

2015 – 2016
MEMORANDUM OF UNDERSTANDING
BETWEEN THE
CITY OF KINGSBURG AND THE
KINGSBURG PUBLIC SERVICE EMPLOYEES ASSOCIATION

This is a "Memorandum of Understanding" ("MOU") between the CITY OF KINGSBURG ("CITY") and the KINGSBURG PUBLIC SERVICE EMPLOYEES ASSOCIATION ("ASSOCIATION"). This MOU and applicable sections of the City's Personnel Manual and related rules and regulations, set forth the full and only agreement on wages, hours and terms and conditions of employment which are subject to negotiation between the ASSOCIATION and the CITY. This MOU does not in any way modify, alter, and/or abrogate the City's "Management Rights," as authorized by law.

ARTICLE 1.
ASSOCIATION/RECOGNITION

CITY has recognized ASSOCIATION as the exclusive representative of the full time employees employed in the job classifications listed below. For purposes of this MOU, except as otherwise noted, a "full time employee" is (i) one who is regularly scheduled to work forty (40) hours per week; to work an average of forty (40) hours per week in a bi-weekly period, whichever applies; and (ii) has successfully completed the applicable probationary period.

CLASSIFICATION TITLES

Account Clerk I
Account Clerk II
Administrative Assistant
Building Inspector I/Code Enforcement Officer
Building Inspector II/Code Enforcement Officer
Department Secretary I
Department Secretary II
Equipment Mechanic
Maintenance Worker I
Maintenance Worker II
Maintenance Worker III
Water Operator I
Water Operator II
Water Operator III

Unless otherwise expressly stated, the singular or plural of the word "employee" as used in this MOU means "full time employee" as defined above.

ARTICLE 2.
HOURS OF WORK AND OVERTIME

The normal work week shall consist of five (5) consecutive days of Monday through Friday with eight (8) hours of work per day [a forty (40) hour work week]. Within that normal forty (40) hour work week, CITY has discretion to schedule group or individual normal daily starting times to be no earlier than 6:30 a.m. with normal daily ending times to be no later than 6:00 p.m. In addition, CITY has discretion to set group or individual normal biweekly work schedules with those same starting and ending times to consist of not more than eighty (80) hours of work within a two (2) week period [an average of forty (40) hours per week in a bi-weekly period] so long as not more than ten (10) hours of work per day or fifty (50) hours of work per week per employee is so scheduled. Each normal work day shall be scheduled to start and end within the number of consecutive hours which do not exceed the number of shift hours scheduled for that day plus not to exceed one (1) additional hour to allow for an unpaid meal period at approximately mid-shift of not less than one-half (1/2) hour nor more than one (1) hour with the end time to be adjusted accordingly.

All overtime work must be authorized by the Department Head in advance. For the purpose of computing overtime, paid vacation time will not be considered as hours worked. Overtime pay at the rate of one and one-half (1 1/2) times the employee's straight time hourly wage rate shall be paid for all hours worked in excess of eight in one day or forty (40) hours per week, or eighty (80) hours per bi-weekly period, whichever schedule applies, or as required by law. Alternatively, employees may elect to accrue compensatory time at the rate of one and one-half (1 1/2) times the number of overtime hours worked. Any employee who is separated from CITY service shall be entitled to payment for accrued compensatory time at the employee's base hourly wage at the time of the employee's separation, less all normal deductions.

Notwithstanding anything in this MOU to the contrary, and regardless of an employee's normal scheduled work day(s), the term "day," when used in conjunction with CITY paid time off benefits (such as holidays, vacation, sick leave, etc.), shall mean an eight (8) hour day only.

ARTICLE 3.
EDUCATIONAL REIMBURSEMENT

Employees who receive advance approval (Department Heads' approval is based upon a finding that courses are job related and sufficient funds remain in the training appropriation), voluntarily attend and successfully complete (with a grade "C" or better) community college/California State University undergraduate courses of instruction or equivalent (including technical institute courses) will be reimbursed for documented out-of-pocket expenditures for course fees and books limited to four hundred dollars (\$400.00) per school year. As a condition of reimbursement, the employee must sign documents agreeing to reimburse CITY if he/she leaves CITY's employment within one (1) year from the date of CITY contribution.

ARTICLE 4.
REST PERIODS

Employees shall be allowed a paid rest period not to exceed fifteen (15) minutes during the approximate mid-point of each work period preceding and following the daily lunch period. Rest periods will be scheduled with the employees' supervisor so that the delivery of services is not adversely impacted. If events interfere with a scheduled rest period, the employee will contact his/her supervisor to reschedule a rest period sometime during that work period.

ARTICLE 5.
LUNCH PERIOD

Each employee's lunch period shall be unpaid; and shall normally be scheduled near the middle of each work day for that employee. Lunch periods will be scheduled with the employee's supervisor so that the delivery of services is not adversely impacted. If events interfere with a scheduled lunch period, the employee will contact his/her supervisor to reschedule a lunch period at some other convenient time as near the middle of that work day as feasible.

ARTICLE 6.
HOLIDAYS

The following days are recognized as paid holidays:

<u>Holiday</u>	<u>Date</u>
New Year's Day	January 1
Martin Luther King Jr.'s Birthday	Third Monday in January
Lincoln's Birthday	2 nd Monday in February
Washington's Birthday	3 rd Monday in February
Good Friday	One-half day Friday before Easter
Memorial Day	Last Monday in May
Independence Day	July 4
Labor Day	First Monday in September
Veterans' Day	November 11
Thanksgiving Day	Fourth Thursday in November
Day after Thanksgiving	Friday after Thanksgiving
Christmas Eve	December 24
Christmas Day	December 25
New Year's Eve	December 31: full day if Monday, Tuesday, or Wednesday ; one half day if Sunday, Thursday, Friday or Saturday
Employee's Birthday	May be used as a floating holiday; must be used in the same calendar year or it is lost.

ARTICLE 7.
VACATION

Employees shall be entitled to annual vacation leave, with pay, at the convenience of CITY, and shall earn annual vacation credits at the following rates:

<u>Years of Service</u>	<u>Days of Vacation</u>
1-5 years	12 days
6 years	13 days
7 years	14 days
8 years	15 days
9 years	16 days
10 years	17 days
11 years	18 days
12 years	19 days
13 years	20 days
20 years	25 days

Vacation leave accrual shall have a maximum cap of two hundred forty (240) hours. Thus, when an employee reaches this cap, there will be no vacation accrual until the vacation leave accrued is below the maximum cap of 240 hours. Employees with hours in excess of two hundred forty (240) hours as of 1/1/2015 shall have such excess hours set aside in a separate, non-accruing "vacation leave bank." Effective 1/1/2015, if an employee has a "vacation leave bank," seventy-five percent (75%) of all vacation time utilized will be deducted from this separate "vacation leave bank" until the excess is depleted and the separate "vacation leave bank" is thereby eliminated.

ARTICLE 8.
UNIFORMS

In accordance with CITY regulations, employees shall be required to wear CITY-proscribed and provided full uniforms (including footwear) at all times when on duty. CITY will provide laundry service for uniforms. Uniforms (including footwear) shall only be worn while performing CITY duties. Employees responsible to pay employee share of PERS.

ARTICLE 9.
SICK LEAVE

Employees earn fifteen (15) days of sick leave per year, at a rate of ten (10) hours per month. Upon retirement from CITY service, an employee retiring in good standing with at least ten (10) consecutive years of service is entitled to cash out one-half (1/2) of the sick leave hours accumulated at date of retirement. After twenty (20) or more years of service to the City, an employee is entitled to cash out seventy-five percent (75%) of the sick leave hours accumulated at the date of retirement.

Employee sick leave accrual will have a maximum cap of four hundred (400) hours. Thus, when an employee's sick leave accrual reaches four hundred (400) hours, there will be no further sick leave accrual until the accrued amount is below the maximum cap of four hundred (400) hours. Employees with hours in excess of four hundred (400) hours as of 1/1/2015 shall have such excess

hours set aside in a separate, non-accruing "sick leave bank." Effective 1/1/2015, seventy-five percent (75%) of all sick time utilized will be deducted from this separate "sick leave bank" until this excess is depleted and the separate "sick leave bank" is thereby eliminated.

Upon retirement from CITY service, an employee retiring in good standing with at least ten (10) years of service is entitled to cash out one-half (1/2) of the sick leave hours accumulated at date of retirement. After twenty (20) or more years of service to the City, an employee is entitled to cash out seventy-five percent (75%) of the sick leave hours accumulated at the date of retirement.

ARTICLE 10.
SICK LEAVE CONVERSION

Employees who have an accumulated balance of thirty-four (34) or more days of sick leave as of the end of the last full pay period in June may elect to convert up to a maximum of three (3) sick leave days to an equal number of vacation days. The conversion will come from the "sick leave bank" as defined by and in accordance with, Article 9 of this MOU.

ARTICLE 11.
ON-CALL PAY

Employees in the Public Works Department who are designated by the Department Head as "on-call" shall be paid twenty dollars (\$20.00) per weekday (Monday through Friday) and thirty dollars (\$30.00) per weekend day (Saturday and/or Sunday) for on-call duty, and double the on-call daily rate for any holiday on-call. Double the employee's regular hourly rate will be paid for any actual hours worked while on-call.

ARTICLE 12.
RETIREMENT

A) Public Employees' Retirement System ("PERS"). CITY shall provide access to Public Employees' Retirement System ("PERS") "Miscellaneous Employees" retirement plan benefits to all eligible employees, and shall pay the employer's contribution only. City employees shall pay one hundred percent (100%) of the employee's contribution/share required to participate in PERS. The existing PERS "Miscellaneous Employees" retirement plan elements are set by the existing contract between CITY and PERS; and are generally described as follows:

- 1) PERS credit of two percent (2 %) per year of PERS membership at age fifty-five (55) for current employees only. Employees shall pay one hundred percent (100%) of the employee's contribution/share required to participate in PERS. A second tier retirement plan shall be created for all new miscellaneous employees effective January 1, 2013, of two percent (2 %) per year of PERS membership at age sixty-two (62), if authorized by law and PERS. The contribution rate and formula for "new members" shall comply with California Public Employees' Pension Reform Act of 2013 (AB 340). New employees shall pay one hundred percent (100%) of the employee contribution/share required to participate in PERS. Implementation effective as soon as allowed by PERS.

- 2) Social Security coordination
- 3) 1957 Survivor's Benefits
- 4) Final compensation determined as highest of thirty-six (36) consecutive months of PERS membership
- 5) Ordinary Disability Retirement
- 6) Two percent (2 %) maximum annual cost-of-living allowance after retirement
- 7) Pre-retirement death benefit of total contribution plus interest earned returned to survivor plus one (1) month pay for each year in the retirement system up to six (6) years
- 8) Post-Retirement death benefit of \$500.00 (in addition to normal retirement benefits)

B) Social Security ("FICA"). CITY participates in the Social Security retirement System [the Federal Insurance Contribution Act ("FICA")]. Employee participation and benefits are required and provided in accordance with law. CITY shall pay the employer's FICA contribution,

C) State Disability Insurance ("SDI") CITY participates in the California State Disability Insurance program ("SDI"), Eligible employees shall pay for and be covered by and receive SDI benefits in accordance with law, to be coordinated as determined by CITY with accrued paid time off benefits under this MOD.

ARTICLE 13.

DIRECT DEPOSIT/DEFERRED COMPENSATION PLANS

All "new employees" hired after January 1, 2015, must participate in a direct deposit program. Employees may participate on a voluntary basis in the direct deposit and/or deferred compensation plans offered by CITY through its payroll system. Such participation must be effected using forms approved by CITY.

ARTICLE 14

HEALTH PLANS

A) Plans. In accordance with the provisions of the City selected applicable plan(s), employees will pay sixty dollars (\$60.00) per pay period for medical, dental, vision, and life cost/premiums for current employee plus eligible dependents.

B) Incentive. City will offer a three tiered cash incentive (subject to taxation as wages) to those who opt out of the medical insurance plan during open enrollment or qualifying events and who provide proof satisfactory to the City of comparable, alternative health insurance coverage, and there must be no break in the employee's health plan coverage. Failure to notify the City of loss of health plan coverage will require employee to pay their insurance premiums retroactively. By opting out of insurance for the employee and/or dependent(s), employees will receive a cash incentive for changing "tiers". For each tier that employees qualify for and drop down from, employees will receive one hundred dollars (\$100.00) per month as cash wages. The three tiers are defined as:

1st Tier

*Family (Employee+Spouse+Child(ren))

2nd Tier

*Employee + Spouse

*Employee + Child(ren)

3rd Tier

*Employee (Employee only)

Example: If an employee with a spouse and child opts out of insurance for the dependents, that employee moves down two tiers from "Family" to "Employee" and will receive \$200.00/month. If that same employee chooses to completely opt out of insurance for the whole family, \$300.00/month would be paid.

Reopener on effects of Patient Protection and Affordable Care Act when it becomes legally operable.

ARTICLE 15. BILINGUAL PAY

Employees who pass a bilingual proficiency test administered by CITY will receive two and one-half percent (2.5 %) additional pay calculated on base wages.

ARTICLE 16. WAGES

A) The City to provide a wage increase of four percent (4%) to all employees in the bargaining unit over the two (2) year period this MOU is in effect. The first two percent (2%) increase will take effect January 1, 2015; the second two percent (2%) increase will take effect July 1, 2015.

B) Assignment Pay Differentials. As flat-rate compensation for additional hours of work and/or additional job responsibilities and in lieu of any and all other compensation of any kind for such additional work and/or responsibilities, the employee in the Building Inspector classification certified for and assigned City plan check responsibilities and duties and the employees in clerical classifications regularly assigned and performing the additional responsibilities and duties as the Planning Commission Secretary or as the Accounts Payable Clerk, shall receive an additional pay differential of approximately five percent (5%) above that employee's regular base wages.

C) Step Increases. Step increases within a pay range shall not be automatic but shall be based upon merit and then only upon written approval by the employee's Department Head and the City Manager. Upon successful completion of probation, an employee at the

"A" step shall be eligible for consideration for a step increase to "B" step. Eligibility for consideration for "C" step requires six (6) months minimum service at "B" step. Eligibility for consideration for "D" and "E" steps requires one (1) year minimum service at each of the lower steps.

ARTICLE 17.
CERTIFICATION/EDUCATIONAL INCENTIVE PAY

The Certification/Educational Incentive Pay program provides a maximum two and one-half percent (2.5%) base salary adjustment per employee for an AA, BA, or 11S Degree in job related fields as approved by the City and job related Certifications identified in Exhibit A attached.

ARTICLE 18.
LONGEVITY PAY

A longevity benefit in the form of a one-time only lump sum benefit equal to \$500 for each five (5) years of service payable at the beginning of the first year of service after each fifth year increment, e.g. \$500.00 at the beginning of the 6th year \$1,000.00 at the 11th year, \$1,500.00 at the 16th year, \$2,000.00 at the 21st year, and \$2,500 at the 26th year.

ARTICLE 19.
TERM OF AGREEMENT

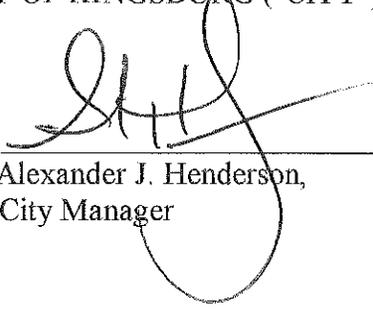
Two years – January 1, 2015 – December 31, 2016.

ARTICLE 20.
REOPENER

In year two of the MOU (2016), the City and/or KPSEA may reopen all economic section of the MOU with notice given on or before January 1, 2016.

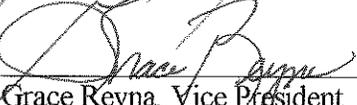
SIGNATURES

CITY OF KINGSBURG ("CITY")

By:  12/4/14
Alexander J. Henderson, City Manager Date

CITY OF KINGS BURG PUBLIC SERVICE EMPLOYEES ASSOCIATION ("ASSOCIATION")

By:  12-4-14
Jim Crofoot, President Date

By:  12-4-14
Grace Reyna, Vice President Date

By:  12-4-14
Mary Colby, Secretary Date