



Staff Report

TO: Honorable Mayor and Members of the Town Council
FROM: Wes Heathcock, Town Manager
DATE: April 15, 2025
RE: IUOE Local 39 Memorandum of Understanding

Recommendation

Staff recommends the Town Council adopt the attached resolution approving the attached Memorandum of Understanding (MOU) with the International Union of Operating Engineers Local 39.

Issue Statement and Discussion

The International Union of Operating Engineers Local 39 (IUOE) has represented the Town's Public Works employees. The current contract expires on June 30, 2025.

The new agreement is for a three-year term. Most notable changes in the agreement is the inclusion of standby pay for staff expected to respond to afterhours emergencies, 2.5% longevity pay for 10 years of service and 2.5% for 15 years of service, a 2% minimum and 4% maximum was added to the cost of living adjustment, and a total compensation survey to be conducted in the second year of the agreement (meet and confer prior to determining study parameters and any salary adjustments). The attached MOU has tracked changes from the existing MOU agreement.

CEQA Requirements

There are no CEQA implications associated with the recommended action.

Financial and/or Policy Implications

The MOU sets forth wages, benefits and working conditions for the Public Works employees. The cost increase related to the added compensation items – standby and longevity for the 3-year labor agreement is \$63,821.

Town of Loomis
Contract with Local 39

Summary of cash cost of agreed-upon changes

	FY 2026	FY 2027	FY 2028	Contract Total
Article 15 - Standby and Call Back allowance - \$2.50/hr	\$19,292	\$19,292	\$19,292	\$57,876
New Article - Longevity Pay	\$0	\$706	\$5,239	\$5,945
Total	\$19,292	\$19,998	\$24,531	\$63,821

Attachments

- A. Resolution
- B. 2025-2028 Memorandum of Understanding Between the Town of Loomis and the International Union of Operating Engineers

TOWN OF LOOMIS

RESOLUTION NO. 25 -__

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF LOOMIS APPROVING A MEMORANDUM OF UNDERSTANDING BETWEEN THE TOWN OF LOOMIS AND THE INTERNATIONAL UNION OF OPERATING ENGINEERS LOCAL 39

WHEREAS, the Town Council has an adopted personnel budget that will not need revision as a result of the Memorandum of Understanding; and

WHEREAS, the Town Manager and Local 39 have met and conferred on the agreement terms; and

WHEREAS, method to memorialize the agreements made is to adopt a Memorandum of Understanding as noted in the Meyers, Milias, Brown Act.

NOW, THEREFORE, IT IS HEREBY RESOLVED BY the Town Council of the Town of Loomis to approve the attached Memorandum of Understanding with Local 39, dated July 1, 2025.

PASSED AND ADOPTED by the Town Council of the Town of Loomis this 15th day of April, 2025, by the following vote:

AYES:

NOES:

ABSTAINED:

ABSENT:

Mayor

ATTEST:

Town Clerk



Memorandum of Understanding

By and Between

The Town of Loomis

And

The International Union of Operating Engineers

Stationary Engineers, Local 39

July 1, 2025 – June 30, 2028

**MEMORANDUM OF UNDERSTANDING BETWEEN
LOCAL 39 AND THE TOWN OF LOOMIS**

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PREAMBLE

This Memorandum of Understanding (MOU) is entered into this 1st day of July, 2025 between the Town of Loomis (hereinafter "TOWN") and the International Union of Operating Engineers, Stationary Local No. 39 (hereinafter "UNION") pursuant to the California Government Code Section 3500 et seq.

ARTICLE 1 - RECOGNITION

The TOWN recognizes the UNION as the exclusive bargaining agent for the TOWN employees in the following job classifications hereinafter referred to as "Union Members" or "employees".

Public Works Maintenance Lead Worker
Public Works Maintenance Worker/Equipment Operator
Public Works Operations Manager

ARTICLE 2 - UNION AND TOWN COUNCIL APPROVAL

This MOU is of no force or effect until ratified by the UNION and approved by a resolution adopted by the Town Council.

ARTICLE 3 - MANAGEMENT RIGHTS

All management rights and functions except those which are clearly and expressly limited in this MOU shall remain vested exclusively in the TOWN; however, if any modification occurs that affects wages, hours or working conditions, the TOWN shall notify the UNION and meet and confer in good faith regarding the impact of the modification. It is expressly recognized merely by way of illustration and not by way of limitation that such rights and functions include, but are not limited to the Town's right to:

- A. manage the TOWN and determine services to be provided
- B. determine the necessity and amount of overtime required
- C. establish, modify or change work schedules to respond to seasonal or other work needs
- D. direct the work force and hire, promote, demote, transfer, suspend, discipline or discharge any employee and determine the administration of discipline
- E. determine the location of any new facilities, buildings, departments, divisions or subdivisions thereof, and the relocations, sale leasing, or closing of facilities, departments, divisions, or subdivisions thereof

- F. determine the layout of buildings and equipment and determine control and use of TOWN property, materials, and equipment
- G. determine processes, techniques, methods and means of performing work and institute changes in procedures
- H. determine the size, character and use of inventories and accounting procedures
- I. determine the financial policies, including accounting procedures
- J. determine the administrative organization of the TOWN, the size and character of the work force, and allocate or assign work to employees and determine duties to be included in any job classification and determine how employees are selected for employment and promotion
- K. establish and judge quality and quantity standards
- L. determine the methods and means by which operations are to be conducted including placing or contracting work with outside individuals and/or firms

The exercise of the foregoing powers, rights, authority, duties and responsibilities by the TOWN, the adoption of rules, regulations and practices in furtherance thereof, and the use of judgement and discretion in connection therewith, shall be limited only by the specific and express terms of this MOU, and then only to the extent such specific and express terms are in conformance with law.

The parties agree to meet and confer as required by the Myers-Milias-Brown Act regarding any changes to terms and conditions of employment.

ARTICLE 4 - UNION RIGHTS

The UNION retains the right to engage in the meet and confer process and employer/employee relations including, but not limited to, wages, hours, and other terms and conditions of employment.

The parties agree to meet and confer as required by the Myers-Milias-Brown Act regarding any changes to terms and conditions of employment.

ARTICLE 5 - UNION DUES AND SECURITY

Union Dues:

Employees may sign up for Payroll Deductions of Local 39 dues with Local 39. Local 39 will certify to the Town any new members of Local 39.

Town agrees to deduct dues as established by Local 39 from the salaries of Local 39 members. The sum so withheld shall be remitted by the Town, without delay, directly to Local 39 along with a list of employees who have had such amounts deducted. Local 39 agrees to provide a listing of all additions or deletions of membership or requested changes to establish payroll deductions of its members to the Town.

The employee's earnings must be sufficient after the other legal and required deductions are made to cover the amount of the dues authorized. When an employee is in a non-pay status for an entire pay period, no withholding will be made to cover the pay period from future earnings. In the case of an employee who is in a non-pay status during only part of the pay period, and the salary is not sufficient to cover the full withholding, no deduction shall be made. All other legal and required deductions (including healthcare deductions) have priority over Local 39 dues.

It shall be the sole responsibility of Local 39 to procure and enforce payroll deduction of dues.

Local 39 shall indemnify, defend, and hold harmless the Town, its officers, employees, and agents acting on its behalf from and against any and all losses, damages, costs, expenses, claims, demands, actions, suits, judgments and other forms of liability arising out of the application or enforcement of this Section. In no event shall the Town be required to pay from its own funds Local 39 dues which the employee was obligated to pay, but failed to pay regardless of the reasons.

Any Local 39 member who notifies the Town of their desire to discontinue dues or otherwise withdraw from Local 39 membership shall be referred to Local 39. The Town agrees to continue all dues deductions until notified of a deduction change by Local 39.

New Employee Orientation:

The Town will provide Local 39 with 10 days' advance notice by email to Local 39 of any new employee orientation as provided under California Government Code §3556. A designated Local 39 representative will be given access and a reasonable amount of time without loss of pay during all new employee orientation meetings to communicate with the public employees that Local 39 represents to ensure the effectiveness of state labor relations statutes, meaningfully communicate through cost-effective and efficient means with the public employees on whose behalf it acts, and afford Local 39 representatives an opportunity to discuss the rights and obligations created by this MOU and the role of Local 39, and to answer questions.

The Town will provide Local 39 by email to Local 39 a list of the name, job title, department, work location, work telephone number, home telephone number, personal cellular phone number, personal email address, and home address of any new employee in Local 39's bargaining unit within 30 days of hire or by the first pay period of the month following hire as provide under California Government Code §3558.

The Town will provide Local 39 by email to Local 39 a list of all employees in Local 39's bargaining unit at least every 120 days. The list will include each employee's name, job title,

department, work location, work telephone number, home telephone number, personal cellular phone number, personal email address, and home address.

Nothing in the article is intended to limit or abridge the provisions of AB 119 as codified in California Government Code sections 3555 to 3599.

A. .

ARTICLE 6 - NO STRIKE/NO LOCKOUT

The TOWN and UNION agree that it is mutually beneficial to resolve differences through negotiation. During the term of this MOU, the TOWN agrees that it will not cause a lockout of employees and the UNION agrees that it will not sanction or cause a strike, slowdown, stoppage of work or other job action. Compliance with the request of other labor organizations is included within this prohibition.

ARTICLE 7 - LAYOFF PROCEDURES

If the TOWN finds it necessary to reduce the work force due to lack of funds and/or work, the TOWN may lay-off employees as follows:

- A. The TOWN will notify the UNION ninety (90) days prior to any actual lay off in order to meet and confer to explore alternatives to laying off employees.
- B. Employees will be laid off in seniority order, with an employee with the least seniority in a classification affected by lay off to be laid off first. Employees noticed for lay off will receive (1) month base pay if they are actually laid off.
- C. Within seventy-two (72) hours of lay off notice, an employee may exercise bump down rights by bumping into any lower rated classification covered in this MOU for which the employee is qualified. Employees bumped by higher seniority employees may themselves have the option of bumping down.
- D. The name of every employee laid off or bumped down, pursuant to this article, will be placed on a reemployment list that will be kept for a period of twelve (12) months. Such employees shall have precedent over any other individual applying for a position. Any reinstatement will be made in the reverse order of lay off or bump down.
- E. Employees actually laid off must exercise reinstatement within fourteen (14) days after the TOWN deposits written notice of recall from lay off in the United States mail, certified return receipt, addressed to the employee's last known address. An employee who fails to respond will be removed from the reemployment list.

F.

ARTICLE 8 – WAGES

- A. Salary Steps:

Salary steps are denoted by ranges 1, 2, 3, 4, and 5, with 5% between steps. as shown in Exhibit BA.

1. Step 1 is the base wage for the particular classification and will be paid to an employee that meets the necessary qualifications for the classification.
2. A trainee wage of five percent (5%) below step 1 can be paid to an employee who does not meet the necessary qualifications but is working toward obtaining all qualifications. Once qualifications have been obtained the employee will receive the Step 1 wage.
3. Steps 2 through 5 are wage step increases that may be given based on work performance evaluations. A wage increase does not necessarily have to fall on a step. Increases can fall between steps but shall not exceed the 5th step.
4. Step 5 is the final step of the wage scale and will not be exceeded except as approved by the Town Council.

B. Cost of Living Adjustment:

Effective beginning with the first day of the first complete pay period following July 1 of each year wages for all represented classes will be increased an amount equal to the Western States Small and Medium size Cities Consumer Price Index for the month of April, with a minimum of 2% and a maximum of 4%.

C. Wage Plan Administration:

Employees will be paid according to a biweekly schedule of twenty six (26) pay periods in a calendar year. Pay checks will normally be distributed by twelve (12:00) noon on or before every other Friday.

1.

D. Longevity Pay:

Employees shall receive a two and one half percent (2.5%) increase in salary after ten (10) years of continuous Town service. Employees shall receive an additional two and one half percent (2.5%) increase in salary after fifteen (15) years of continuous Town, for a total of 5%.

E. Total Compensation Survey:

The Town agrees to conduct a market survey of the Public Works maintenance Worker and Equipment Operator. The market survey shall be completed no later than May 1, 2026. The parties agree to meet and confer over comparable agencies and metrics as well as any salary adjustments.

ARTICLE 9 – WORK PERFORMANCE EVALUATIONS

Work performance evaluations will be completed by the employee's supervisor within ten (10) work days prior to the employee's anniversary date and consideration may be given for a wage increase. The evaluation will include the following elements:

- A. A written record that is to be reviewed and acknowledged in writing by the employee and supervisor. No changes will be made after this review without the acknowledgment of both the supervisor and employee.
- B. A discussion between the supervisor and employee on the content of the performance evaluation.
- C. A provision whereby the employee may submit a written response to any statement made on the evaluation which must be filed with the evaluation and forwarded to the supervisor. Such response, and any written acknowledgement by a reviewing official, will become part of the evaluation documentation.
- D. If the overall evaluation is satisfactory or better, the employee may be granted a wage increase. The merit step increase shall be effective on the pay period that contains the employee's anniversary date. If the overall evaluation is less than satisfactory a wage increase will not be granted, provided however that inadequate work performance has been previously documented. A wage increase may be granted following any subsequent review period of satisfactory work performance by the employee. The review period shall not be less than ninety (90) days. A step increase granted after this extended review shall not be retroactive back to the anniversary date.

ARTICLE 10 – BENEFITS

The TOWN provides the following benefits pursuant to the terms and conditions noted. Monthly benefits will be prorated for any partially worked month. The rules and regulations of the Fair Labor Standards Act will be used to determine which benefits are required to be used in calculating overtime pay.

- A. Uniform allowance:
 - 1. The TOWN will pay Union Members up to three hundred dollars (\$300.00) per year or actual cost, whichever is less, toward purchase of safety shoes. Replacement will be upon demonstrated need and approved by the supervisor.
 - 2. The TOWN will provide seven (7) "T" summer shirts, seven (7) "T" winter shirts and seven (7) pairs of work pants for each Union Member as needed. The TOWN will provide two hundred and fifty dollars (\$250.00) per year, paid in the first pay period of July , to each Union Member to maintain the uniforms.
 - 3. Foul weather jackets, rain gear, work gloves, and coveralls will be provided as needed, as determined by the TOWN. The Union Member is not responsible

for the cost of normal wear or damage done by hazards encountered in the normal course of work.

4. Decisions regarding the need for additional uniform items will be made by the Public Works Director.

B. Health and Welfare Insurance benefit:

The TOWN shall pay medical benefits premiums for each employee in the amount of the State Annuitant Contribution Rate as listed by CalPERS.

C. Retirement benefit:

Employees shall join the Public Employee's Retirement System (PERS) as a condition of employment. The TOWN subscribes to the 2% at 55 plan for Classic Employees as defined by PEPR. Employees recognized by PERS as "new members" shall be placed in the 2% at 62 PERS Miscellaneous retirement plan. The TOWN shall pay the employer rate as defined by CalPERS, and employees shall pay the employee's rate as defined by CalPERS.

**ARTICLE 11 - PROBATION, NEW CLASSIFICATIONS, RECLASSIFICATIONS,
TION, NEW CLASSIFICATIONS, RECLASSIFICATIONS,
ACTING APPOINTMENTS, PROMOTION, DEMOTION**

- A. Probation: The probation period is a time to obtain the best fit for an employee in a new job or classification and for terminating the employer/employee relationship if work performance or adjustment to the work relation does not meet the expectations of the employee or the TOWN.

1. All original or promotional appointments shall be tentative and subject to a probation period of twelve (12) months.
2. The probation period may be extended for any time away from work during the probationary period.
3. During the probation period an employee will be evaluated every three (3) months.
4. During the probation period a newly hired employee may be discharged without cause and without right of appeal.

New Classifications: The TOWN may establish new job classifications. Any current TOWN employee who applies for the new position and meets the qualifications shall receive an interview.

- B. Reclassification: A reclassification is a change to an existing job class as a result of changes in the function, duties and/or responsibilities as determined by the TOWN.

1. The TOWN may reclassify any job within the TOWN service to accommodate changed duties not anticipated in the original classification.
 2. Reclassifications will not be used to avoid restrictions surrounding promotions or demotions, or to assume new duties and responsibilities not originally assigned to the position.
 3. An employee whose job is reclassified will receive the wage step in the reclassified position's range that is higher but closest to the wage step currently held, but in no case will a wage be paid that is higher than the wage range.
 4. The TOWN agrees to provide copies of proposed changes in job specifications for positions that would be represented by the UNION for possible meet and confer on changes within scope prior to implementation. In this case meet and confer will be limited to negotiating only the proposed changes in job specifications.
- C. Acting appointments: The TOWN may appoint an employee to an acting capacity in a higher job classification.
1. Service in an acting capacity will not continue beyond six (6) months except upon mutual agreement of the TOWN and employee.
 2. An employee having served in an acting capacity and subsequently appointed to the position will establish a new anniversary date retroactive to the beginning of the acting appointment. If the employee does not meet the minimum requirements of the position, then the anniversary date will coincide with the date that the employee meets the minimum requirements.
 3. Any employee assigned to do the full range of duties in a higher classification for longer than two weeks shall receive the Step 1 salary for the higher classification or five percent (5%), whichever is more, provided that the wage does not exceed the wage range, for the remainder of the assignment.
- D. Promotion: The TOWN may advance an employee to a higher job classification.
1. A promoted employee will receive an increase to the next higher step above that currently held provided that it does not exceed the wage range established for the higher job classification.
 2. A promoted employee will be subject to a six (6) month probationary period. An employee rejected during this probation period will be reinstated to the job classification previously held at the same wage step the employee had prior to the promotion. A rejection pursuant to this section will not be considered a demotion as defined in Section F.

3. Nothing in this section will be construed as limiting the TOWN'S right to advertise a promotional position to any candidate desiring to apply. Any qualified employee may apply and will be evaluated in the same manner as any candidate aspiring to receive appointment to the position. Any current TOWN employee who applies for a promotional position and meets the minimum qualifications shall receive an interview and be evaluated in the same manner as any candidate aspiring to receive appointment to the position.
- E. Demotion: The TOWN may, with cause, demote an employee to a lower job classification.
- F. Voluntary Demotion: An employee who meets the minimum qualifications of a lower job classification noted in Article 2 may request demotion to the lower classification.
1. A voluntarily demoted employee will receive a minimum decrease in wage equivalent to one (1) wage step in the employee's current job classification, provided however, that the employee shall not receive a wage that exceeds the maximum wage established for the lower job classification.
 2. A new anniversary date will be established as of the day on which the employee is voluntarily demoted to the lower job classification.
 3. A voluntarily demoted employee will not lose any years of service credit or seniority.

ARTICLE 12 - PERSONNEL RECORDS

Personnel records, except payroll records, are deemed confidential. To the extent allowed by law access to personnel records of an employee shall be limited to the Town Manager, Town Attorney, City Clerk and the Director of the Department to which an employee is assigned. An employee and/or their representative, designated by the employee in writing, will be allowed to review the employee's personnel records during regular business hours. An employee will receive, upon written request, a copy of any document in the employee's personnel file.

ARTICLE 13 - HOURS OF WORK, REST PERIODS, AND LUNCH PERIODS

The normal work shift is one (1) work day consisting of eight (8) hours. The normal work week is five (5) consecutive eight (8) hour work days, Monday through Friday, or forty (40) hours per week.

- A. The work shift time is normally 7:00AM to 3:30PM. Employees for whom the TOWN deems a different time schedule to be desirable or necessary, or in response to seasonal needs, will work according to such other schedule. Work schedules can be changed with a two-week written notice to the employee.

- B. Employees will receive one (1) rest period of not more than thirty (30) minutes, or two (2) rest periods of fifteen (15) minutes each during a work shift. Pursuant to Department of Labor guidelines the department shall determine the time and manner in which rest periods will be taken. Rest periods are paid time and shall be taken at the work site.
- C. Employees will receive one (1) thirty (30) minute lunch break during a work shift. Lunch breaks will be scheduled by the department with due consideration to the desires of the employees. Lunch breaks are not paid time and may be taken away from the work site.
- D. Rest breaks and lunch breaks do not accumulate and shall not be used to arrive late or leave work early.
- E. Upon mutual agreement with the Town, employees may work an alternative schedule. The Town and employee may agree to a bi-weekly work schedule consisting of eighty (80) hours of work in nine (9) workdays, and with no more than nine (9) hours scheduled on any workday. Such a schedule shall require the designation of a work week which starts and ends at twelve noon on Friday for employees on such a schedule. Overtime payment shall be made for hours in excess of eighty (80) regular hours worked in a pay period.

ARTICLE 14 - OVERTIME

Classifications listed in Article 1 are governed by the Fair Labor Standards Act (FLSA) for purposes of determining overtime.

- A. The pay period for all employees will be forty (80) hours in a seven (14) day pay cycle starting twelve noon on Friday. All employees who work hours in excess of forty (40) hours during that cycle shall receive overtime pay at the rate of time and one-half the regular rate of pay.
- B. Except in emergency situations, all overtime must have written authorization from a supervisor prior to starting overtime work. Where prior written authorization is not feasible, explicit verbal authorization must be obtained and followed up by written authorization as soon as practical. Dispatched calls necessitating overtime work before or beyond a regular shift are considered authorized.
- C. Employees may be provided with a locker for personal convenience and may use the locker for storage and clothes changing purposes at their own discretion. Employees are expected to change clothes during normal shift hours. Time spent in changing clothes before or after a shift, or during lunch, are not considered work hours and are not compensated in any manner whatsoever.

- D. Compensatory time off may be requested by an employee in lieu of overtime pay, and if approved by the TOWN, shall be provided at time and one-half for all hours worked over eighty (80) hours. Employees may accrue up to forty (40) hours of compensatory time. Unused time on the books as of the first pay period in December shall be paid to an employee. Unused time on the books shall be paid to an employee at termination of employment.
- E. In the event an employee is not permitted to have an uninterrupted meal period, such employee shall be paid for actual interrupted time at the overtime rate if the employee works a full shift that day.
- F. Time spent by an employee in voluntary training is not considered time worked for the purposes of overtime calculation.

ARTICLE 15 – STANDBY PAY AND CALL BACK ALLOWANCE

Employees required to be on standby outside of their normal working hours shall receive two dollars and fifty cents (\$2.50) for each hour of assigned standby time.

An employee who is called back after working a regular shift and having left the Town premises, shall be compensated for a minimum of two (2) hours, or for actual hours worked, whichever is greater, at the overtime rate. Time will be calculated from home to the work site and home again.

ARTICLE 16 – SICK LEAVE

The TOWN provides employees with sick leave at the rate of eight (8) hours per month for each calendar month of service with unlimited accrual. The purpose is to provide some recovery time, at no loss of pay, for sickness. Sick leave is not additional vacation or holiday time off.

- A. Sick leave granted by the TOWN and used by an employee shall be deducted from the employee's sick leave balance. Sick leave accrual will be prorated for any partially worked month and must be used in increments of not less than four (4) hours.
- B. Employees granted a leave of absence, or absent from duty for one (1) or more days when not authorized by the TOWN, shall not accrue sick leave for the pay period in which the absence occurred. Sick leave shall not accrue to an employee absent from duty after separation from TOWN service.
- C. If an employee is absent from work for more than three (3) consecutive days, evidence, in the form of a physician's certificate or otherwise, may be required to determine the adequacy of reasons for an employee's sick leave absence.
- D. An employee may use up to three (3) days of Town paid bereavement leave per year for bereavement purposes involving members of the immediate family defined as:

spouse, child, parent, sibling, grandparent, grandchild, domestic partner or parent-in-law, mother, father, sister, brother, grandparents, mother or father-in-law, step child, step parent or domestic partner. Leave may be taken during the three months following the death of the person for whom employee is taking leave and may be taken intermittently. Additional time off for bereavement may be approved by the Town Manager or designee and shall be paid through an employee's accrued leave.

- E. After five (5) years of continuous employment, an employee may, upon retirement from TOWN employment, convert half of the employee's accumulated sick leave, up to 1,040 hours, to cash or use the sum toward purchase of retiree medical benefits or use the time as a credit for service toward the PERS retirement contribution.

ARTICLE 17 – HOLIDAYS

The TOWN provides thirteen (13) holidays per year, defined as paid days off work, as follows:

New Year's Day	Veteran's Day
Martin Luther King Day	Thanksgiving Day
Lincoln's Birthday	
Washington's Birthday	Day after Thanksgiving
Memorial Day	December 24th
Independence Day	December 25th
Labor Day	New Year's Eve

- A. If a holiday falls on a Sunday, the Monday following will be observed. If a holiday falls on a Saturday, the Friday preceding will be observed.
- B. In the event that a holiday falls on an employee's regularly scheduled work day and the employee is required to work, the employee shall be paid for actual hours worked and may elect to receive an additional eight (8) hours paid at the straight time rate or eight (8) hours added to the employee's vacation accrual.

ARTICLE 18 – VACATIONS

Vacation time is earned by an employee for each continuous month of service and is accrued based on the number of years of continuous employment with the TOWN.

- A. Employees earn paid vacation leave for each month of continuous service. Vacation time will be prorated in any partially worked month. The schedule for earning vacation time is as follows:

YEARS EMPLOYED	DAYS EARNED
0 thru 4	10
5 thru 9	15

10 thru 14
15 thru 19

18
20

One added day for each year of employment
thereafter to a maximum of 30 days.

- B. Scheduling of vacation leave will be at the employee's discretion with due regard to seniority and the work needs of the TOWN as approved by the Department Head.
- C. Vacation leave granted by the TOWN and used by an employee shall be deducted from the employee's accrued vacation leave. Vacation leave shall not be granted to an employee after separation from TOWN service.
- D. Employees granted a leave of absence shall not earn vacation leave. An employee absent from duty for one (1) or more days when not authorized by the Town shall not earn vacation leave for the pay period(s) in which the absence occurred.
- E. Employees may request in writing, and the Town may grant, cash in lieu of time off for up to eighty (80) hours of accrued vacation leave per year payable . The request must be in the form of an irrevocable election to receive such payment by foregoing the same number of vacation hours in the calendar year following the election. The irrevocable election request must be submitted to the Town prior to December 31st to be paid out the first pay period in December the subsequent calendar year.
- E. In the event that a holiday recognized in this MOU occurs during an employee's scheduled vacation leave, that holiday will not be considered as vacation leave.
- F. On termination of employment, an employee shall be compensated for vacation hours on the books.
- G. Employees may accrue vacation credit up to 600 hours. After an employee has accrued 600 hours of vacation credit, accrual shall be frozen until vacation time is taken to reduce vacation credits below the 600 hour cap. Employees may request to accrue more than 600 hours if vacation time has been requested and denied based on the operational needs of the TOWN.

ARTICLE 19 – TRAINING FEES

When, as a condition for continued employment, the TOWN requires attendance at a school or training establishment and where fees are charged, such fees shall be paid by the TOWN. An employee required to attend training shall suffer no loss of wages or benefits.

- A. For employees who do not meet the minimum schooling, license or certification of their classification, the TOWN reserves the right to work out a separate agreement to assist the employee in achieving minimum requirements within a time period established by the TOWN.

- B. Time spent in non-mandatory attendance at training schools/facilities will not be compensated as hours worked in excess of a normal work period or shift.

ARTICLE 20 – TIME OFF TO EMPLOYEE REPRESENTATIVE

The TOWN will allow one (1) employee representative time off from normal duties without loss of wages or benefits when formally meeting and conferring with representatives of the TOWN on matters within the scope of representation. In no case will overtime be paid for such meeting and conferring. UNION meetings during which UNION business is discussed may occur during normal work hours provided the TOWN is notified prior to the meeting and that meetings are of a reasonable duration and frequency and do not interfere with prior scheduled work. Solicitation for membership in the UNION or other internal UNION business not directly connected to administration of this agreement shall be conducted during the non-work hours of all employees involved.

ARTICLE 21 – LEAVE OF ABSENCE

After one (1) year of employment an employee may request and the TOWN may grant a leave of absence.

- A. The TOWN shall have sole discretion, without limitation, to approve or deny any employee request for a leave of absence or in granting any pay or benefits.
- B. Leave of absence exceeding thirty (30) days must be approved by the Town Manager.
- C. Military leave shall be granted in accordance with the provisions of State Law.
- D. Family and medical leave shall be granted in accordance with applicable Federal and State laws.

ARTICLE 22 – DISCIPLINE

The TOWN retains full authority for administering discipline, up to and including discharge.

- A. Improper employee conduct, such as but not limited to the following, may be cause for disciplinary action.
 - 1. Fraud in securing appointment to a TOWN position
 - 2. Incompetence
 - 3. Inefficiency
 - 4. Insubordination or willful disobedience
 - 5. Dishonesty or stealing from the TOWN or fellow employees or from anyone
 - 6. Under the influence of alcohol or controlled substances on duty
 - 7. Safety violations
 - 8. Absence without leave
 - 9. Sexual harassment
 - 10. Improper use of TOWN equipment, facilities, supplies or materials
 - 11. Improper political activity while on duty

12. Unlawful discrimination, including harassment, on the basis of race, religious creed, color, national origin, ancestry, physical handicap, marital status, sex or age, against the public or other employees while acting in the capacity of a TOWN employee.
 13. Bringing discredit on the TOWN
 14. Unlawful retaliation against any TOWN employee or the public who in good faith reports, discloses, divulges or otherwise brings to the attention of the TOWN or any other appropriate authority any facts or information relative to actual or suspected violation of any law of this state or the United States occurring on the job or directly related thereto.
- B. The purpose of disciplinary action is to correct deficiencies in behavior and/or job performance that are not acceptable to the TOWN. Progressive discipline will be followed unless the severity of an offense warrants more extreme measures. Nothing precludes the TOWN'S exercise of discretion to eliminate any discipline steps and proceed directly to more severe measures, up to and including termination of employment, on a first or subsequent offence.
1. Oral or Written Reprimand: A Department Head or immediate supervisor can prepare and administer an oral or written reprimand as needed to detail a deficiency or problem. If a reprimand is put in writing a copy must be filed in the employee's personnel file after the employee signs and obtains a copy of the documents. Refusal to sign shall be witnessed and noted before filing and the reprimand will note that failure to correct deficiencies may result in further discipline including suspension, reduction in pay, demotion or discharge. An employee may prepare a written response which will be attached to the document for as long as it remains in the file. If no disciplinary action is taken for two years after a written reprimand, an employee may petition the Town Manager to have the reprimand documents removed from the file.
 2. Suspension: A Department Head may suspend an employee for cause for up to three (3) days. Suspension over three (3) days and up to thirty (30) days may be given with approval of the Town Manager. A disciplinary proceeding will be used to determine whether any suspension will be with or without pay or benefits.
 3. Reduction in pay: with approval of the Town Manager an employee's pay may be reduced to a lower step.
 4. Demotion: with approval of the Town Manager an employee may be demoted to a lower job classification at a lower rate of pay.
 5. Discharge: with approval of the Town Manager an employee may be discharged.

C. Except in cases of emergency or when immediate action is required, a Department Head will give notice to an employee of a pending disciplinary action. A verbal notice will be followed up with a written notice of the proposed disciplinary action that is to be given to the employee within five (5) days of the verbal notice. The notice of proposed disciplinary action shall include all charges and supporting documentation used to determine the level of discipline.

1. Disciplinary hearing: An informal meeting at which the employee has an opportunity to rebut charges or state any mitigating circumstances shall be offered prior to imposition of final discipline. The employee shall have the right to representation in this meeting. The Town Manager or Manager's designee will hear and consider the employee's response.
2. Notice of Decision: following receipt and consideration of any verbal or written responses, a decision as to the discipline to be imposed shall be put in writing indicating the type of action to be taken and the effective date. The notice will be delivered to the employee and a copy filed in the employee's personnel file.

D. Appeal of Disciplinary action:

The employee has five workdays following receipt of the final disciplinary action to submit a written request to the Town Manager for appeal before an Arbitration Board. Oral or Written Reprimands are not subject to appeal.

1. Selection of Arbitration Board. An arbitration board shall consist of three members: one selected by the TOWN, one selected by the UNION and the third to be a person mutually agreed upon by the UNION and the TOWN representative. Within five working days after receipt of the written request for arbitration, each party shall notify the other in writing of its representative to serve on the arbitration board. If the parties fail to agree on the third arbitrator within five working days, the American Arbitration Association shall be requested to submit a panel of five arbitrators. The arbitrator shall be selected by the parties participating in alternate striking of names.
2. An attempt shall be made to mutually agree on a joint written agreement of the issues. If joint agreement cannot be reached, each party shall submit to the arbitration board its own statement of the issues.
3. The arbitration board shall, within five working days after convening, set the date, time and place for hearing the evidence in the matter and render its decision within thirty (30) days after the hearing has been concluded and any transcripts or recordings thereof have been made available to the board as requested. This time period may be extended with the consent of both the TOWN and the UNION. The majority decision of the arbitration board shall be binding and final upon the TOWN and the UNION. The decision shall be in writing and copies furnished to both parties. If the arbitration

board is unable to arrive at a majority decision, the UNION or the TOWN may appeal the action to the Town Council for resolution.

4. The arbitration board shall not have the power to change, modify or amend any of the provisions of state law, ordinance, resolutions, rules or regulations of the TOWN.
5. The TOWN and the UNION shall each bear the expense of its own arbitrator; the expenses of the third arbitrator shall be borne equally by the TOWN and the UNION.
6. An employee can appeal a disciplinary action independent of the UNION. However, if the employee chooses to appeal without Union representation, s/he shall bear all costs connected with the appeal, and the decision shall be non-binding in considering future disciplinary actions.

ARTICLE 23 – GRIEVANCE PROCEDURE

A grievance is an alleged violation of a specific clause of this MOU.

A. Informal Grievance Procedure

The first attempt to settle a grievance will be through discussion with the immediate supervisor. Every effort should be made to find a solution by informal means at the lowest level of supervision. If the matter is not settled, the employee shall have the right to file a formal appeal in writing to the department head.

B. Department Appeal

The employee shall prepare a formal appeal in writing and submit same to the department head who shall conduct such investigation as seems warranted and render a decision in writing within fifteen (15) work days after receiving the appeal. If further appeal is necessary, or if no answer has been received within the time period, the employee may submit a written appeal to the Town Manager. Should the employee fail to take action within fifteen (15) work days after receiving a decision or non-decision from the department head, the appeal shall be deemed to abandoned and terminated.

C. Town Manager Appeal

The Town Manager or a designated representative will discuss the grievance with the employee. The Town Manager may designate a fact finding committee for advice concerning the appeal and will render a decision in writing to the employee within fifteen (15) work days. If further appeal is necessary, or if no answer has been received within the time period, the employee may submit a written request for Grievance Arbitration. Should the employee fail to take action within fifteen (15) work days after receiving a decision or non-decision from the Town Manager, the appeal shall be deemed abandoned and terminated.

D. Grievance Arbitration Procedure: If the grievance is unable to be resolved through the formal grievance procedure, as defined above, such grievance may be submitted to an arbitration board for consideration.

1. A written request for arbitration shall be submitted to the Town Manager within five (5) working days of being unable to settle any grievance under the grievance procedures.

Selection of Arbitration Board. An arbitration board shall consist of three members: one selected by the TOWN, one selected by UNION and the third to be a person mutually agreed upon by the UNION and the TOWN representative. Within five (5) working days after receipt of the written request for arbitration, each party shall notify the other in writing of its representative to serve on the arbitration board. If the parties fail to agree on the third arbitrator within five (5) working days, the American Arbitration Association shall be requested to submit a panel of five arbitrators. The third arbitrator shall be selected from the list by the alternate striking of names.

2. An attempt shall be made to mutually agree on a joint written agreement of the issues. If joint agreement cannot be reached, each party shall submit to the arbitration board its own statement of the issues.
3. The arbitration board shall, within five (5) working days after convening, set the date, time and place for hearing the evidence in the matter and render its decision within fifteen (15) days after the hearing has been concluded and any transcripts or recordings thereof have been made available to the board as requested. This time period may be extended with the consent of both the TOWN and the UNION. The majority decision of the arbitration panel shall be binding and final upon the TOWN and the UNION. The decision shall be in writing and copies furnished to both parties. If the arbitration board is unable to arrive at a majority decision, either the employee or his/her representative, or the TOWN may require that the grievance or appeal be referred to the Town Council for resolution.
4. The arbitration board shall not have the power to change, modify or amend any of the provisions of state law, ordinance, resolutions, rules or regulations of the Town.
5. Proposals to add to or change a memorandum of understanding or written agreement or addenda supplementary thereto shall not be grievances, and no proposals to modify, amend or terminate a memorandum of understanding or any matter or subject arising out of or in connection with such proposal, may be referred to the grievance procedure under this section. The arbitration board shall not have the same power to amend or modify a memorandum of understanding or written agreements or addenda supplementary thereto or to establish any new terms or conditions of employment.

6. The TOWN and the UNION, each shall bear the expense of its own arbitrator and the expenses of the third arbitrator shall be borne equally by the TOWN and the UNION. Also, any expenses of the hearing or the preparation of the hearing shall be borne equally by the TOWN and the UNION.
7. The parties by mutual consent may extend any of the time limits set forth herein.
8. A UNION member shall not have access to the grievance arbitration process independent of the UNION.

E. Conduct of Grievance Procedure

1. The time limits specified in this Article may be extended to a definite date by mutual agreement of the parties
2. The employee may be represented by a person of their choosing in preparing and presenting the grievance at any level of grievance procedure except arbitration.
3. The employee shall be assured freedom from reprisal for using the grievance procedures.

ARTICLE 24 – JURY DUTY

An employee may be excused from the regular responsibilities of their position when called for jury duty. Employees called for jury duty shall notify the TOWN of the call and if, in the opinion of the TOWN, the absence of the employee would result in undue disruption of work, the TOWN may file a request with the court for an exemption from jury duty. An employee shall not suffer loss of pay or benefits while actually serving on jury duty under the supervision of the court. All money obtained by the employee from the court shall be turned over to the TOWN.

ARTICLE 25 – INSPECTION PRIVILEGES/POSTING OF NOTICES

With TOWN approval, authorized agents of the UNION shall have access to Town premises during work hours (8:00AM to 5:00PM), Monday through Friday for purposes of adjusting disputes, investigating working conditions and such other matters as may be needed. Access shall be conducted so as not to interfere with the conduct of TOWN services and safety or security standards.

- A. Town bulletin boards may be used for transmitting notices of UNION meetings, elections, results of elections, and other matters pertaining to UNION business. Notices must be signed by an authorized UNION representative and a copy provided to the Town Manager forty eight (48) hours prior to posting. A bulletin board shall be located in the corporation yard office.

- B. TOWN facilities may be made available for use by the UNION in accordance with such administrative procedures as may be established by the Town Manager or Department Head concerned.

ARTICLE 26 – SAFETY AND HEALTH

The TOWN will provide protective devices, safety apparel, equipment and facilities pursuant to applicable regulations or laws. Employees shall utilize such protective devices, safety apparel, equipment and facilities when needed or required and failure to do so may be cause for disciplinary action.

ARTICLE 27 – WORK BY MANAGEMENT PERSONNEL

It is agreed the management personnel will not perform work that is normally performed by employees covered in this MOU. Management and/or supervisory personnel may perform any work required or directed in the event of an emergency or to assure that a department is meeting its service goals.

ARTICLE 28 – NON- DISCRIMINATION

Neither the Town nor the Association shall discriminate against any employee or applicant for employment because of race, color, religious creed, age, sex, national origin, ancestry, physical disability, mental disability, marital status, gender (including pregnancy, childbirth, breastfeeding or related medical conditions), sexual orientation, gender identity, gender expression, medical condition, genetic information, military or veteran status, or Association or non-association activities.

ARTICLE 29 – MODIFICATIONS AND WAIVERS

No agreement, alteration, understanding, variation, waiver or modification of any of the terms or provisions contained in this MOU shall in any manner be binding upon the parties to this MOU, unless made and executed in writing by all parties involved, and if required, approved by the Town Council and the UNION.

ARTICLE 30 – SAVINGS PROVISION

If any provision(s) of this MOU are held contrary to law, such provision(s) shall be deemed invalid except to the extent permitted by law, but all other provisions will continue in full force and effect. On occurrence of such an event, the parties shall meet and confer in good faith as soon as practical to renegotiate only the invalidated provision(s).

ARTICLE 31 – TERM OF MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding shall remain in full force and effect from July 1, 2025 through and including June 30, 2028.

ARTICLE 32 – CONCLUSIVENESS OF MEMORANDUM OF UNDERSTANDING

The parties acknowledge that during the negotiations which resulted in this MOU, each had the right and opportunity to make demands and proposals with respect to subjects within the scope of representation. The understandings set forth in this MOU constitute the complete and total contract between the TOWN and the UNION with respect to wages, hours, and terms and

conditions of employment and shall remain in full force and effect for the term of this MOU, provided, however, that the parties may, upon mutual agreement, renegotiate any part or provision of this MOU, during its term. Any prior or existing Memorandum of Understanding between the parties, past practices or conflicting rules and regulation regarding matters within the scope of representation are hereby superseded and terminated in their entirety.

IN WITNESS THEREOF, the parties hereto have executed this Memorandum of Understanding this ____ day of _____ to be effective until the ____ day of _____, _____.

INTERNATIONAL UNION OF OPERATING
ENGINEERS, STATIONARY LOCAL NO. 39

TOWN OF LOOMIS

Tim Eggen, Business Manager

Mayor

Jeff Gladieux, President

Wes Heathcock, Town Manager

Brandy Johnson, Director of Public Employees

Stephen Hatch, Business Representative

EXHIBIT "A"

Following are positions and position wage ranges steps as referenced in Article 8.

RANGE AND STEPS EFFECTIVE JULY 1, 2025

Operations Manager	30	5,456	5,729	6,016	6,316	6,632
Lead Worker	24	4,650	4,882	5,126	5,382	5,652
Equipment Operator	18	4,001	4,201	4,411	4,631	4,863