies and procedures. It is further understood and agreed that in the absence of specific provisions in this MOU, such City/District rules, regulations, policies and practices shall remain in full force and effect during the term of this agreement.

2.2 The terms and conditions set forth in this MOU represent the full and complete understanding and commitment between the parties. The terms and conditions may be altered, changed, added to, deleted from, or modified only through the voluntary and mutual consent of the parties in a written amendment to the MOU. During the term of this MOU, the Union agrees that the City/District shall not be obligated to meet and confer with respect to any subject matter covered in this Agreement.

Section 3 - Statement of Understanding

3.1 It is the intent of the parties that ordinances, resolutions, rules, and regulations enacted pursuant to this Memorandum of Understanding be administered and observed in good faith.

Section 4 - Severability

4.1 In the event that any provisions of this Memorandum of Understanding is declared by a court of competent jurisdiction to be illegal, invalid, or unconstitutional, such finding shall not affect the validity of the remaining provisions, the balance of which provisions shall remain in full force and effect for the term of this Memorandum of Understanding.
ARTICLE XI
TERM OF THIS MEMORANDUM OF UNDERSTANDING

The City/District and the Union agree by their signatures hereto that the wages, hours, terms and conditions of employment contained herein shall be continued in full force and effect during the term of this Memorandum of Understanding except as otherwise provided herein. Contingent upon ratification by members of the Union and contingent upon adoption by the City Council of the City of Foster City/Board of Directors of the Estero Municipal Improvement District of a Resolution approving this Memorandum of Understanding, the term shall commence on July 1, 2001 and shall expire on June 30, 2004.

Signatures to this Memorandum of Understanding between the City/District and the Union are for Fiscal Year 2001-2002, Fiscal Year 2002-2003 and Fiscal Year 2003-2004.

Staff Representatives of the City of Foster City / Estero Municipal Improvement District

Norm Dorais  Date
Steve Toler  Date
Lisa Zarubin  Date

Representatives of Council 27, Local 829, American Federation of State, County and Municipal Employees

Audrey Brown  Date
James Hardie  Date
Robin Harmison  Date
Frank Sanchez  Date
Kathleen Beebe  Date