RESOLUTION NO. 11632

A RESOLUTION OF THE CITY COUNCIL OF THE CITY **OF** ORANGE RESCINDING **RESOLUTION NO. 11512 AND APPROVING THE** MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF ORANGE AND THE ORANGE MANAGEMENT ASSOCIATION CONCERNING WAGES, HOURS, AND OTHER TERMS AND CONDITIONS OF EMPLOYMENT EFFECTIVE JULY 1, 2025, THROUGH AND **INCLUDING JUNE 30, 2026**

WHEREAS, the City of Orange, hereinafter referred to as "City", and the Orange Management Association, hereinafter referred to as "Association", collectively the "Parties", have met and conferred in accordance with the requirements of the Meyers-Milias-Brown Act; and

WHEREAS, the Parties have reached agreement on wages, hours, and other terms and conditions of employment effective July 1, 2025, through and including June 30, 2026, and the City Council desires to rescind Resolution No. 11512 and amendments thereto for said employees, as set forth in the Memorandum of Understanding, hereinafter referred to as "MOU".

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Orange that the attached MOU is approved and incorporated by reference as Exhibit A as fully set forth herein and furthermore, that staff is authorized to adjust the departmental salary and benefit accounts in the FY26 budget to reflect the cost of the contract provisions.

ADOPTED this 26th day of August, 2025

	Daniel R. Slater, Mayor, City of Orange
ATTEST:	
Pamela Coleman, City Clerk, City of Or	ange

APPROVED AS TO FORM:

Wayne W. W	inthers, Interin	n City Attorne	y, City of Orange
STATE OF C COUNTY OF CITY OF OR))	
that the forego	oing Resolutio	n was duly an	erk of the City of Orange, California, do hereby certify and regularly adopted by the City Council of the City of on the 26 th day of August, 2025 by the following vote:
AYES: NOES: ABSENT: ABSTAIN:	COUNCILM COUNCILM COUNCILM COUNCILM	EMBERS: EMBERS:	
			Pamela Coleman, City Clerk, City of Orange
Attachment:	Exhibit A		



Exhibit A

MEMORANDUM OF UNDERSTANDING

BETWEEN THE CITY OF ORANGE

AND

THE ORANGE MANAGEMENT ASSOCIATION

JULY 1, 2025 THROUGH JUNE 30, 2026

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<u>ARTICLE I</u>

RECOGNITION

Pursuant to the provisions of the Employer-Employee Relations Resolution No. 11529 of the City of Orange, hereinafter referred to as the "City" for the purpose of meeting its obligations under the Meyers-Milias-Brown Act (Government Code Section 3500 et. Seq.), Employer-Employee Relations Resolution No. 11529, or as amended, and this Memorandum of Understanding, hereinafter referred to as the "MOU", has recognized the Orange Management Association hereinafter referred to as "Association" as the majority representative of the employee classifications listed within Appendix A. As a majority representative, the Association is empowered to act on behalf of all employees who hold positions in classifications covered by this MOU whether or not they are individually members of the Association.

ARTICLE II

NON-DISCRIMINATION

<u>SECTION 1.</u> The parties mutually recognize and agree to protect the rights of all employees hereby to join and/or participate in protected Association activities or to refrain from joining or participating in protected activities in accordance with the Employer-Employee Relations Resolution and Government Code Sections 3500 et. seq.

SECTION 2. In accordance with Federal and State law, the City and the Association agree that they shall not discriminate against any employee on the basis of actual or perceived race, color, national origin, religion, sex, gender, gender identity, physical or mental disability, medical condition (cancer-related or genetic information), ancestry, marital status, age, sexual orientation, citizenship, pregnancy, childbirth or related medical condition, status as a covered veteran, or service in the uniformed services (as defined by the Uniformed Services Employment and Reemployment Rights Act of 1994) or any other lawfully protected class. The City and the Association shall reopen any provision of this MOU for the purpose of complying with any final order of a Federal or State agency or court of competent jurisdiction requiring a modification or change in any provision or provisions of this MOU in compliance with Federal or State anti-discrimination laws.

ARTICLE III

SALARIES

<u>SECTION 1. BASIC COMPENSATION PLAN.</u> A basic compensation plan is established for all employees covered by this MOU who are now employed, or will in the future be employed, in any of the designated classification titles listed in this MOU and its attachments.

SECTION 2. SALARIES. Salaries and their effective dates for employees covered by this MOU are listed in Appendix A. The salary and wage schedules shall constitute the basic compensation plan consisting of six (6) steps or rates of pay in each range. The respective ranges shall be identified by

number and the steps by the letters A to F. The listed salary and wage schedules are based on a forty (40) hour work week.

SECTION 3. HOURLY RATE PART-TIME EMPLOYEES.

- A. For all employees who have a regular weekly work schedule of forty (40) hours, the equivalent hourly rate of pay shall be the monthly rate times twelve (12) divided by two thousand eighty (2,080) annual hours. The hourly rate for persons employed on a regular part-time or temporary basis in an equivalent classification shall be determined in the same manner. In determining the hourly rate as herein provided, compensation shall be made to the nearest half (½) cent.
- B. Regular part-time employees who are scheduled to work on an average of at least twenty (20) hours per week on a year-round basis may be considered for advancement to the next higher step upon completion of hours of employment equal to the minimum number of months of service required by full-time employees. One thousand forty (1,040) hours of regular part-time employment shall equal six (6) months of service.

<u>SECTION 4. BEGINNING RATES.</u> A new employee of the City shall be paid the rate shown in Step A in the range assigned to the classification for which the employee has been hired, except that on the request of the Department Head under whom the employee will serve, and with the authorization of the Human Resources Director, such employee may be placed at any step depending upon the employee's qualifications.

<u>SECTION 5. SERVICE.</u> The word "service" as used in this MOU, shall be defined to mean continuous, full-time service in an employee's present classification, service in a higher classification, or service in a classification allocated to the same salary range and having generally similar duties and requirements.

A lapse of service by any employee for a period of time longer than thirty (30) calendar days by reason of resignation or for any length of time due to discharge eliminates the accumulated length of service time of such employee for the purpose of this MOU. Employees re-entering the service of the City shall be considered as a new employee, except that the employee may be re-employed within one (1) calendar year and placed in the same salary step in the appropriate compensation range as the employee was at the time of the separation of employment.

<u>SECTION 6. ADVANCEMENT WITHIN SALARY RANGES.</u> The following regulations shall govern salary advancement:

- A. Merit Advancement. An employee shall be considered for advancement through the salary range based only on continuous, meritorious, and efficient performance, and continued improvement by the employee in the effective performance of duties. If merited, advancements through the salary range shall occur after the completion of twenty-six (26) pay periods. A merit increase shall become effective on the first day of the pay period following completion of the length of service required for such advancement. Such merit advancement shall require the following:
 - 1) The Department Head shall file with the Human Resources Director a Personnel Action Form and a completed Performance Evaluation form recommending the granting or denial of the merit increase and supporting such recommendation with specific reasons therefore. If denied

by the Human Resources Director, the reason for the denial will be provided to the Department Head.

- B. <u>Ineligibility for Step Increase/Delay of Step Increase</u>. An employee is ineligible to receive a step increase while on a leave of absence without pay. Step increases shall be delayed by the amount of time an employee is out on leave without pay status.
- C. <u>Special Merit Advancements.</u> When an employee demonstrates exceptional ability and proficiency in the performance of duties, the Department Head may recommend to the Human Resources Director that said employee be advanced to a higher pay step without regard to the minimum length of service provisions contained in this MOU. The Human Resources Director may, on the basis of a Department Head's recommendation, approve and effect such advancement.
- D. <u>Length of Service Required When Advancement is Denied.</u> When an employee is not approved for advancement to the next higher salary step, the employee may be reconsidered for such advancement at any subsequent time. This reconsideration shall follow the same steps and shall be subject to the same action as provided in Section 6A.

<u>SECTION 7. REDUCTION IN SALARY STEPS.</u> Any employee who is being paid at a salary step higher than Step A may be reduced by one (1) or more steps for disciplinary reasons, upon the recommendation of the Department Head with the approval of the Human Resources Director.

SECTION 8. BILINGUAL ASSIGNMENT. Employees covered by this Resolution may be assigned by the Department Head, with approval of the Human Resources Director, to a bilingual assignment. The Department Head shall determine the number of bilingual assignment positions which are necessary based upon a demonstrable need and frequency of use. Employees on bilingual assignment shall receive an additional one hundred forty dollars (\$140.00) per month for the duration of the assignment. Employees receiving bilingual assignment compensation may be required to take and pass a proficiency test on an annual or as needed basis as determined by the Human Resources Department. No permanency or seniority may be obtained in a bilingual assignment and such assignment may be revoked at any time by the Human Resources Director or duly authorized designee. Such revocation shall not be subject to the grievance procedures in this MOU. No employee shall be required to perform a Bilingual Assignment on a regular basis or employ bilingual skills on a regular basis who is not receiving bilingual pay pursuant to this section. This form of pay, also referred to as "Bilingual Premium", shall be reported to CalPERS as special compensation, and is therefore compensation earnable for Classic Members pursuant to CalPERS Regulations, Section 571(a)(4), and pensionable compensation for members hired on or after January 1, 2013, as defined by the Public Employees' Pension Reform Act of 2013 (PEPRA) pursuant to CalPERS Regulations, Section 571.1(b)(3). However, it is ultimately CalPERS who determines whether any form of pay is reportable special compensation.

SECTION 9. SHIFT DIFFERENTIAL. The Library Manager I and II and Recreation Services Supervisor, if regularly assigned on a weekly basis to a shift working after 6:00 p.m. and/or on Saturdays, Sundays, or Holidays, shall be eligible to receive an additional one hundred seventy-five dollars (\$175.00) per month on top of base salary for shift differential compensation. This form of pay, also referred to as "Shift Differential," shall be reported to CalPERS as special compensation, and is therefore compensation earnable for Classic Members pursuant to CalPERS Regulations, Section 571(a)(4), and pensionable

compensation for PEPRA Members pursuant to CalPERS Regulations, Section 571.1(b)(3). However, it is ultimately CalPERS who determines whether any form of pay is reportable special compensation.

<u>SECTION 10. CERTIFICATION PREMIUMS.</u> Employees shall be responsible for submitting proof of completion to the department of their eligibility for specialty pays. The effective date is then applied to the pay period following the employee's submission.

- A. California State Water Resources Control Board (SWRCB) <u>Water Distribution Operator</u> Certification:
 - i. Employees who possess a Grade II Water Distribution Certificate (D-2) shall receive a flat one hundred dollars (\$100.00) per month premium.
 - ii. Employees who possess a Grade III Water Distribution Certificate (D-3) shall receive a flat one hundred fifty dollars (\$150.00) per month premium.
- B. California State Water Resources Control Board (SWRCB) Water Treatment Operator Certification:
 - i. Employees who possess a Grade II Water Treatment Certificate (T-2) shall receive a flat seventy-five dollars (\$75.00) per month premium.
- C. California Water Environment Association (CWEA) <u>Collection System Maintenance</u> Certification:
 - i. Employees who possess a CWEA Grade I Collection System Maintenance Certificate shall receive a flat seventy-five dollars (\$75.00) per month premium.
 - ii. Employees who possess a CWEA Grade III Collection System Maintenance Certificate shall receive a flat one hundred dollars (\$100.00) per month premium.
- D. An employee who possesses two (2) or more of the above certifications is eligible for cumulative premium compensation.
 - This form of pay, also referred to as "Educational Incentive", shall be reported to CalPERS as special compensation, and is therefore compensation earnable for Classic Members pursuant to CalPERS Regulations, Section 571(a)(2), and pensionable compensation for PEPRA Members pursuant to CalPERS Regulations, Section 571.1(b)(2). However, it is ultimately CalPERS who determines whether any form of pay is reportable special compensation.
- E. National Commission for the Certification of <u>Crane Operators</u>: Public Works' Water Division employees may be assigned at the discretion of the Department Head or authorized designee to perform Crane Operator duties. An employee who possesses an active crane operator certificate issued by National Commission for the Certification of Crane Operators (NCCCO) shall receive fifty dollars (\$50.00) per month during the period of such special assignment. Employees not assigned will not receive this special assignment pay. This form of pay, also referred to as "Heavy/Special Equipment Operator Premium", shall be reported to CalPERS as special

compensation, and is therefore compensation earnable for Classic Members pursuant to CalPERS Regulations, Section 571(a)(4), and pensionable compensation for PEPRA Members pursuant to CalPERS Regulations, Section 571.1(b)(3). However, it is ultimately CalPERS who determines whether any form of pay is reportable special compensation.

SECTION 11. EDUCATIONAL INCENTIVE PROGRAM. Employees covered by this MOU with postgraduate degrees (i.e. Master's degree or higher) shall be eligible to receive three hundred dollars (\$300.00) per month. Employees shall be responsible for submitting proof of completion to the department of their eligibility for education pays. The effective date is then applied to the pay period following the employee's submission. This form of pay, also referred to as "Educational Incentive", shall be reported to CalPERS as special compensation, and is therefore compensation earnable for Classic Members pursuant to CalPERS Regulations, Section 571(a)(2), and pensionable compensation for PEPRA Members pursuant to CalPERS Regulations, Section 571.1(b)(2). However, it is ultimately CalPERS who determines whether any form of pay is reportable special compensation.

<u>SECTION 12. INCENTIVE PAY PLAN.</u> The City Manager may, for the employees covered by this MOU, put into effect an incentive pay plan; the terms and conditions of which shall be in the full discretion of the City.

ARTICLE IV

WORK WEEK

<u>SECTION 1.</u> The regular work week for all employees covered by this MOU shall be forty (40) hours per week.

<u>SECTION 2.</u> The department shall discuss proposed changes in the established work schedule with the affected employees prior to the implementation of the change.

ARTICLE V

PROBATION

An employee initially appointed or promoted to a classification shall serve a probationary period of twenty-six (26) pay periods during which the employee shall have an opportunity to demonstrate suitability for the job. With the approval of the Human Resources Director, the Department Head may, for just cause, extend the probationary period for up to an additional thirteen (13) consecutive pay periods. The employee shall attain regular status in the classification upon successful completion of the probationary period to the satisfaction of the City. An employee who does not satisfy the standards of the classification during the probationary period shall be notified, in writing, and termination or demotion proceedings shall be initiated. A newly hired probationary employee shall not be entitled to appeal a termination or demotion, except as is provided for by law.

Employees serving an initial probationary period are ineligible to compete for closed/promotional recruitment processes.

<u>ARTICLE VI</u>

PROMOTION

<u>SECTION 1. SALARY STEP ASSIGNMENT.</u> When an employee is promoted to a position of a higher classification, the employee may be assigned to Step A in the appropriate range for the higher classification; provided, however, that if such employee is already being paid at a rate equal to or higher than Step A in the appropriate range for the higher classification, the employee shall be placed in the step in that appropriate salary range as will grant an increase of at least one (1), but no more than three (3) salary steps, at the discretion of the Department Head and the Human Resources Director.

<u>SECTION 2. ELIGIBILITY LIST.</u> When an eligible employee remains in higher bands of a current eligibility list, and a Department Head selects an eligible employee in a lower band, upon request, the eligible employee in the higher band will be notified of reasons for non-selection.

ARTICLE VII

DEMOTION

When an employee is demoted for disciplinary reasons, the employee's new salary rate shall be assigned within the appropriate salary range for the lower classification and the employee's salary rate shall be reduced by at least one (1) step.

ARTICLE VIII

REASSIGNMENT OF COMPENSATION RANGES

<u>SECTION 1.</u> Any employee who is employed in a classification which is allocated to a different pay range shall retain the same salary step in the new range as the employee previously held in the prior range, and shall retain credit for length of service in such step toward advancement to the next higher step; provided:

- A. That if such retention results in the advancement of more than one (1) step in the old pay range, the Human Resources Director may, at the time of reassignment, place the employee in a step which will result in an increase of only one (1) step.
- B. That if the reassignment is to a lower compensation range, the F step of which is lower than the employee's existing rate of pay at the time of reassignment, the employee shall continue to be paid at their existing rate of pay until the position's compensation range allows for further salary advancement, or until such time as the employee is promoted to a position assigned to a higher compensation range.
- C. That if the reassignment is to a lower compensation range, the F step of which is higher than the existing rate of pay, the employee shall be placed in that step of the lower compensation range which is closest to, but no lower than the existing rate of pay.

ARTICLE IX

WORKING OUT OF CLASS

<u>SECTION 1.</u> The City may work employees out of classification for up to ten (10) consecutive working days without additional compensation.

SECTION 2. ACTING TIME PAY. An employee shall receive acting time pay, as further defined below, at A Step of the higher class, or five percent (5.0%) above the employee's regular salary, whichever is greater, for work performed in the higher classification starting on the eleventh (11th) consecutive working day out of class, and for each consecutive day thereafter an employee works out of class. The Department Head or duly authorized designee shall assign the employee to work out of classification but shall notify the Human Resources Director prior to the assignment.

- A. <u>Temporary Upgrade Pay.</u> When an employee is working out of classification due to an incumbent's approved leave of absence, said employee shall receive Temporary Upgrade Pay. Temporary Upgrade Pay, as defined by California Code of Regulations 571(a)(3), is "compensation to employees who are required by their employer or governing board or body to work in an upgraded position/classification of limited duration."
 - For Classic Members, the above form of compensation shall be reported to CalPERS as special compensation and therefore compensation earnable. However, it is ultimately CalPERS who determines if any form of pay is reportable special compensation. Temporary Upgrade Pay will not be reported to CalPERS as pensionable compensation for PEPRA Members.
- B. Out-of-Class Appointment. Out-of-class appointments shall only be made for positions vacated due to voluntary resignation, promotion, demotion, or termination. Government Code Section 20480 of the Public Employees' Retirement Law (PERL) defines an "out-of-class appointment" to mean an appointment to an upgraded position or higher classification by an employer or governing board or body in a vacant position for a limited duration. For purposes of this section, a "vacant position" refers to a position that is vacant during recruitment for a permanent appointment. A vacant position does not refer to a position that is temporarily available due to another employee's leave of absence (see "Temporary Upgrade Pay" above).

<u>SECTION 3. ELIGIBILITY PERIOD.</u> During the ten (10) consecutive working day eligibility period before an employee is entitled to receive acting time pay, absence for compensatory time and/or vacation shall break consecutiveness and cause the ten (10) consecutive working day eligibility period to start over. Absences for regularly scheduled holidays, regular days off, jury duty, and/or verifiable sick leave shall not constitute a break in consecutiveness for acting pay eligibility.

ARTICLE X

OVERTIME/CALL BACK COMPENSATION

<u>SECTION 1. OVERTIME COMPENSATION.</u> Employees required to perform work beyond their normal shift, shall be paid at straight time on an hour for hour basis or may work a flexible schedule

adjusting their hours of work on an hour for hour basis within the pay period if by mutual agreement to use a flexible schedule between the employee and their supervisor, with the specific limitations to the situations indicated below:

- A. Special events or work performed outside of normal work schedules (i.e., Saturdays, Sundays, and holidays) for which the City is reimbursed.
- B. Special projects requiring significant shift extension work by unit employees may be compensated upon request of the division manager and approval of the Department Head. This would include special studies and attendance at commission or City Council meetings which require the employee to work after the employee's normal shift.
- C. The use of flexible schedules as provided for in this section shall be employed when possible to offset the additional hours the employee is required to work under the situations described herein.
- D. Employees who are assigned to work the Orange International Street Fair (Labor Day Weekend) will receive premium overtime (time and one-half) for hours worked at this event for which the City is reimbursed.
- E. An employee may not work overtime without prior approval from their supervisor.

<u>SECTION 2. CALL BACK COMPENSATION.</u> Employees shall be compensated in cash at the straight time rate for the actual hours of work with a minimum of three (3) hours call back compensation, regardless of whether the employee works less than three (3) hours, under the following circumstances:

- A. When employees are required to report back to work after completing a normal work shift and have left the City premises and/or work location.
- B. For performing all shift extensions required by emergency situations.
- C. For conducting projects and completing tasks which require work on days not part of an employee's regular schedule.

This provision shall be applicable to employees although the employees' regular work week is not completed, but shall not apply to employees who are continuing on duty. All call back assignments are subject to approval of the Department Head or duly authorized designee. Section 4 below denotes compensation provided when an employee is eligible for call back pay and standby pay.

<u>SECTION 3. STANDBY PAY.</u> Employees assigned by Management to standby status after their regular work hours will receive three (3) hours per day (Mondays through Fridays) of standby pay at their straight time hourly rate or four (4) hours per day for Saturdays, Sundays, Holidays, days where the City closes services (i.e., Holiday Closure), and regular days off (i.e., the employee's scheduled Friday off as part of the 9/80 schedule). Employees must be capable of performing all duties that would be required if called back to work.

SECTION 4. CALL BACK PAY PLUS STANDBY PAY. Employees who are called back to work pursuant to Section 2 above, and who are assigned by Management to standby status after their regular

work hours pursuant to Section 3 above, will receive three (3) hours per day (Mondays through Fridays) of standby pay at their straight time hourly rate or four (4) hours per day for Saturdays, Sundays, and Holidays, plus straight time for each hour worked on call back. All actual call back hours worked by an employee on standby shall count as time worked toward the 40 hours for qualifying for straight time overtime.

ARTICLE XI

HOLIDAYS

<u>SECTION 1. HOLIDAY DESIGNATION.</u> Employees covered by this MOU shall receive the following paid nine (9) hour holidays, except for number twelve (12) below:

- 1) January 1st (New Year's Day)
- 2) Third Monday in January (Martin Luther King Jr. Day)
- 3) Third Monday in February (Presidents' Day)
- 4) Last Monday in May (Memorial Day)
- 5) July 4th (Independence Day)
- 6) First Monday in September (Labor Day)
- 7) November 11th (Veterans Day)
- 8) Fourth Thursday in November (Thanksgiving Day)
- 9) Fourth Friday in November (day after Thanksgiving)
- 10) December 24th (Christmas Eve), if it falls on a Monday through Thursday
- 11) December 25th (Christmas Day)
- 12) Eighteen (18) hours of floating holiday time

SECTION 2. FLOATING HOLIDAY. The eighteen (18) hours of floating holiday will accrue at the beginning of the pay period which includes January 1st of each year, and are required to be utilized by December 31st of the year for which it was provided. Unused floating holiday hours shall be forfeited. Employees hired after January 1st of each year shall receive a prorated portion of the eighteen (18) hours. Floating holiday hours shall be taken at the convenience of the City with approval of the Department Head or duly authorized designee.

Employees who terminate employment for reasons other than retirement from the City shall receive any remaining portion of their floating holiday in cash reimbursement.

SECTION 3. HOLIDAYS ON CERTAIN DAYS OF THE WEEK. In the event any of the above holidays fall on a Sunday, except Christmas Eve, the following day will be taken in lieu of the actual date on which the holiday falls. When any of the above holidays falls on a Saturday, except Christmas Eve, the preceding Friday will be taken in lieu of the actual date on which the holiday falls. When any of the above holidays falls on an employee's regularly scheduled day off during the week, except Christmas Eve, employees will be credited with nine (9) hours of holiday compensatory time. Accumulated holiday compensatory time must be used by the employee by June 30th of the same fiscal year in which it was accumulated or shall be forfeited.

SECTION 4. ELIGIBILITY TO RECEIVE HOLIDAY PAY. In order to be eligible to receive holiday pay, an employee must have worked, or be deemed to have worked because of a lawful absence, the employee's regularly scheduled day before and regularly scheduled day after the holiday. Should an employee fail to work the employee's regularly scheduled day before and after the holiday, the employee shall not be entitled to holiday pay. Probationary employees are provided with and are eligible to use floating holiday and fixed holiday hours, according to the guidelines established in this Article and/or with approval of the Human Resources Director.

<u>SECTION 5. HOLIDAY DURING VACATION.</u> Should holidays listed above fall during an employee's vacation period while an employee is lawfully absent with pay, the employee shall receive holiday pay and no charge shall be made against the employee's accumulated vacation.

<u>SECTION 6. LIBRARY OPERATIONS.</u> If Christmas Day or New Year's Day falls on a Sunday, the Library shall be open Monday through Friday during the preceding week of such holiday.

ARTICLE XII

VACATION

<u>SECTION 1. VACATION ACCRUAL.</u> All full-time, regular employees accrue paid vacation in accordance with the following:

Years of Service	Vacation Hours Per Year	Years of Service	Vacation Hours Per Year
1	92	16	176
2	102	17	180
3	112	18	184
4	122	19	188
5	132	20	192
6	136	21	196
7	140	22	200
8	144	23	204
9	148	24	208
10	152	25	212
11	156	26	216
12	160	27	220
13	164	28	224
14	168	29	228
15	172	30 or more	232

SECTION 2. VACATION USAGE AND ACCUMULATION. Vacation shall be taken at the convenience of the City with the approval of the Department Head or duly authorized designee. Where possible, such vacation should be taken annually and not accumulated from year to year. Vacation hours not in excess of the equivalent number of hours earned in the immediately preceding twenty-four (24) month period may be accumulated with the permission of the Department Head and the Human Resources Director. Employees shall not accumulate vacation in excess of the equivalent number of hours earned in

the immediately preceding twenty-four (24) month period. All vacation hours in excess of the equivalent number of hours earned in the immediately preceding twenty-four (24) month period not taken by the employee shall be forfeited. Probationary employees accrue vacation but may not use vacation until six (6) months of active City service is complete, except in the event of a City Hall Holiday Closure, with the approval of the Human Resources Director.

SECTION 3. VACATION CONVERSION. An employee may convert up to fifty percent (50%) of current annual vacation accrual into cash in lieu of time off with pay. An employee requesting such a conversion must meet the eligibility requirements as set forth in Section 2, above, and may so convert twice in a fiscal year, however, the total amount converted per fiscal year shall not exceed fifty (50%) of the employee's annual accrual. Employees serving their initial probationary period shall not be eligible for vacation conversion.

On or before December 15, 2025, and every December 15th thereafter, a qualified employee who elects to cash out accrued vacation for the following year shall submit written request to the Human Resources Department stating their irrevocable election(s).

The City shall administer the cash out twice annually, starting in June 2026 and every June and December thereafter. The City shall make the cash outs in the second pay period in June and December. Such cash outs shall be paid at the employee's net salary hourly rate of pay.

<u>SECTION 4. VACATION PAYOUT UPON TERMINATION.</u> Employees who terminate their employment with the City shall be paid for all accrued vacation, if any, and the prorated portion of their final accrual. Prorated vacation shall be on the basis of one-twelfth (1/12) of the employee's annual vacation pay for each full month of service.

ARTICLE XIII

PART-TIME & TEMPORARY EMPLOYEE ELIGIBILITY FOR FRINGE BENEFITS

<u>SECTION 1. DEFINITIONS.</u> Nothing contained herein shall guarantee to any employee a specified number of hours per day or days per week or weeks per year or months per year of work.

- A. <u>Regular part-time employees</u> shall be those employees scheduled in the budget to work 20 or more hours per week on a year-round basis (52 weeks minus approved leave).
- B. <u>Temporary part-time employees</u> shall be those employees scheduled in the budget to work less than 20 hours per week on a year-round basis (52 weeks minus approved leave).
- C. <u>Seasonal employees</u> shall be those employees who are scheduled in the budget to work on less than a year-round basis regardless of hours worked.

SECTION 2. REGULAR PART-TIME EMPLOYEES.

A. Regular part-time employees shall receive fringe benefits in proportion to the number of hours an employee is scheduled in the City's budget to work, compared to the normal forty (40) hour week

on an annual basis. The annual schedule for all part-time employees shall be the schedule, which is included in the City's approved budget, or a schedule which is designated by Management at the commencement of the employee's employment with the City.

- B. This formula of proration shall apply to holiday pay, vacation, sick leave, medical plan contribution, retirement contribution, and disability insurance.
- C. Regular, part-time employees may receive step increases provided they work the actual number of hours a full-time employee would have had to work in order to be entitled to progress to the next step of the salary range.

<u>SECTION 3. TEMPORARY AND SEASONAL EMPLOYEES.</u> Temporary and seasonal employees shall be entitled to receive no fringe benefits provided for in this MOU or in any resolution of the City, except those stated in Article XVIII, Section 2 of this MOU, or unless otherwise required by Federal and/or State law.

ARTICLE XIV

LEAVES OF ABSENCE

<u>SECTION 1. LEAVE OF ABSENCE WITHOUT PAY.</u> For all regular employees as described herein, the following leave without pay procedure shall apply:

- A. After all available leave benefits, including vacation, compensatory time, and other leave benefits have been completely used, a regular employee, not under suspension, may make written application to the Department Head for leave without pay. No such leave will be considered absent a written application from the employee requesting leave.
- B. If the Department Head and the Human Resources Director agree that such leave is merited and in the interest of the City, leave may be granted for a period not to exceed six (6) months following the date of expiration of all other allowable leave benefits.
- C. An employee is ineligible to receive a step increase while on a leave of absence without pay. Step increases shall be delayed by the amount of time an employee is out on leave without pay status.
- D. No employment or fringe benefits such as sick leave, vacation, health insurance, retirement, or any other benefits shall accrue to any employee on leave of absence without pay except as denoted under the Family and Medical Leave Act (FMLA) section below. During such leave in excess of five (5) working days, no seniority shall be accumulated.
- E. Subject to and consistent with the conditions of the group health, life or disability plan, coverage may be continued during a leave, provided direct payment of the total premium by the employee is made through and as prescribed by the Payroll Division of the City. The City will pay up to six (6) months of the Flexible Benefit Plan contribution for employees who are on long-term disability leave.

- F. At the end of such leave, if the employee desires additional leave, written application must be made through the Department Head to the Human Resources Director at least ten (10) days before the end of the six (6) month period, stating the reasons why the additional leave is required and why it would be in the best interests of the City to grant such leave of absence. If such additional leave is merited and would still preserve the best interests of the City, the Human Resources Director may approve such extension of the leave of absence for a period not to exceed an additional six (6) months.
- G. If the employee does not return to work prior to or at the end of such leave of absence or extension of leave of absence, the City shall consider that the employee has terminated employment with the City.
- H. An employee on leave of absence must give the City at least seven (7) days' written notice of intent to return to work prior to returning to work.
- I. Any employee who engages in outside employment during said leave of absence without prior notification and approval of the Human Resources Director and Department Head may be subject to termination.
- J. Any employee who falsifies the reason for the request for said leave of absence may be terminated for falsifying a request for leave of absence or extension thereof.
- K. Such leave shall be granted on the same basis for pregnancy, childbirth, and other medically related conditions, except that such an employee shall retain all seniority rights.
- L. Forms setting forth the benefits available or such other pertinent information shall be maintained for distribution in the Human Resources Department.
- M. Management will allow an employee to take a leave of absence without pay during a City Hall Holiday Closure without having to exhaust all accrued leave benefits on the books. During said closure, employees will not see a reduction in benefits, including no loss of eligibility for holiday pay, if leave without pay hours are used during the closure (i.e. the day after Christmas and/or working day before New Year's Day).

SECTION 2. JURY DUTY AND WITNESS SERVICE FOR THE CITY.

A. <u>Jury Duty.</u> When required to serve on a jury, employees shall have paid time off for a period not to exceed thirty (30) calendar days for each jury duty summons which an employee responds to per calendar year. Employees shall receive their regular pay for the period of actual service required on the jury, provided all jury fees paid to the individual employee are turned over to the City, with the exception of automobile expenses allowed. A full-time employee who works a rotating schedule, who is summoned for jury duty, shall be placed on a day shift until jury duty has concluded; the employee will be excluded from required overtime while performing jury duty.

If an employee is required to call in for jury service and the court does not need the employee's service, the employee is expected to report to work. Once an employee has completed jury service,

- the Certificate of Jury Service must be provided to the immediate supervisor to qualify for jury duty compensation.
- B. <u>Witness Service for the City.</u> If an employee is called as a witness, on behalf of the City, the employee shall receive normal pay for time spent by the employee serving as a witness for the City. Employees shall be required to pay any witness fees that accrue to the employee for witness service to the City as a condition of receiving normal pay while serving as a witness for the City.

SECTION 3. MILITARY LEAVE OF ABSENCE. If an employee is deployed or required to attend military training, the employee shall be entitled to military leave of absence under the provisions of Federal and State law, Including Uniformed Services Employment and Re-employment Rights Act (USERRA) and the California Military and Veterans' Code. Employees must provide a copy of their military orders, and Leave and Earnings Statements (LES) if requested, to the Human Resources Department to qualify for a military leave of absence. Any exceptions to this provision shall be considered on a case-by-case basis, with final approval of the Human Resources Director.

<u>SECTION 4. SICK LEAVE.</u> Sick leave with pay shall be allowed, credited, and accumulated in accordance with the following:

- A. For employees working a regular 40-hour week, eight (8) hours of sick leave will accrue for each month of continuous service. Probationary employees may use accrued sick leave during the probationary period.
- B. All non-benefited employees shall receive sick leave as required by State law.
- C. Sick leave will be charged at the rate of one-quarter (1/4) hour for each one-quarter (1/4) hour an employee is absent.
- D. Any employee eligible for sick leave with pay may use such leave for the following reasons:
 - 1) Medical, dental, and vision appointments during work hours when authorized by the Department Head or duly authorized designee; and/or
 - 2) Personal illness or physical incapacity resulting from causes beyond the employee's control, in addition to pregnancy, childbirth, and other medically related conditions.
 - 3) For an employee who is a victim of domestic violence, sexual assault, or stalking, for the purposes described in Labor Code sections 230(c) and 230.1(a).
- E. <u>Sick Leave Application</u>. Sick leave may be applied only to absence caused by illness or injury of an employee and may not extend to absence caused by illness or injury of a member of the employee's family, except as provided in Section 5 or 6 below.
- F. <u>Sick Leave Charged.</u> In any instance involving use of a fraction of a day's sick leave, the minimum charged to the employee's sick leave account shall be one quarter (1/4) hour, while additional actual absence of over one-quarter (1/4) hour shall be charged to the nearest one-half (1/2) hour. Sick leave shall only be used for the purposes stated, and the Department Head shall be responsible for

appropriate use of sick leave by department employees. Employees may, upon prior notice, be required to furnish a certificate issued by a licensed physician or nurse or other satisfactory written evidence of any subsequent illness.

- G. <u>Maximum Accumulation of Sick Leave</u>. Employees shall be allowed to accumulate sick leave to a maximum of nine hundred sixty (960) hours. There shall be no accrual of sick leave hours in excess of such maximum.
- H. Retirement from City Service and Entering CalPERS as a Retired Annuitant. Upon retiring from City service and entering CalPERS as a Retired Annuitant, an employee shall receive no pay for the first sixty (60) days of accrued sick leave (0-480 hours), but shall receive twenty-five percent (25%) pay for the first 30 days of accrued sick leave after the first 60 days of accrued sick leave (481-720 hours), and fifty percent (50%) of all accrued sick leave thereafter (721-960 hours). In lieu of receiving pay, 100% of the eligible accrued Sick Leave cashout value upon retirement shall be contributed into the employee's Retirement Health Savings Plan account, in accordance with Article XVI, Section 4, below.
- I. <u>Death of an Employee</u>. Upon the death of an employee while employed by the City, one hundred percent (100%) of all accrued sick leave benefits shall be paid to the beneficiary of the deceased employee. Payment will be made when proper authorization for payment is received from the estate of the decedent employee.

J. Sick Leave Conversion.

- 1) Eligible employees with sick leave usage of zero (0.0) to thirty-six (36.0) hours per payroll calendar year will have the option to convert up to thirty (30) hours of their unused sick leave to vacation in the first pay period of the following year.
- 2) Employees with sick leave usage of thirty-six and one-quarter (36.25) to forty-five (45.0) hours per payroll calendar year may convert up to twenty (20) hours of unused sick leave to vacation in the first pay period of the following year.
- 3) Employees must have a minimum balance of one hundred forty (140) hours of sick leave available after conversion.
- 4) No hours will be converted to vacation if said vacation conversion places the employee's vacation bank over the maximum allowable accrual. In this case, all sick leave hours eligible for conversion will instead remain in the employee's sick leave account up to the nine hundred sixty (960) hour limit.

SECTION 5. FAMILY LEAVE. In accordance with the California Family Sick Leave and Paid Sick Leave Act, an employee is allowed up to forty-eight (48) hours of family leave per calendar year for family related illness or injury, which shall be charged against the employee's accumulated sick leave. Family as used in this subsection is limited to any relation by blood, marriage, or adoption, who is a member of the employee's household; and any parent, substitute parent, parent-in-law, spouse, registered domestic partner, child, brother, sister, grandchild, or grandparent of the employee, or "designated person" pursuant

to AB 1041, regardless of residence. Benefited part-time employees are allowed to use up to one-half of their annual accrual of sick leave for family leave purposes.

<u>SECTION 6. BEREAVEMENT LEAVE.</u> Regular full-time employees shall be entitled to take up to five (5) days of paid bereavement leave per incident. The following terms and conditions apply:

- A. Bereavement leave may only be used upon the death or critical illness where death appears to be imminent of the employee's immediate family. "Immediate family" as used in this subsection, shall be limited to any relation by blood, marriage, or adoption, who is a member of the employee's household and any parent, legal guardian, parent-in-law, brother-in-law, sister-in-law, grandparent, grandchild, aunt, uncle, spouse, registered domestic partner, child, brother, or sister of the employee regardless of residence.
- B. Days of absence due to be reavement leave shall not exceed five (5) working days per incident. An employee on be reavement leave shall inform the immediate supervisor of the fact and the reasons therefore as soon as possible. Failure to inform the immediate supervisor, within a reasonable period of time, may be cause for denial of be reavement leave with pay for the period of absence.

<u>SECTION 7. WORKERS' COMPENSATION.</u> Employees who incur a work-related injury or illness will be eligible to receive Workers' Compensation benefits according to the State of California's Division of Workers' Compensation (DWC) laws and regulations and benefits provided pursuant to this MOU.

- A. Temporary Disability. An Association employee shall be granted Temporary Disability in accordance with the current State Workers' Compensation laws and regulations. When an Association employee is eligible to receive Temporary Disability payments, the City will contribute additional compensation to allow the employee to receive one hundred percent (100%) of their regular rate of pay, or provide full salary continuance, for the first thirty (30) days starting from the first day of Temporary Disability. The employee will then receive eighty percent (80%) of salary for up to an additional three hundred thirty-five (335) calendar days. Temporary Disability in excess of three hundred sixty-five (365) days will be provided subject to current State Workers' Compensation laws and regulations.
- B. <u>Claims Pending Compensation Determination.</u> When a claim is pending a compensability decision while in a delayed or denied status, and the employee is losing time off from work, the employee can use their own accruals (sick, vacation, compensatory time, etc.). If the claim is accepted, the employee's accruals will be credited based on the dates that meet the Temporary Disability criteria under the State of California's Division of Workers' Compensation.
- C. <u>Physician Pre-Designation</u>. Before a work-related injury, an employee may elect to pre-designate a qualified medical provider if done in accordance with the State of California's Division of Workers' Compensation laws and regulations.
- D. <u>Fringe Benefits</u>. An employee receiving Temporary Disability benefits will continue to receive the City's contribution to the employee's medical, dental, vision, other applicable insurances. If the employee has exhausted Temporary Disability benefits, the employee shall be responsible for paying the full premium for the employee's medical, dental, vision, and other applicable insurances.

E. An employee receiving temporary disability payments in accordance with the current State of California Division of Workers' Compensation laws and regulations may use a prorated amount of accumulated leave (including sick leave, vacation, compensatory time, etc.) to supplement temporary disability payments to reach the amount equal to the employee's full regular pay until the employee's leave balances reach zero (0). At that time, the employee would commence an unpaid leave of absence.

SECTION 8. FAMILY AND MEDICAL LEAVE ACT (FMLA). Federal and State laws require the City to provide family and medical care leave for eligible employees. The following provisions set forth employee and employer rights and obligations with respect to such leave. Rights and obligations which are not specifically set forth below are set forth in the City's Employee Handbook. Any provisions not set forth in the Employee Handbook are set forth in the Department of Labor regulations implementing the Federal Family and Medical Leave Act (FMLA) of 1993 and the regulations of the California Fair Employment and Housing Commission implementing the California Family Rights Act (CFRA) (Government Code Section 12945.2). Unless otherwise provided, "Leave" under this article shall mean leave pursuant to the FMLA and CFRA. An employee's request for leave is subject to review and final approval of the Human Resources Director.

- A. <u>Amount of Leave.</u> Eligible employees are entitled to a total of twelve (12) work weeks of leave during any twelve (12) month period. An employee's entitlement to leave for the birth or placement of a child for adoption or foster care expires twelve (12) months after the birth or placement.
- B. <u>Calculating the 12-Month Period</u>. The twelve (12) month period for calculating leave entitlement will be a "rolling period" measured backward from the date leave is taken and continues with each additional leave day taken. Thus, whenever an employee requests leave, the City will look back over the previous twelve (12) month period to determine how much leave has been used in determining how much leave an employee is entitled to.
- C. <u>Use of Other Accrued Leaves While on Leave.</u> If an employee requests leave for any reason permitted under the law, the employee must exhaust all accrued leaves (except sick leave) in connection with the leave. This includes vacation, holiday, and other compensatory accruals. If an employee requests leave for the employee's own serious health condition, in addition to exhausting accrued leave, the employee must also exhaust sick leave. The exhaustion of accrued leave will run concurrently with FMLA.
- D. <u>Required Forms.</u> Employees must fill out required forms, available in the Human Resources Department, including: Request for Family Medical Leave; Medical Certification; Authorization for Payroll Deductions for Benefit Coverage Continuation During Family/Medical Care Leave; and Fitness-for-Duty to Return from Leave (if applicable).

<u>SECTION 9. ADMINISTRATIVE LEAVE.</u> Employees will receive forty-five (45) hours of administrative leave each January 1st. Employees hired after January 1st shall receive a prorated portion of the forty-five (45) hours. Administrative leave shall be used in the calendar year in which it accrues; and administrative leave not used in the calendar year in which it is accrued shall be forfeited, with the exception of retirement from City service in which case the remaining balance of Administrative Leave

hours shall be deposited into the Retirement Health Savings Plan account, in accordance with Article XVI, Section 4.

ARTICLE XV

FRINGE BENEFIT ADMINISTRATION

<u>SECTION 1. ADMINISTRATION.</u> The City reserves the right to select the insurance carrier or administer any fringe benefit programs that now exist or may exist in the future during the term of the MOU.

<u>SECTION 2. SELECTION AND FUNDING.</u> In the administration of the fringe benefit programs, the City shall have the right to select any insurance carrier or other method of providing coverage to fund the benefits included under the terms of this MOU, provided that the benefits of the employees shall be no less than those in existence as of implementation of this MOU.

<u>SECTION 3. CHANGES.</u> If, during the term of this MOU, any change of insurance carrier or method of funding for any benefit provided herein occurs, the City shall notify the Association prior to any change of insurance carrier or method of funding the coverage.

ARTICLE XVI

HEALTH BENEFITS

<u>SECTION 1. HEALTH INSURANCE.</u> The City contracts with CalPERS to make available those health insurance benefits provided under the Public Employees' Medical and Hospital Care Act (PEMHCA).

A. <u>Flexible Benefits Plan.</u> The City shall provide a Section 125 Flexible Benefits Plan for active full-time and part-time eligible employees and pay the following monthly amounts to provide funds for optional health plans, dental plans, vision plans, health care reimbursement, dependent care, or cash as established by the Internal Revenue Service. The following amounts include the minimum amount required under PEMHCA, which is one hundred fifty-eight dollars (\$158.00) per month effective January 1, 2025, or one hundred sixty-two dollars (\$162.00) per month effective January 1, 2026. This contribution may be adjusted annually each January 1st to the amount set by the CalPERS Board of Administration.

Effective Date	Single	2-Party	Family
January 1, 2025	\$1,910.00	\$2,010.00	\$2,110.00
January 1, 2026	\$1,910.00	\$2,010.00	\$2,210.00

B. Any amounts in excess of the amounts designed in Section 1A necessary to maintain benefits under any benefits plans selected by the employee shall be borne by the employee.

- C. An employee cannot be enrolled in the CalPERS Health Benefits Plan if a spouse is enrolled in the same agency or enrolled in an agency with CalPERS Health unless the employee (or the spouse) is enrolled without being covered as a family member.
- D. An employee may waive enrollment in a CalPERS Health Benefits Plan. If an employee waives enrollment, the employee must provide proof of group medical insurance coverage (e.g., coverage under a spouse's employer's plan) that is compliant with the Affordable Care Act (ACA), as determined by the Human Resources Director or designee. Based upon determination that group medical insurance coverage is in full force and effect, employees who waive shall receive the following monthly amounts. Employees hired after January 1, 2020 who elect to waive medical insurance shall receive five hundred dollars (\$500.00) per month. Employees with a hire date prior to January 1, 2020 shall receive one thousand six hundred ten dollars (\$1,610.00) per month.
- E. In the event an employee loses group medical insurance (with documentation), the employee must enroll in the CalPERS Health Benefits Plan pursuant to their rules and regulations. Failure to do so within sixty (60) days of losing group medical insurance shall result in the City seeking reimbursement of monthly waiver amounts paid to the employee.
- F. Retired Annuitant Contribution. The City shall contribute toward the payment of premiums under the CalPERS Health Benefits Plan to each eligible retired annuitant of CalPERS to the extent required by law, a contribution of one hundred fifty-eight dollars (\$158.00) per month effective January 1, 2025, or one hundred sixty-two dollars (\$162.00) per month effective January 1, 2026. This contribution may be adjusted annually on January 1st to the amount set by the CalPERS Board of Administration.

<u>SECTION 2. LIFE INSURANCE.</u> The City shall contribute the full premium toward a seventy-five thousand dollar (\$75,000.00) life insurance policy for each benefited employee.

<u>SECTION 3. LONG-TERM DISABILITY INSURANCE.</u> The City shall provide a long-term disability plan that pays sixty percent (60%) of salary after a sixty (60) day elimination period, to a maximum of seven thousand dollars (\$7,000.00) per month.

<u>SECTION 4. RETIREMENT HEALTH SAVINGS PLAN (RHSP).</u> The City established and approved a Retirement Health Savings Plan for employees covered by this MOU. The City will not contribute to this Plan, as all contributions of the plan will be borne by the employees. All OMA employees are required to participate in the plan by converting the value of the following forms of compensation, on a tax-deferred basis, into their savings account:

- A. One hundred percent (100%) of eligible accrued Sick Leave cashout value upon retirement from City service and entering CalPERS as a retiree in accordance with Article XIV, Section 4H shall be deposited into the employee's Retirement Health Savings Plan account.
- B. One hundred percent (100%) of remaining balance of Floating Holiday hours (up to eighteen (18) hours) upon retirement from City service and entering CalPERS as a retiree shall be deposited into the employee's Retirement Health Savings Plan account.

C. One hundred percent (100%) of the remaining balance of Administrative Leave hours (up to forty-five (45) hours) upon retirement from City service and entering CalPERS as a retiree shall be deposited into the employee's Retirement Health Savings Plan account.

ARTICLE XVII

EDUCATIONAL ASSISTANCE, PROFESSIONAL DEVELOPMENT, & WELLNESS PROGRAM

Educational Assistance and Professional Development payments to an employee shall not exceed \$1,500.00 in any one (1) fiscal year and the employee must still be employed by the City when the course is completed to qualify for reimbursement. Courses/purchases must be approved in advance by the Department Head and the Human Resources Director prior to registration and/or purchase. Employees with a future separation date on file are ineligible for these benefits.

<u>SECTION 1. EDUCATIONAL ASSISTANCE.</u> The City will reimburse employees for the cost of tuition, textbooks, health fees, lab fees, and parking fees required for approved accredited college courses, as well as job-required licensing, testing, renewal, and registration fees. An approved course is one designated to directly improve the knowledge or skill of the employee relative to the employee's specific job or courses leading to an accredited degree or certificate program. Reimbursement will be based upon the final grade received. A final grade of C or better qualifies an employee for reimbursement up to the amount specified.

<u>SECTION 2. PROFESSIONAL DEVELOPMENT.</u> The City will reimburse employees for materials and activities that aid in an employee's professional development. Reimbursable materials and activities include the following:

- A. Attendance at job-related professional conferences, trainings, and seminars; and
- B. Payment of membership dues in community and professional organizations; and
- C. Purchase of job-related professional journals, books, and other written materials, which further their knowledge and improve their effectiveness in performing their duties.

This professional development benefit encourages employees to voluntarily pursue educational and professional development activities beyond those budgeted by their departments. Costs associated with work travel, lodging, meals (or per diem), parking, or other costs as defined in Article XX of this MOU are ineligible for reimbursement under this section.

<u>SECTION 3. WELLNESS REIMBURSEMENT.</u> The City agrees to allow reimbursement to employees of up to three hundred seventy-five dollars (\$375.00) of the one thousand five hundred dollars (\$1,500.00) allotted per fiscal year towards reimbursement for items A, B and/or C that aid in an employee's wellness. Requests must be approved by the Human Resources Director prior to purchase or participation.

A. Membership in a health/fitness club

- B. Participation in a weight loss/stop smoking/wellness/fitness program
- C. Fitness/Home gym equipment

The City will not reimburse employees for any of the above listed activities for family/dependent health-related expenses. Employees with a future separation date on file are ineligible for this benefit.

ARTICLE XVIII

RETIREMENT

<u>SECTION 1.</u> The City participates in the California Public Employees' Retirement System (CalPERS). This participation shall include, but is not limited to, the following retirement benefits:

- A. <u>PEPRA Members</u>. Miscellaneous employees who are PEPRA Members of CalPERS as defined by California Government Code Section 7522.04(f) are subject to the 2% @ age 62 retirement formula as set forth in California Government Code Section 7522.20. PEPRA Members are subject to the three (3) year final compensation measurement period as set forth in California Government Code Section 7522.32. PEPRA Members shall contribute half of normal cost of retirement as determined by CalPERS from their pensionable compensation, on a pre-tax basis, as set forth in California Government Code Section 7522.30. In all other respects, PEPRA Members shall be subject to the terms and requirements of PEPRA.
- B. <u>Classic Members</u>. Miscellaneous employees who are not defined as PEPRA Members as outlined in Section A above are defined as Classic Members of CalPERS and are subject to the 2.7% @ age 55 retirement formula as set forth in California Government Code Section 21354.5. Classic Members are subject to the one (1) year final compensation measurement period set forth in California Government Code Section 20042. Classic Members shall contribute eight percent (8.0%) of their compensation earnable, on a pre-tax basis.

<u>SECTION 2. PART-TIME EMPLOYEES.</u> Part-time employees not covered under CalPERS shall participate in a defined contribution retirement plan in lieu of Social Security contributions. The City shall contribute three and three-fourths percent (3.75%) of the employee's eligible earnings toward the retirement plan. Part-time employees shall contribute three and three-fourths percent (3.75%) of their eligible earnings toward the retirement plan.

<u>SECTION 3. 1959 CALPERS SURVIVOR BENEFIT.</u> The City provides the 1959 CalPERS Survivor Benefit at the Fourth Level Option as set forth in California Government Code Section 21574 for all covered employees. Employees shall pay their two dollar (\$2.00) monthly contribution through payroll deduction. The City shall pay the employer portion subject to the following limit: six dollars (\$6.00) per month. Employees shall pay any portion of the employer portion that exceeds six dollars (\$6.00) monthly.

ARTICLE XIX

MISCELLANEOUS

SECTION 1. RIDESHARE INCENTIVE PROGRAM. An employee may receive thirty dollars (\$30.00) per month and eight (8) hours of paid time off (to a maximum accrual of sixteen (16) hours) every six (6) months for carpooling, using public transportation, biking, walking, or other approved modes of transportation to commute to and from the worksite. To qualify for these incentives, an employee must use one (1) of the above modes of transportation a minimum of seventy percent (70%) of their commuting time.

SECTION 2. UNIFORMS.

- A. The City will purchase uniforms for designated classifications within the Association. Uniform allowance shall be reported to CalPERS for the following classifications, in the amounts specified, per calendar year: Equipment Maintenance Supervisor (\$82.00); Parks Maintenance Supervisor (\$135.00), Public Works Maintenance Supervisor (\$135.00), and Water Maintenance Supervisor (\$135.00). This form of pay, also referred to as "Uniform Allowance", shall be reported to CalPERS as special compensation, and is therefore compensation earnable for Classic Members pursuant to CalPERS Regulations, Section 571(a)(5). However, it is ultimately CalPERS who determines whether any form of pay is reportable special compensation. Uniform allowance is not pensionable compensation for PEPRA Members.
- B. All uniforms and/or safety equipment purchased by the City shall remain the property of the City.

C. Clothing Reimbursement Allowance.

- 1) Allowance. The City shall contribute up to three hundred dollars (\$300.00) per employee toward a clothing reimbursement allowance per fiscal year. This allowance only applies to the following classifications: Construction Inspection Supervisor, Facilities Maintenance Supervisor, Public Works Maintenance Supervisor, Senior Landscape Coordinator, Senior Water Quality Inspector, Traffic Operations Superintendent, Tree Services Coordinator, and Water Maintenance Supervisor. This form of pay, also referred to as "Uniform Allowance", shall be reported to CalPERS as special compensation, and is therefore compensation earnable for Classic Members pursuant to CalPERS Regulations, Section 571(a)(5). However, it is ultimately CalPERS who determines whether any form of pay is reportable special compensation. Clothing Reimbursement Allowance is not pensionable compensation for PEPRA Members.
- 2) <u>Reimbursement Request.</u> Employees may submit a request for reimbursement once per fiscal year.
- 3) <u>Clothing.</u> The City shall reimburse employees for the following articles of clothing which are to be worn on the job: blue jeans, white crew socks, white walking socks, and two (2) pairs of shorts per year. The following articles of clothing are not considered reimbursable clothing under this MOU: polo shirts, T-shirts, jackets, windbreakers, dress socks, dress slacks, and other types of clothing not specifically reimbursable under the above guidelines.

SECTION 3. WORK SHOE VOUCHER. Employees in the following classifications are required to wear compression resistant footwear (safety footwear) while on duty in the field shall receive a work shoe voucher of up to five hundred dollars (\$500.00) per fiscal year: Building Inspection Supervisor, Code Compliance Manager, Code Compliance Supervisor, Construction Inspection Supervisor, Environmental Program Manager, Equipment Maintenance Supervisor, Facilities Maintenance Supervisor, Landscape Coordinator, Parks Maintenance Supervisor, Project Development Coordinator, Public Works Maintenance Supervisor, Recreation Services Supervisor, Senior Civil Engineer, Senior Landscape Coordinator, Senior Plan Check Engineer, Senior Water Quality Inspector, Traffic Operations Superintendent, Tree Services Coordinator, Water Maintenance Supervisor, and Water Quality Inspector. In no event shall any employee receive more than five hundred dollars (\$500.00) per year related to safety footwear (e.g., if an employee promotes or moves to a different represented group of employees). Inspection of the worksite will be made on a regular basis to ascertain compliance with the safety shoe program.

<u>SECTION 4. EYEGLASS REPLACEMENT.</u> The City will pay for replacement of employees' eyeglasses that are lost or damaged in the course of their work. Damaged eyeglasses will be turned into the City in order for the employee to be entitled to reimbursement. The City will not reimburse an employee for more than one (1) pair of lost or damaged eyeglasses per fiscal year.

<u>SECTION 5. TOOLS.</u> Employees classified as Equipment Maintenance Supervisor shall provide such tools as are ordinarily used in the trade, which shall be the personal tools of the Equipment Maintenance Supervisor. The City will establish with a vendor an account for said employees who have at least one year of service in such classification. Such employees shall be allowed up to a maximum of one thousand dollars (\$1,000.00) per fiscal year with such vendor in order to replace and maintain the tools necessary for the performance of the employee's job duties. The City shall bear no liability or responsibility for such tools except as provided in this Section.

<u>SECTION 6. DIRECT DEPOSIT.</u> City employees are required to participate in the City's direct paycheck deposit program.

ARTICLE XX

TRAVEL EXPENSE ALLOWED

<u>SECTION 1. MILEAGE REIMBURSEMENT.</u> Expense claims for an employee's use of personal automobiles in the course of their work must be authorized and submitted through the Department Head to the Accounts Payable Division of the Finance Department for reimbursement. Reimbursement will occur at the rate per mile allowed under the current IRS regulations.

<u>SECTION 2. OUT-OF-CITY TRAVEL.</u> Out-of-City travel must be pre-approved by the Department Head and City Manager. If the estimated expense of contemplated travel out of the City is too great to expect the employee to finance the trip and be reimbursed upon return, the City Manager may authorize advance payment of the estimated amount of the travel expense to the employee.

A. Economy class airfare will be considered standard for out-of-town travel.

- B. Use of personal automobiles for out-of-City trips, within the State, may be approved by the City Manager when use of commercial transportation is not available or practical. If an employee prefers to use a personal vehicle, the employee may be reimbursed mileage expenses as long as the expenses do not exceed the amount of the cost of the commercial transportation.
 - 1) The rate per mile allowed under the current IRS regulations shall be approved for use of personal cars when City cars are not available.

<u>SECTION 3. TRANSPORTATION AND EXPENSE CHARGES.</u> Subject to pre-approval by the Department Head and City Manager, expenses for air, rail, or public transportation will be allowed whenever such transportation is necessary to conduct City business. In addition, the following expenses and charges will be allowed, whenever necessary, for conducting City business.

- A. Expense will be allowed for adequate lodging. Hotel accommodations shall be appropriate for the purpose of the trip, and must be approved by the Department Head.
- B. Telephone charges will be allowed for official calls.
- C. Expenses for meals will be reimbursed according to Administrative Policy Number 4.13.

ARTICLE XXI

SAFETY & HEALTH

<u>SECTION 1.</u> The City and its employees agree to comply with all applicable Federal, State, and local laws as well as any City policies which relate to health and safety. In addition, the City and the Association agree to actively pursue the continuation of safe working procedures and environments.

<u>SECTION 2. SAFETY EQUIPMENT.</u> All protective clothing or protective devices required of employees in the performance of their duties shall be furnished without cost to the employees by the City.

ARTICLE XXII

CITY MANAGEMENT RIGHTS & RESPONSIBILITIES

<u>SECTION 1.</u> The City reserves, retains, and is vested with, solely and exclusively, all rights and responsibilities of Management which have not been expressly abridged by specific provisions of this MOU or by law to manage the City, as such rights and responsibilities existed prior to the execution of this MOU. The sole and exclusive rights and responsibilities of Management, as they are not abridged by this MOU or by law, shall include, but not be limited to, the following:

- A. To manage the City generally and to determine issues of policy.
- B. To determine the existence or non-existence of facts which are the basis of Management decisions.

- C. To determine the necessity of organization of any service or activity conducted by the City and expand or diminish services.
- D. To determine the nature, manner, means, and technology, and extent of services to be provided to the public.
- E. To determine the methods of financing.
- F. To determine the types of equipment or technology to be used.
- G. To determine and/or change the facilities, methods, technology, means, and size of the workforce by which the City operations are to be conducted.
- H. To determine and change the number of locations, relocations, and types of operations, processes, and materials to be used in carrying out all City functions including, but not limited to, the right to contract for or subcontract any work or operation of the City.
- I. To assign work to and schedule employees in accordance with requirements as determined by the City, and to establish and change work schedules and assignments.
- J. To relieve employees from duties for lack of work, economic conditions, or similar non-disciplinary reasons.
- K. To establish and modify productivity and performance programs and standards.
- L. To discharge, suspend, demote, or otherwise discipline employees for proper cause.
- M. To determine job classifications and to reclassify employees and to determine the job classifications to be assigned to the Association.
- N. To hire, transfer, promote, and demote employees for non-disciplinary reasons in accordance with this MOU.
- O. To determine policies, procedures, and standards for selection, training, and promotion of employees.
- P. To establish employee performance standards including, but not limited to, quality and quantity standards; and to require compliance therewith.
- Q. To maintain order and efficiency in its facilities and operations.
- R. To establish, modify, and promulgate reasonable rules and regulations which are not in contravention with this MOU to maintain order and safety in the City.
- S. To take any and all necessary action to carry out the mission of the City in emergencies.

SECTION 2. Except in emergencies, or where the City is required to make changes in its operations because of the requirements of law, whenever the contemplated exercise of Management's rights shall impact a significant number of employees of the Association, the City agrees to meet and confer in good faith with representatives of the Association regarding the impact of the contemplated exercise of such rights prior to exercising such rights, unless the matter of the exercise of such rights is provided for in this MOU or in Personnel Rules and Salary Resolutions and Administrative Code, which are incorporated in this MOU. By agreeing to meet and confer with the Association as to the impact and the exercise of any of the foregoing City Rights, Management's discretion in the exercise of these rights shall not be diminished.

ARTICLE XXIII

EMPLOYEE ORGANIZATION RIGHTS & RESPONSIBILITIES

<u>SECTION 1. ASSOCIATION DUES DEDUCTIONS.</u> The City shall deduct Association dues from employee paychecks on a bi-weekly basis. The City shall process these deductions based on the information certified to be current by the Association. The total amount of deductions shall be remitted by the City to the Association within ten (10) calendar days of each applicable payday.

<u>SECTION 2. INDEMNIFICATION.</u> The Association agrees to hold the City harmless and indemnify the City against any claims, causes of actions, or lawsuits arising out of the deductions or transmittal of such funds to the Association, except the intentional failure of the City to transmit to the Association monies deducted from the employees pursuant to this Article.

ARTICLE XXIV

GRIEVANCE PROCEDURE

<u>SECTION 1. DEFINITION OF GRIEVANCE.</u> A grievance shall be defined as a timely complaint by an employee or group of employees of OMA concerning the interpretation or application of specific provisions of this MOU or of the Rules and Regulations governing personnel practices or working conditions of the City. An employee complaint concerning the employee's own discipline shall be processed in accordance with Article XXV. The grieving party must state in writing the remedy sought to resolve the grievance.

<u>SECTION 2. BUSINESS DAYS.</u> Business days are days on which the City's administrative offices are open.

SECTION 3. TIME LIMITS FOR FILING WRITTEN FORMAL GRIEVANCES. The time limits for filing written formal grievances shall be strictly construed, but may be extended by mutual agreement evidenced, in writing, and signed by a duly authorized representative of the City and the grieving party. Failure of the grieving party to comply with any of the time limits set forth hereunder shall constitute waiver and bar further processing of the grievance. Failure of the City to comply with the time limits set forth in this Section shall automatically move the grievance to the next level in the Grievance Procedure.

The grieving party may request the assistance of the Association in presenting a grievance at any level of review or may represent themselves.

SECTION 4. INFORMAL GRIEVANCE PROCESS. An employee must first attempt to resolve a grievance on an informal basis by discussion with the immediate supervisor without undue delay. Every effort shall be made to find an acceptable solution to the grievance by these informal means at the most immediate level of supervision. At no time may the informal process go beyond the division head concerned. In order that this informal procedure may be responsive, all parties involved shall expedite this process. In no case may more than ten (10) business days elapse from the date of the alleged incident giving rise to the grievance, or when the grievant knew or should have reasonably become aware of the facts giving rise to the grievance and the filing of a written formal grievance with the Human Resources Director, with a copy to the Department Head in which the employee works. Should the grievant fail to file a written grievance within ten (10) business days from the date of the incident giving rise to the grievance, or when grievant knew or should have reasonably become aware of the facts giving rise to the grievance, the grievance shall be barred and waived.

SECTION 5. FORMAL GRIEVANCE PROCESS, HUMAN RESOURCES DIRECTOR, DEPARTMENT HEAD. If the grievance is not resolved through the informal process, and the written grievance is filed within the time limits set forth above, the grievant shall discuss the grievance with the Human Resources Director and the Department Head. The Human Resources Director and the Department Head shall render a decision and comments, in writing, regarding the merits of the grievance and return them to the grievant within ten (10) business days after receiving the grievance.

SECTION 6. FORMAL GRIEVANCE PROCESS, CITY MANAGER. If the grievance is not resolved in Section 5 above, or if no answer has been received from the Human Resources Director and Department Head within ten (10) business days from the presentation of the written grievance to the Human Resources Director and Department Head, the grievant may present a written grievance to the City Manager, or a duly authorized representative, for determination. Failure of the grievant to take this action shall constitute a waiver and bar to the grievance, and the grievance will be considered settled on the basis of the last Management grievance response. The City Manager, or duly authorized representative, shall render a final decision on the merits of the grievance and comments, in writing, and return them to the grievant within ten (10) business days after receiving the grievance. After this procedure is exhausted, the grievant, OMA, and the City shall have all rights and remedies to pursue said grievance under the law. The City shall instruct its supervisors on the proper use and implementation of this grievance procedure and every reasonable effort shall be made by the employee and the supervisor to resolve the grievance at the informal step.

ARTICLE XXV

DISCIPLINARY APPEALS PROCEDURE

<u>SECTION 1. DISCIPLINARY APPEALS.</u> Any employee who has obtained regular status, and any promotional probationary employee, shall have the right to appeal any termination, suspension, reduction in salary, or non-probationary demotion. The right to appeal shall not apply to probationary, non-benefited part-time, temporary, or seasonal employees covered by this MOU. Verbal or written reprimands, probationary demotions, performance evaluations, and denial of merit increases are not subject to appeal.

However, an employee may submit a written rebuttal to any verbal or written reprimand. In addition, the employee may also request said reprimand be withdrawn from their official Personnel record after one (1) year. However, such removal shall be at the sole, non-grievable complete discretion of the Human Resources Director.

SECTION 2. MANAGER'S FORMAL DISCIPLINARY APPEALS PROCESS. An employee desiring to appeal a supervisor/manager's decision to take disciplinary action shall have up to ten (10) business days after receipt of the notice of intent to discipline to file either a verbal or written appeal to the Department Head. If, within the appeal period, the employee does not file an appeal, unless good cause for the failure is shown, the disciplinary action shall be considered final and shall take effect as prescribed. If the employee does file a notice of appeal within the appeal period, the Department Head shall consider the merits of said appeal prior to implementation of any disciplinary action. In the event the Department Head upholds the disciplinary action, said action shall be implemented immediately.

An employee may appeal the Department Head's decision to the City Manager or duly authorized designee, as long as such authorized designee is not a manager from the department of the employee filing said appeal. An employee may appeal any termination, suspension, reduction in salary, or non-probationary demotion to the City Manager or duly authorized designee. Any request for an appeal to the City Manager shall be submitted in writing to the Human Resources Department within ten (10) business days of the Department Head's decision. Failure to do so shall render the discipline final and constitute a waiver of any further administrative or judicial appeals. The appeal to the City Manager may be either in the form of a written appeal or an oral presentation. Termination, suspensions without pay in excess of eighty (80) hours, or non-probationary demotion appeals may be further processed in accordance with the provisions of Section 3 below.

SECTION 3. FORMAL PROCESS FOR TERMINATIONS, SUSPENSIONS WITHOUT PAY IN EXCESS OF 80 HOURS, OR NON-PROBATIONARY DEMOTION - ADVISORY HEARING OFFICER. A non-probationary employee may request a full evidentiary hearing within fifteen (15) business days of the date of any notice of termination, suspension without pay in excess of eighty (80) hours, or non-probationary demotion. Failure to request a hearing within the fifteen (15) day period constitutes a waiver of the hearing. In lieu of a hearing, an employee who wishes to appeal one of these types of disciplinary action may submit a written response to the City Manager within the fifteen (15) day period. Requests for extensions to file a written response must be made within the fifteen (15) day period, and may be granted at the sole, non-grievable discretion of the City Manager or duly authorized designee. If a hearing is requested to challenge the imposition of termination, suspension without pay in excess of eighty (80) hours, or non-probationary demotion, a full evidentiary hearing shall be held by the City Manager or duly authorized designee, or at the employee's request, by a Hearing Officer who shall render an advisory decision to the City Manager.

If the parties cannot agree on the identity of the Hearing Officer, the parties shall procure from the State Mediation and Conciliation Service a list of seven (7) qualified Hearing Officers. Each party shall alternately strike one (1) name from the list until only one (1) person remains, who shall be the Hearing Officer. The determination as to which party strikes first shall be made on a random basis.

A. Fees for retaining the Hearing Officer and other costs related to conducting the hearing, for example employing a court reporter, shall be shared equally by the City and the employee. The

City and the employee shall each be responsible for securing and paying for their respective representation at the hearing, if any.

- B. The Hearing Officer shall determine whether good cause exists for the imposition of the termination, suspension without pay in excess of eighty (80) hours, or non-probationary demotion, and, if not, the appropriate degree of discipline. The advisory decision of the Hearing Officer is remitted to the City Manager for final disposition.
- C. The City Manager, or duly authorized designee, shall render a final decision on the Hearing Officer's comments and recommendation, in writing, and return them to the employee within ten (10) business days after receiving the Hearing Officer's advisory findings.
- D. After this procedure is exhausted, the employee and the City shall have all rights and remedies to pursue said appeal under the law.

ARTICLE XXVI

NO STRIKE-NO LOCKOUT

<u>SECTION 1. PROHIBITED ASSOCIATION CONDUCT.</u> The Association, its officers, agents, representatives and members agree that during the term of this MOU, they will not cause, or condone any strike, walkout, slowdown, sick-out, or any other job action by withholding or refusing to perform services.

<u>SECTION 2. PROHIBITED CITY CONDUCT.</u> The City agrees that it shall not lock out its employees during the term of this MOU. The term "lockout" is hereby defined so as not to include the discharge, suspension, termination, layoff, failure to recall, or failure to return to work of employees of the City in the exercise of its rights as set forth in any of the provisions of this MOU or applicable ordinance or law.

<u>SECTION 3.</u> Any employee who participates in any conduct prohibited in Section 1 above may be subject to termination by the City.

SECTION 4. In addition to any other lawful remedies or disciplinary actions available to the City, if OMA fails, in good faith, to perform all responsibilities listed in Section 5A below, the City may suspend any and all of the rights and privileges accorded to OMA under the Employee Relations Resolution in this MOU, including, but not limited to, suspension of recognition of OMA grievance procedure, right of access, the use of the City's bulletin boards, and facilities.

SECTION 5. ASSOCIATION RESPONSIBILITY.

A. In the event that the Association, its officers, agents, representatives, or members engage in any of the conduct prohibited in Section 1 above, the Association or its duly authorized representatives shall immediately instruct any persons engaging in such conduct that their conduct is in violation of this MOU and is unlawful, and they should immediately cease engaging in conduct prohibited in Section 1 above, and return to work.

B. If the Association performs all responsibilities set forth in Section A above, its officers, agents, and representatives shall not be liable for damages for prohibited conduct performed by employees who are covered by this MOU in violation of Section 1 above.

ARTICLE XXVII

ASSOCIATION RELEASE TIME

Upon request and with prior approval by the City, employees elected to the Association Board will be granted release time to perform Association functions. All Association release time must be fully documented on employee timesheets in a manner specified by the City.

ARTICLE XXVIII

LAYOFF PROCEDURE

When a layoff or reduction in force is necessary, the layoff procedures set forth in Resolution No. 8176, as incorporated below, shall be used as the established layoff policy and procedure.

<u>SECTION 1. PURPOSE.</u> The purpose of this policy is to establish and communicate the City's procedures when a layoff or reduction in force is necessary.

<u>SECTION 2.</u> SCOPE. All Association employees are subject to reduction in force at the direction of the City Manager or duly authorized designee.

<u>SECTION 3. POLICY.</u> The City retains the right to abolish any position, reduce the workforce and layoff employees when it becomes necessary due to economic conditions, organizational changes, lack of work, or because the necessity for a position no longer exists. Whenever possible, the City will advise OMA of their intent at least ten (10) calendar days in advance of the effective date. The City's layoff policy provides the following criteria to be followed during a reduction in force.

SECTION 4. PROCEDURE.

- A. <u>Order of Reductions in Force (Layoff and Demotion)</u>. Within a department and by classification, the order of layoff or demotion shall be as follows:
 - 1) Temporary employees (19 hours or less)
 - 2) Initial probationary employees
 - 3) Regular part-time employees (20 or more hours, but less than 40 hours)
 - 4) Promotional probationary employees (40 hours)
 - 5) Regular full-time employees (40 hours)

For purposes of this procedure, the Water Division will be considered a department.

B. <u>Layoffs</u>.

- 1) Layoffs shall be based on City-wide seniority, except, negative performance during the past five (5) years will be considered to determine the order of layoff. Negative performance and disciplinary actions will include the following:
 - a) Denial of merit increases
 - b) Suspension without pay
 - c) Extensions of probationary periods
 - d) Disciplinary demotions to lower level positions
 - e) Disciplinary reductions in pay
 - f) Performance evaluations containing significant, negative written comments indicating improvement needed and warning of further consequences to follow if improvement fails to occur

One (1) negative disciplinary action decreases the employee's seniority by one (1) year per occurrence and by two (2) years for additional occurrences, for a total possible reduction of nine (9) years.

- 2) The order of layoff shall be established by the Human Resources Director, including seniority and results of review of performance evaluations and prior disciplinary actions.
- 3) The order of layoff will be from the least senior employee as determined by the procedure above.
- 4) Prior to the establishment of the final order of layoff, the Human Resources Director shall furnish affected employees with a copy of the "Proposed Order of Layoff". Notice will be hand delivered to employees whenever possible, though alternative forms of notice may be utilized.
- 5) If the employee wishes to contest the application of the criteria set forth in this policy to the employee's position on the list, the employee may appeal with any supporting materials to the Human Resources Director. This request should be directed to the Human Resources Director within seven (7) calendar days following the establishment and distribution of a "Proposed Order of Layoff" list. The employee will be allowed representation during the appeal process, so long as it does not cause undue delay.
- 6) After meeting with all employees wishing to be heard with respect to their position on the layoff list, the Human Resources Director or a duly authorized designee shall establish the "Final Order of Layoff" list. The decision of the Human Resources Director or an authorized designee shall be final and not subject to the grievance process or further appeal.

C. Written Notice.

Employees to be laid off shall be provided written notice at least ten (10) calendar days in advance of the layoff date. Notice will be hand delivered to the employee whenever possible. If personal

delivery is not possible, the notice will be sent by certified mail to the employee's last known residential address.

D. Transfer or Demotion In Lieu of Layoff.

- 1) Whenever employees are to be laid off, they may transfer or demote to another vacant position in their own department or other departments providing that:
 - a) The positions are at the same or lower level;
 - b) Positions are authorized, budgeted, and the City intends to fill the vacancies; and
 - c) The employee meets the qualifications of the new position as determined by the Human Resources Director.
- 2) Whenever employees are to be laid off, they may demote to lower level filled positions within their department providing they:
 - a) Formerly held or supervised the lower-level position within the classification series;
 - b) Meet or can reasonably meet qualifications for the new position as determined by the Human Resources Director;
 - c) Possess greater seniority to displace a lower level worker; and
 - d) Request in writing a demotion to the previously held or previously supervised position within seven (7) calendar days of receiving the notice of layoff.

A voluntary demotion shall not reflect as a negative action in the employee's personnel file.

E. Re-employment Lists.

- 1) Regular employees in good standing who are laid off or demoted shall have their name placed on a departmental re-employment list for the last classification previously held. Names shall be placed on the list in inverse order of seniority (last released first re-hired). Vacancies the department desires to fill will be offered first to eligibles on the departmental reemployment list.
- 2) Other hiring departments who have vacancies the City desires to fill will give priority consideration to those employees whose names appear on the re-employment list. If these employees are not selected for rehire, the reason for non-selection must be approved by the Human Resources Director.
- 3) Names of qualified individuals shall remain on reemployment lists for a period not to exceed two (2) years from the date of layoff. Individuals who qualify for rehire but do not respond to written notification to the last known address on file within 10calendar days or who refuse two (2) job offers shall have their names removed from the re-employment list. Once rehired, employee names are removed from all re-employment lists.

<u>SECTION 5. NON-DISCRIMINATION IN REDUCTION IN FORCE.</u> Layoffs and demotions, which result from a reduction in force, shall be made without regard to an employee's actual or perceived race, color, national origin, religion, sex, gender identity, physical or mental disability, medical condition

(cancer-related or genetic information), ancestry, marital status, age, sexual orientation, citizenship, pregnancy, childbirth or related medical condition, status as a covered veteran, service in the uniformed services (as defined by the Uniformed Services Employment and Re-employment Rights Act of 1994), or any other lawfully protected class.

ARTICLE XXIX

SCOPE & APPLICATION OF MEMORANDUM OF UNDERSTANDING

It is the intent of the parties hereto that the provisions of this MOU shall supersede all prior agreements including Side Letter Agreements, Letters of Understanding, Memoranda of Understanding, contrary salary and/or personnel resolutions, Administrative Codes, past practices, or provisions of the City, oral and written, expressed or implied, between the parties, and shall govern the entire relationship and shall be the sole source of any and all rights which may be asserted hereunder. This MOU is not intended to conflict with Federal or State law.

ARTICLE XXX

WAIVER OF BARGAINING DURING TERM OF MEMORANDUM OF UNDERSTANDING

During the term of this MOU, the parties mutually agree that they will not seek to change, negotiate, or bargain with regard to wages, hours, benefits, and terms and conditions of employment, whether or not covered by this MOU or in the negotiations leading thereto, and irrespective of whether or not such matters were discussed or were even within the contemplation of the parties hereto during the negotiations leading to this MOU. Regardless of the waiver contained in this Article, the parties may, however, by mutual agreement, in writing, agree to meet and confer about any matter during the term of this MOU.

ARTICLE XXXI

EMERGENCY WAIVER

In the event of circumstances beyond the control of the City, such as force majeure, fire, flood, wind, insurrection, civil disorder, national emergency, or similar circumstances, provisions of this MOU or the Personnel Rules or Resolutions of the City, which restrict the City's ability to respond to these emergencies, shall be suspended for the duration of such emergency. After the emergency is declared over, this MOU will be reinstated immediately. The Association shall have the right to meet and confer with the City regarding the impact on employees of the suspension of the provisions in the MOU during the course of the emergency.

ARTICLE XXXII

MEMORANDUM OF UNDERSTANDING TERMS SEVERABLE

Should any provision of this MOU be found to be inoperative, void, or invalid by a court of competent jurisdiction, or by enactment of Federal or State legislation, all other provisions of this MOU shall remain in full force and effect for the duration of this MOU.

ARTICLE XXXIII

TERM OF MEMORANDUM OF UNDERSTANDING, NO LAYOFF OR FURLOUGH, & PARITY AGREEMENT

<u>SECTION 1. TERM.</u> The term of this MOU shall commence on July 1, 2025, and shall continue in full force and effect until June 30, 2026.

<u>SECTION 2. NO LAYOFF OR FURLOUGH.</u> During this term of the agreement, the City shall not impose furloughs, reductions in work hours, or layoffs on any OMA represented employees. This provision shall sunset on June 30, 2026 and will no longer be applicable after this date.

<u>SECTION 3. PARITY AGREEMENT – SALARY.</u> During the term of this agreement, if the International Brotherhood of Electrical Workers (IBEW) – Maintenance and Crafts and/or the International Brotherhood of Electrical Workers (IBEW) – Water receive across the board base salary increases greater than what was afforded to OMA, the City shall provide said adjustments to OMA as applicable.

SECTION 4. PARITY AGREEMENT – SECTION 125 FLEXIBLE BENEFITS PLAN (MEDICAL). During the term of the agreement, should both parties agree that IBEW – Maintenance and Crafts and/or IBEW – Water receive a comprehensive value greater than what was afforded to OMA based on a comprehensive tentative agreement and/or executed LOU/MOU, the City shall provide additional adjustments to OMA as applicable.

ARTICLE XXXIV

RATIFICATION & EXECUTION

The City and the Association acknowledge that this MOU shall not be in full force and effect until ratified by OMA and adopted by the City Council of the City of Orange. Subject to the foregoing, this MOU is hereby executed by the authorized representatives of the City and OMA and entered into this 26th day of August, 2025.

CITY OF ORANGE

ORANGE MANAGEMENT ASSOCIATION

By:		By:	
•	Monica Espinoza, Human Resources Director	٠	Michelle Rubio, OCEA Sr. Labor Relations Rep.
Bv:		Bv:	
2).	Trang Nguyen, Finance Director	27.	Lisa Tamburelli, President
By:	Cody Kleen, Assistant Human Resources Director	By:	
	Cody Kleen, Assistant Human Resources Director		Dwight Gish, Vice President
By:	Erin Hodges, Sr. Human Resources Analyst	By:	
	Erin Hodges, Sr. Human Resources Analyst		Lisa Aduna, Treasurer
By:		By:	
	Shelby Alley, Human Resources Analyst II		Kirk Wudzke, Secretary
		By:	
		•	Enrique Pivaral, Co-Director at Large
		By:	Rick Pearson, Co-Director at Large
			Rick Pearson, Co-Director at Large
API	PROVED AS TO FORM:		
By:			
•	Wayne W. Winthers, Interim City Attorney		

APPENDIX A

ORANGE MANAGEMENT ASSOCIATION MONTHLY SALARY RANGES

EFFECTIVE DECEMBER 31, 2023

5.5% Across the Board Salary Increase

CLASSIFICATION TITLE	RANGE	STEP	STEP	STEP	STEP	STEP	STEP
CLASSIFICATION TITLE	KANGE	A	В	С	D	E	F
Building Inspection Supervisor	601	7145	7510	7892	8295	8718	9162
Code Compliance Manager	645	8898	9354	9829	10330	10858	11411
Code Compliance Supervisor	601	7145	7510	7892	8295	8718	9162
Construction Inspection Supervisor	590	6764	7109	7470	7852	8253	8673
Development Project Manager	602	7181	7548	7931	8336	8762	9208
Digital Marketing Coordinator	576	6308	6629	6968	7323	7696	8089
Environmental Program Manager	654	9307	9783	10280	10805	11357	11934
Equipment Maintenance Supervisor	600	7110	7473	7853	8254	8675	9116
Facilities Maintenance Supervisor	590	6764	7109	7470	7852	8253	8673
Finance Coordinator	577	6339	6663	7002	7359	7735	8129
Finance Supervisor	597	7004	7362	7736	8131	8546	8981
Historic Preservation Planner	625	8054	8465	8895	9350	9828	10328
Information Technology Specialist	576	6308	6629	6968	7323	7696	8089
Information Technology Supervisor	601	7145	7510	7892	8295	8718	9162
Landscape Coordinator	602	7181	7548	7931	8336	8762	9208
Legal Assistant	549	5513	5795	6089	6401	6727	7070
Library Manager I	605	7289	7662	8051	8462	8894	9347
Library Manager II	615	7662	8054	8463	8895	9349	9825
Library Tech & Support Services Mgr	615	7662	8054	8463	8895	9349	9825
Parks Maintenance Supervisor	590	6764	7109	7470	7852	8253	8673
Payroll Specialist	569	6091	6402	6728	7072	7432	7811
Permit Supervisor	590	6764	7109	7470	7852	8253	8673
Project Development Coordinator	602	7181	7548	7931	8336	8762	9208
Public Works Maintenance Supervisor	590	6764	7109	7470	7852	8253	8673
Records Coordinator ¹	562	5882	6182	6498	6829	7177	7543
Recreation Services Supervisor	595	6935	7289	7659	8050	8461	8892
Senior Accountant	593	6865	7217	7583	7971	8378	8804
Senior Buyer	577	6339	6663	7002	7359	7735	8129
Senior Civil Engineer	654	9307	9783	10280	10805	11357	11934
Senior Contract Administrator	622	7934	8340	8763	9211	9681	10174
Senior Fire Inspection Specialist	611	7510	7895	8296	8719	9164	9631
Senior GIS Analyst	645	8898	9354	9829	10330	10858	11411

APPENDIX A (CONTINUED)

ORANGE MANAGEMENT ASSOCIATION MONTHLY SALARY RANGES

CLASSIFICATION TITLE	RANGE	STEP	STEP	STEP	STEP	STEP	STEP
CLASSIFICATION TITLE	KANGE	A	В	C	D	E	F
Senior Landscape Coordinator	622	7934	8340	8763	9211	9681	10174
Senior Legal Assistant	569	6091	6402	6728	7072	7432	7811
Senior Payroll Specialist	579	6403	6729	7073	7433	7812	8211
Senior Plan Check Engineer	654	9307	9783	10280	10805	11357	11934
Senior Planner	625	8054	8465	8895	9350	9828	10328
Senior Water Quality Inspector	590	6764	7109	7470	7852	8253	8673
Traffic Operations Superintendent	610	7473	7855	8254	8676	9119	9583
Tree Services Coordinator	602	7181	7548	7931	8336	8762	9208
Water Maintenance Supervisor	590	6764	7109	7470	7852	8253	8673
Water Quality Inspector	570	6121	6434	6762	7107	7469	7850

^{1.} Classification of Records Coordinator established effective March 10, 2024 pursuant to City Council FY 24 mid-year budget adoption and Resolution No. 11531.

^{2.} Classification of Real Property Agent eliminated effective March 10, 2024 pursuant to Resolution No. 11531.

APPENDIX A (CONTINUED)

ORANGE MANAGEMENT ASSOCIATION MONTHLY SALARY RANGES

EFFECTIVE JUNE 29, 2025

2.0% Across the Board Salary Increase

CLASSIFICATION TITLE	RANGE	STEP A	STEP B	STEP C	STEP D	STEP E	STEP F
Building Inspection Supervisor	605	7289	7662	8051	8462	8894	9347
Code Compliance Manager	649	9078	9542	10027	10539	11077	11641
Code Compliance Supervisor	605	7289	7662	8051	8462	8894	9347
Construction Inspection Supervisor	594	6900	7253	7621	8010	8419	8848
Development Project Manager	606	7325	7700	8091	8504	8938	9394
Digital Marketing Coordinator	580	6435	6763	7108	7470	7851	8252
Environmental Program Manager	658	9494	9980	10487	11022	11585	12175
Equipment Maintenance Supervisor	604	7253	7624	8011	8420	8850	9300
Facilities Maintenance Supervisor	594	6900	7253	7621	8010	8419	8848
Finance Coordinator	581	6467	6796	7144	7508	7890	8293
Finance Supervisor	601	7145	7510	7892	8295	8718	9162
Historic Preservation Planner	629	8216	8636	9074	9538	10025	10535
Information Technology Specialist	580	6435	6763	7108	7470	7851	8252
Information Technology Supervisor	605	7289	7662	8051	8462	8894	9347
Landscape Coordinator	606	7325	7700	8091	8504	8938	9394
Legal Assistant	553	5624	5911	6212	6529	6862	7212
Library Manager I	609	7436	7816	8213	8633	9073	9535
Library Manager II	619	7817	8216	8633	9074	9538	10023
Library Tech & Support Services Mgr	619	7817	8216	8633	9074	9538	10023
Parks Maintenance Supervisor	594	6900	7253	7621	8010	8419	8848
Payroll Specialist	573	6214	6530	6864	7214	7582	7969
Permit Supervisor	594	6900	7253	7621	8010	8419	8848
Project Development Coordinator	606	7325	7700	8091	8504	8938	9394
Public Works Maintenance Supervisor	594	6900	7253	7621	8010	8419	8848
Records Coordinator	566	6001	6307	6629	6966	7322	7695
Recreation Services Supervisor	599	7074	7436	7814	8213	8632	9071
Senior Accountant	597	7004	7362	7736	8131	8546	8981
Senior Buyer	581	6467	6796	7144	7508	7890	8293
Senior Civil Engineer	658	9494	9980	10487	11022	11585	12175
Senior Contract Administrator	626	8094	8507	8940	9397	9877	10379
Senior Fire Inspection Specialist	615	7662	8054	8463	8895	9349	9825

APPENDIX A (CONTINUED)

ORANGE MANAGEMENT ASSOCIATION MONTHLY SALARY RANGES

CLASSIFICATION TITLE	RANGE	STEP	STEP	STEP	STEP	STEP	STEP
		A	В	С	D	E	F
Senior GIS Analyst	649	9078	9542	10027	10539	11077	11641
Senior Landscape Coordinator	626	8094	8507	8940	9397	9877	10379
Senior Legal Assistant	573	6214	6530	6864	7214	7582	7969
Senior Payroll Specialist	583	6531	6865	7215	7583	7970	8377
Senior Plan Check Engineer	658	9494	9980	10487	11022	11585	12175
Senior Planner	629	8216	8636	9074	9538	10025	10535
Senior Water Quality Inspector	594	6900	7253	7621	8010	8419	8848
Traffic Operations Superintendent	614	7624	8014	8421	8851	9302	9776
Tree Services Coordinator	606	7325	7700	8091	8504	8938	9394
Water Maintenance Supervisor	594	6900	7253	7621	8010	8419	8848
Water Quality Inspector	574	6245	6563	6898	7250	7620	8008