



MEMORANDUM OF UNDERSTANDING

between

CITY OF PETALUMA

and

**AMERICAN FEDERATION OF STATE, COUNTY AND
MUNICIPAL EMPLOYEES (AFSCME) – 675**

July 1, 2018 THROUGH June 30, 2020

UNIT 1 – CONFIDENTIAL

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PREAMBLE

This Memorandum of Understanding (MOU) is entered into pursuant to the provisions of the Meyers-Milias-Brown Act, Section 3500 *et seq* of the Government Code of the State of California.

The parties have met and conferred in good faith regarding wages, hours and other terms and conditions of employment for the employees in said representation unit, and have freely exchanged information, opinions and proposals and have reached agreement on all matters relating to the employment conditions and employer-employee relations of such employees.

This MOU shall be presented to the City Council of the City of Petaluma as the joint recommendation of the undersigned parties for the period July 1, 2018 through June 30, 2020.

SECTION 1 – TERM OF AGREEMENT

1.1 Effective Date

This MOU shall be effective for a two (2) year term. The fiscal year commencing July 1, 2018, and ending June 30, 2020.

1.2 Notice of Successor Memorandum

The parties shall commence meeting and conferring for a subsequent Memorandum of Understanding no later than the last week of February 2020.

SECTION 2 – RECOGNITION

2.1 Recognition – Union Recognition

Subject to the statutory rights of self-representation under Government Code section 3503, the American Federation of State, County and Municipal Employees, Local 675, Unit 1, Confidential, hereinafter referred to as the "Union" is the recognized employee organization for those Confidential positions listed in Exhibit "A – Salary Table."

2.2 Recognition – City Recognition

The Municipal Employee Relations Officer of the City of Petaluma, or any person or organization duly authorized by the Municipal Employee Relations Officer, is the representative of the City of Petaluma, hereinafter referred to as the "City" in employer-employee relations.

SECTION 3 – UNION RIGHTS

3.1 Union Rights – Stewards and Representatives

The City employees who are official representatives of the Union shall be given reasonable time off with pay to attend meetings with management representatives, investigate grievances, or be present at hearings where matters within the scope of representation or grievances are being considered.

(A) The use of official time for this purpose shall be reasonable and shall not interfere with the performance of the City services as determined by the City.

- (B) Such employee representatives shall request time off from his/her respective supervisor and coordinate work schedules.
- (C) Except by mutual agreement, the number of employees excused for such purposes shall not exceed three (3). However, in order that any given department not be unduly burdened by the released time requirements, in no case shall more than one (1) representative from any particular job classification in the same department be allowed released time pursuant to this section at any given time. If two (2) or more employees request to be excused from any one department pursuant to this section, subject to the approval of the department director or his/her designee.
- (D) No employee other than an official representative on released time pursuant to this provision shall attend to or conduct Union business while on duty, nor shall the City equipment be utilized for such matters except as specifically authorized by this MOU.

3.2 Union Rights – Bulletin Boards

The Union may use portions of the City bulletin boards under the following conditions:

- (A) All material must be dated and must identify the Union that published them.
- (B) Unless special arrangements are made, materials posted will be removed thirty (30) days after the date first posted.
- (C) The City reserves the right to determine where bulletin boards shall be placed and what portion of them are to be allocated to Union materials.
- (D) If the Union does not abide by these rules, it will forfeit its right to have material posted on the City bulletin boards.

3.3 Union Rights – Access to Work Location

Reasonable access to employee work locations shall be granted officers of the Union and his/her officially designated representatives for the purpose of processing grievances or contacting members of the Union concerning business within the scope of representation. Such officers or representatives shall notify the City Human Resources Manager or his/her designee prior to entering onto the City premises for such purposes. Access shall be restricted so as not to interfere with the normal operation of the department or with established safety or security requirements.

Solicitation of membership and activities concerned with the internal management of the Union, such as collecting dues, holding membership meetings, campaigning for office, conducting elections and distributing literature, shall not be conducted during working hours.

3.4 Union Rights – Union/City Meetings

At the request of either the Union or the City, conferences shall be held for the purpose of considering matters of mutual interest. All such conferences shall be arranged through the steward of the Union, or his/her designated representative, and a designated representative of the City Manager. Representatives of the Union, not to exceed two (2), shall not suffer loss of time or pay when absent from his/her normal schedule of work for the purpose of attending a

conference. Conferences may be attended by the AFSCME Business Agent. Benefit plan review and proper classification assignment are examples of appropriate subjects for such conferences.

It is understood that such conferences are not considered meet and confer and any matters discussed, or any action taken pursuant to such conferences, shall in no way change or alter any of the provisions of the MOU, or the rights of either the City or the Union under the terms of the MOU.

The City employees or the Union or his/her representatives may, with the prior approval of the Human Resources Manager, be granted the use of the City non-public access facilities during non-working hours for meetings of the City employees provided space is available. All such requests shall state the purpose or purposes of such meetings. The use of the City equipment other than items normally used in the conduct of business meetings, such as desks, chairs, and blackboards, is strictly prohibited, the presence of such equipment in approved the City facilities notwithstanding.

3.5 Union Rights – Advanced Notice

Except in cases of declared emergencies, reasonable advance written notice shall be given the Union of any ordinance, rule, resolution or regulation directly relating to matters within the scope of representation proposed to be adopted by the City Council and shall be given the opportunity to meet and confer prior to adoption.

(A) In cases of emergency when the City Council determines that an ordinance, rule, resolution, or regulation within the scope of representation must be adopted immediately without prior notice or meeting and conferring with the Union, the City agrees to meet and confer within a reasonable and practical time after the termination of the emergency situation.

(B) During the course of such declared emergencies, the City shall have the sole discretion to act as may be required during the course of the emergency to ensure the provision of what it determines to be adequate and necessary public service, including, if necessary, the authority to temporarily suspend any provision of this MOU. Upon the termination of said emergency, the terms and conditions of the existing MOU will again become effective.

3.6 Union Rights – List of Employees

The City agrees to monthly furnish the Union with the names, classifications, and dates of hire for all Unit members.

3.7 Union Rights – Excused Absence

Upon written request of the secretary treasurer of the Union, an employee who is elected or selected by the Union may be granted an excused absence without pay for a period not to exceed five (5) days per year to attend conferences or conventions. Not more than one (1) employee will be granted an excused absence at any time.

SECTION 4 – UNION SECURITY

4.1 Union Security – Agency Shop

The following modified Agency Shop procedures shall apply to all employees represented by the Union.

- (A) **Limitation of Provision:**
This provision shall be in accordance with and the parties agree to abide by the provisions of Government Code Section 3502.5.
- (B) **Duty of Representation:**
The Union agrees that it has the duty to provide fair and non-discriminatory representation to all bargaining unit employees regardless of whether they are members of the Union.
- (C) **Applicability:**
The provisions of this section shall not apply during periods that an employee is separated from the representation unit, including, but not limited to, transfers, layoff and leaves of absence without pay.
- (D) **Compliance with Federal/State Laws:**
If any provisions of this MOU are invalid under an applicable federal or state law, said provision shall be modified to comply with the requirements of said federal or state law.
- (E) **Union Certification:**
The Union certifies that it has adopted, implemented, and will maintain procedures in accordance with all applicable statutes, decisions by the courts of competent jurisdiction, and other applicable legal authority.

4.2 Union Security – Union Membership or Payment of Agency Fee

All bargaining unit employees shall, as a condition of continued employment, either:

- (A) Become and remain a member of the Union;
- (B) Pay to the Union an agency fee in an amount which does not exceed an amount that may be lawfully collected under applicable constitutional, statutory, and case law. This amount shall be equal to or less than the monthly dues paid by members for the duration of this MOU, it being understood that it shall be the sole responsibility of the Union to determine an agency fee which meets the above criteria; or
- (C) Religious Objection

Pursuant to Section 3502.5 (c) of the Government Code, for employees who are a member of a bona fide religion, body, or sect which has historically held conscientious objections to joining or financially supporting public employee organizations, such employee shall not be required to join, maintain membership in, or financially support the Union as a condition of employment. Such employee shall, in lieu of payment of dues or agency fee to the Union, pay a charity fee in an amount no greater than such agency fee to one (1) of the following four (4) non-religious, non-labor, charitable funds that are tax exempt under Section 501(c)(3) of the Internal Revenue Code.

The employee shall choose from the following:

Petaluma Peoples Service Center Meals on Wheels
Petaluma Peoples Service Center Senior Nutrition Site
Petaluma Boys and Girls Club
Hospice of Petaluma

4.3 Union Security – Revocation of Membership

Once each year, in December, and for a new employee, at the time he/she commences employment with the City, each employee of the bargaining unit may elect to revoke Union membership without penalty to his/her employment with the City, on an appropriate form approved by the City. The party electing to revoke membership shall be subject to the provisions of section 4.2 (C) above.

4.4 Union Security – Payroll Deductions

Payroll deductions for Union dues or agency fees shall be made only upon the employee's written authorization on a payroll deduction form approved by the City and shall terminate in the event the employee chooses the revocation of membership of Union membership in accordance with section 4.3.

(A) Authorization:

Subject to the revocation of membership of section 5.3, all new employees who are hired into job classifications in this unit may at the time of hire execute an authorization for the payroll deduction for Union dues. Authorization, cancellation, or modification of payroll deduction shall be made upon forms provided or approved by the City Manager. The voluntary payroll deduction authorization shall remain in effect until employment with the City is terminated or until otherwise revoked in accordance with the terms of this paragraph. Employees may authorize dues deductions only for the Union certified as the recognized representative of the unit to which such employees are assigned. Any dues deduction authorization will automatically terminate in the event that the Union's status as exclusive representative for the bargaining unit members terminates.

(B) Sufficiency of Earnings:

The employee's earnings must be sufficient to cover the amount of the deductions herein authorized after all other required deductions are made. When an employee is in a non-pay status for an entire pay period, no withholdings will be made to cover that pay period from future earnings, nor will the employee deposit the amount which would have been withheld with the City if the employee had been in pay status during that period. In the case of any employee who is in a non-pay status during a part of the pay period, and the salary is not sufficient to cover the full withholding, no deduction shall be made. In this connection, all other required deductions have priority over the Union dues deduction.

(C) Union Dues:

Payroll deductions shall be for a specific amount and uniform as between employee members of the Union. Check-off authorization for Union dues which were executed prior to the execution of this MOU shall remain in full force and effect.

(D) Payment to Union:

Amounts deducted and withheld by the City shall be transmitted to the officer designated in writing by the Union as the person authorized to receive such funds at the address specified.

4.5 Union Security – Discipline

No employee shall be disciplined under this section unless the Union has first:

- (A) Notified the employee by letter, explaining that he/she is delinquent in not tendering the required Union fee, specifying the amount of such delinquency, and warning the employee that unless such Union fee is tendered within thirty (30) calendar days, the employee will be reported by the Union to the City for disciplinary action as provided for in this section, and
- (B) Furnished the City with written proof that the procedure set forth in paragraph (A) above has been followed, and has supplied the City with a copy of the letter sent to the employee and notice that the employee has not complied with the request, along with the following certification:
- (C) The Union certifies that the employee has failed to tender the Union fee required as a condition of employment under the MOU, and therefore, under the terms of the MOU, the Union requests that the City terminate the employee's employment with the City.

4.6 Union Security – Indemnification and Hold Harmless

The Union agrees to indemnify, defend, and hold the City harmless against any and all claims, demands, suits, orders, judgments, or any form of liability that may arise out of or by reason of this section, or that arise out or by reason of, any actions taken or not taken by the City under this section. This includes, but is not limited to, the City's reasonable attorneys' fees and costs. In addition, the Union shall refund to the City any amounts paid to it in error on presentation of supporting evidence.

4.7 Union Security – Payroll Deductions

It is the intent of this section is to provide for the regular dues of Union members to be deducted from his/her checks insofar as permitted by law. The City agrees to deduct and transmit to the Union, dues from all Union members within the foregoing unit who have signed an authorization card for such deductions in a form agreed upon by the City and the Union. However, the City assumes no responsibility either to the employee or to the Union, for any failure to make or for any errors made in making such deductions.

4.8 Union Security – Written Authorization – Dues

The written authorization for Union dues deduction shall remain in full force and effect, during the life of the current MOU between the City and the Union unless canceled in writing.

4.9 Union Security – Change in Deductions

Upon written request of the Union, the City shall change the amount of dues deducted from Union members' checks.

4.10 Union Security – Hudson Procedure

The Union shall provide to the City a copy of its “Hudson procedure” for the determination and protest of its fees. The Union shall provide a copy of this procedure to every bargaining unit employee covered by this MOU within ten (10) days of the signing of this agreement. The City shall provide to the Union a list of those employees who are Union employees with the monthly payment of deductions by the City to the Union. Annually thereafter, and as a condition to any change in the union’s fees, the Union shall provide each member with a copy of the Union’s “Hudson procedures” and shall provide to the City confirmation of such mailing.

SECTION 5 – EMPLOYER RIGHTS

It is the right of the City to make decisions of a managerial or administrative character including: decisions on the type, extent and standards or services performed, decisions on the methods, means and personnel by which the City operations and services are to be conducted, and those necessary to exercise control over the City government operations in the most efficient and economical manner practicable and in the best interests of the City residents. All managerial functions and rights to which the City has not expressly modified or restricted by specific provision of this MOU shall remain with the City.

SECTION 6 – SALARIES

6.1 Salaries

Salary ranges shall be as specified in Exhibit “A” for each classification.

Effective the first full pay period in July 2018, all unit members shall receive a three percent (3%) base wage increase.

Effective the first full pay period in July 2018, and concurrent with all members paying an additional one percent (1%) towards PERS retirement, for a total contribution of eleven percent (11%), employees shall receive a point seventy-five percent (0.75%) base wage increase.

Effective the first full pay period in July 2018, for employees defined as “classic” this shall mean that the one percent (1%) is added to the current ten percent (10%) employee contribution, for a total of eleven percent (11%). Employees subject to the PEPRA formula shall also pay an additional one percent (1%) in addition to their current contribution for a total of 10.25% (6.25% which is subject to change by CalPERS).

Classification and Compensation Study:

Following establishment of comparator agencies, the parties shall engage in a classification and compensation study for benchmarked classifications represented by AFSCME. Both parties agree to work jointly to update job descriptions, with the goal of completion and approval by the Council by January 1, 2020. The compensation study will be completed prior to commencement of negotiations for a successor MOU to this Agreement. The parties agree that the completion of the study in no way obligates the City to a pre-determined level of pay. Rather the City and the Union agree that review of compensation and benefits packages of comparator agencies is a valuable exercise when developing salary and benefits recommendations for Petaluma employees. The compensation piece of the study will use a total compensation model and will examine various items across comparator agencies and the City, including but not limited to top step salary, PERs formula, and LTD Insurance.

6.2 Confidential Pay

Positions assigned to the Confidential Unit shall receive a premium payment of fifty dollars (\$50.00) per month.

6.3 Temporary Assignment Pay

Employees assigned to perform higher level tasks outside his/her classification shall be compensated at an additional five-percent (5%) on an hour-per-hour basis when such work is being performed. Employees who are asked to perform such higher level duties are eligible for premium pay when the following conditions are met:

- (A) The employee must have been assigned the work by either the employee's supervising manager or department director.
- (B) If the member thinks an assignment is "out-of-class", it is the responsibility of the employee to inform the person assigning the duty prior to engaging in the assignment.
- (C) If the employee and person assigning the work disagree that the work should be compensated as "out-of-class," the employee shall initiate the work assigned and may resolve the issue through the grievance procedure.

It is the responsibility of the employee to inform the person assigning out-of-class work when such work is finished.

An employee holding a classified position may temporarily be assigned significantly all of the duties of another position in a higher classification for a period not to exceed ninety (90) calendar days during any fiscal year.

- (A) The employee so assigned shall receive either the next higher step in the classification to which he/she is assigned or a five percent (5%) increase, whichever is greater.
- (B) Compensation for vacation, sick leave, and holidays as described in this section shall be computed at the employee's hourly rate on the effective date of termination

6.4 Salary – Permanent Transfer To A New Classification

When an employee is promoted, he/she shall be paid the hourly rate next higher to his/her own within the pay grade for the classification to which he/she was promoted. If the next higher rate is less than four percent (4%) above the employee's current hourly rate, the employee shall be placed at the next higher step that provides at least a four percent (4%) increase.

SECTION 7 – SPECIAL COMPENSATION

7.1 Special Compensation – Smoking Cessation Plan

The City agrees to provide any member of the Unit up to fifty dollars (\$50.00) for completion of a smoking cessation program, upon receipt of the certificate of completion.

7.2 Special Compensation – Loss or Damage to Clothing

City employees may request reimbursement for the loss or damage of his/her clothing that is the result of work activities. Requests for reimbursement shall be submitted to the department director for review and approval. Amounts of reimbursement are at the discretion of the department director.

7.3 Special Compensation – Work Boots

The City shall pay the cost of all work boots up to two-hundred dollars (\$250.00) per fiscal year. Replacement of work boots shall be on an as-needed basis with approval of the department director. Receipts for work boot reimbursement shall be submitted to Human Resources for processing.

7.4 Special Compensation – Bilingual Pay – Spanish

Eligible employees who are certified for bilingual proficiency in Spanish in accordance with the City's Bilingual Testing and Certification policy shall receive two hundred dollars (\$200.00) for certification at a high level proficiency or verbally fluent or one hundred dollars (\$100.00) for certification at an acceptable level proficiency or conversational.

SECTION 8 – ALTERNATE WORK WEEK AND OVERTIME

8.1 Alternate Work Schedule

The City agrees to consider reasonable alternative work week programs proposed by the Union. Such proposals (e.g. four (4) day work week, flex scheduling, 9/80, job sharing) may be considered on a case-by-case basis by the City. However, the decision as to whether and when, if at all, to implement such alternate programs, the operation of such programs, and the ability to modify and/or terminate such programs, is left exclusively with the City.

8.2 Alternative Work Week – Overtime

Employees who are working an alternative work week of forty (40) hours per work week shall be paid overtime for hours worked beyond the regularly assigned hours for that day in accordance with the City's alternative work week policy. For example, for an employee assigned to a 9/80 schedule, overtime shall be calculated after the ninth hour worked in one day or after forty hours worked in a work week; for an employee assigned to a 4/10 schedule, overtime shall be calculated after the tenth hour worked in one day or after forty hours worked in a work week.

8.3 Overtime – Missed Meal Period

If an employee is required to work more than six (6) consecutive hours without a meal period during a regular work shift, the employee shall be paid at the rate of time and one-half (1.5) for all time worked in excess of six (6) hours until such time as the employee receives a meal period. Such pay shall be provided only if the employee has informed his/her supervisor of the need to continue work beyond six hours without a meal period and the supervisor has granted permission for the employee to do so. If emergency circumstances preclude the employee from seeking prior approval from his/her supervisor, the employee shall inform his/her supervisor as soon as the employee is able to do so safely.

8.4 Overtime – Compensation Rate

Except as otherwise noted in Section 8.2 above, all hours worked in excess of eight (8) hours in any one day or in excess of forty (40) hours in any work week shall be paid for at the overtime

rate which shall be one and one-half (1.5) times the regular straight time hourly rate of pay. Overtime shall not be pyramided or compounded.

8.5 Overtime – Assignment of

Overtime shall be distributed as equitably as possible, without favoritism, and in the best interests of the City among the employees of the department who are qualified to perform and who have demonstrated the ability to perform overtime services efficiently.

8.6 Overtime – Twenty-Four (24) Hour Notice

In general, overtime work shall be voluntary, provided, however, when at least twenty-four (24) hours advance notice of an overtime assignment is given or when it is not practical to give advance notice, an employee will be expected to work.

8.7 Overtime – Holiday Schedule

An employee required to work a paid holiday shall receive, in addition to the eight (8) hours holiday pay, further compensation at the overtime rate for the actual holiday worked.

8.8 Rest Periods

Whenever practical, employees who for any reason work beyond his/her regular quitting time into the next shift will be afforded a fifteen (15) minute rest period before starting work on the next shift. In addition, they shall be granted the regular rest period unless an emergency situation occurs or exists.

8.9 Meal Period – Duty Free

All employees shall be granted a meal period of thirty (30) minutes during each scheduled work shift, except for employees who work other than the regular day shift. The designated thirty (30) minute meal period shall be without pay.

8.10 Meals – Non-Duty Free

The City shall pay ten dollars (\$10.00) to an employee who is requested and who does work two (2) hours beyond the employee's normal quitting time and has been prevented from eating a meal after such quitting time. Those employees who work beyond four (4) hours on a callout after having left the City premises shall receive the ten dollar (\$10.00) meal payment.

There shall be granted a rest period at the time, place, and manner that does not interfere with the efficient operation of the department. Such rest period shall be with pay and shall not exceed fifteen (15) minutes for each four (4) hours of work. The rest period is intended to be a recess to be preceded and followed by an extended work period. Consequently, it may not be used to cover an employee's late arrival to work or early departure, to extend the meal period, nor may it be regarded as cumulative if not taken.

SECTION 9 – COMPENSATORY TIME

9.1 Compensatory Time Off – City Choice

Employees may accrue compensatory time in lieu of being paid for overtime. Employees may accrue up to a total of two-hundred-forty (240) hours of compensatory time per fiscal year. Employees may retain no more than two-hundred-forty (240) hours of compensatory time on the books at any given time. Compensatory time shall be taken at a mutually agreeable time between

the employee and the City, subject to the operational requirements of the City. Employees may take up to five (5) days of compensatory time off at a mutually agreeable time between the employee and the City subject to the operational requirements of the City. Compensatory time in excess of the two-hundred-forty (240) hour limit shall be paid at one and one-half (1.5) times the regular rate of pay.

9.2 **Compensatory Time Payment**

All accumulated compensation time, but for eighty (80) hours, will be paid to the employee by the City on the first paycheck in October.

An employee may submit a request to the City Manager to cash out compensatory time if an employee faces an unforeseen financial hardship, such as significant medical expenses due to a serious illness or injury, or serious property damage caused by an act of nature (severe storm, earthquake). The City Manager shall respond to such request within eight (8) business days. The decision of the City Manager shall be final.

9.3 **Compensatory Time Payments – Separation From City of Petaluma**

Employees separated from City of Petaluma service shall receive a lump sum payment for all accumulated, unused compensatory time.

SECTION 10 – CALLBACK AND STANDBY

10.1 **Standby**

When an employee is assigned standby, the employee must be ready to respond as soon as possible, be reachable by telephone or pager, be able to report to work in a reasonable amount of time, and refrain from activities which might impair his/her ability to perform assigned duties.

Standby assignments shall be rotated as equitably as possible among employees with consideration given for the qualification and ability of an employee to perform the work. When possible, standby assignments shall be distributed on a voluntary basis to qualified employees. An employee shall be required to be on standby assignment when it is determined by the City that such assignment is essential to the continuing efficient operation of the City or in an emergency.

An employee assigned standby shall be compensated at the rate of eighteen percent (18%) per hour of his/her regular hourly rate for every hour the employee actually stands by.

No employee shall be paid for Standby duty time and other compensable duty time simultaneously. Time actually worked while on Standby duty will be compensated at the employee's hourly rate of pay times one and one-half (1.5).

10.2 **Emergency Situation**

If, in an emergency situation, an employee in this Unit is asked to leave work before the end of his/her scheduled work day with the expectation that he/she will be called back to work to finish the remainder of his/her work day at a later time, but the employee is not in fact called back to work that day, the City agrees to compensate the employee for the full normal working day. In exchange, up until the time that the employee's regular shift is scheduled to end, such employees will be on standby status, without any entitlement to any extra compensation.

10.3 Callback – Minimum

Employees, who are called back to work after having completed the normal shift and/or after having left the worksite, shall be compensated a minimum of two (2) hours at the overtime rate.

SECTION 11 – HOLIDAYS

11.1 Holidays – Fixed Holidays

The City shall observe twelve (12) fixed-date holidays. These holidays shall be established for the City's fiscal year as determined by City Council resolution

The holidays for calendar years 2018, 2019, and 2020 are as follows:

Independence Day
Labor Day
Columbus Day
Veterans' Day
Thanksgiving Day
Day after Thanksgiving
Christmas Eve
Christmas Day
New Year's Day
Martin Luther King Day
Presidents' Day
Memorial Day

When a holiday falls on a Saturday, that holiday will be observed on the prior Friday. When a holiday falls on a Sunday, that holiday will be observed on the following Monday. Should this conflict with a Friday or Monday designated holiday, the Friday or Monday holiday will occur on the preceding Thursday or following Tuesday.

Observance by an employee of a designated religious event may be granted, if practical, with at least seven (7) days prior approval required for such leave, under the following methods:

- (A) Time charged to accrued vacation allowance; or
- (B) Time off without pay

Holidays currently provided in the MOU will be based on the employee's regular work shift. For example, if an employee works a 4/10 schedule, s/he shall receive 10 hours of holiday pay for the holiday. If an employee works a 9/80 schedule, s/he shall receive 9 hours of holiday pay for the holiday. If an employee works a 5/8 (five days per week, 8 hours per day) schedule, s/he shall receive 8 hours of holiday pay for the holiday. The same shall be true for any employee whose regular work week is fewer than 40 hours per week, except that no such employee shall receive more than eight (8) hours of pay for the holiday.

11.2 Holidays – Floating Holidays

During the fiscal year the City will authorize one (1) "Floating Holiday" per employee, which may be taken by the employee at a time selected by the employee, subject to operational

requirements and approval determined by the City. Employees hired between July 1, and December 31, will be eligible for a "Floating Holiday" during the course of the Fiscal Year.

11.3 Bonus Holiday

The City and the Union agree that an employee, who does not use any sick leave during the period between July 1 and June 30, will be allowed to convert one (1) day of sick leave to one (1) day of vacation the following fiscal year.

SECTION 12 – VACATION

MISC Employees	Years of Service	Vacation Accrual (hrs)	Accrual Limit (hrs)
Unit 1	0-4	80	160
	5-9	120	240
	10	128	256
	11	136	272
	12	144	288
	13	152	304
	14	160	320
	15	168	336
	16	176	352
	17	184	368
	18	192	384
	19 or greater	200	400

12.1 Vacation – Accrual

All regular employees of the City, after working one (1) full year are entitled to the equivalent of eighty (80) hours of vacation with pay in the year following the year in which vacation is earned.

All regular employees of the City, after five (5) years of continuous service with the City, and beginning with the sixth (6th) year, shall be entitled to the equivalent of one-hundred-twenty (120) hours of vacation per year. After ten (10) years of continuous service with the City, eight (8) hours of vacation shall be added for each year of continuous service to a maximum of two-hundred (200) hours of vacation.

Vacation time shall not be accumulated in excess of two (2) years.

12.2 Vacation – Scheduling

The times during a calendar year in which an employee may take his/her vacation shall be determined by the department director with due respect for the wishes of the employee and particular regard for the needs of the service. If the requirements of the service are such that an employee cannot take part or all of his/her annual vacation in a particular calendar year, such vacation shall be taken during the following calendar year.

12.3 Vacation – Deferral

Any eligible employee with the consent of the department director may defer his/her annual vacation to the succeeding calendar year subject to other provisions of this rule. In the event one

(1) or more municipal holidays fall within an annual vacation leave, such holidays shall not be charged as vacation leave, and vacation leave shall be extended accordingly.

12.4 **Vacation – Usage**

A newly hired City employee may begin to use accrued vacation during his/her probationary period in the first three (3) months of employment with approval of the City Manager, and as approved by the employee's supervisor thereafter.

12.5 **Vacation – Payment Upon Termination**

Employees who leave City employment shall be paid in a lump sum for all accrued vacation leave earned prior to the effective date of termination not to exceed two (2) years accumulation.

SECTION 13 – LEAVES – SICK LEAVE

13.1 **Sick Leave – Eligibility**

Sick leave with pay shall be granted to all employees as set forth in this section. Sick leave is not a right, which an employee may use at his discretion, but rather, shall be used only in case of personal illness, disability or the serious illness or injury of an employee's family member that requires the employee's attention. Family members shall include spouse, domestic partner, children, parents, spouse's parents, brothers, sisters or other individuals whose relationship to the employee is that of a dependent or near dependent, or as determined by law. No sick leave shall be payable for any injury or absence which results or occurs as follows:

- (A) Participating in any criminal act;
- (B) Working for an employer other than the City.

Neither shall any sick leave be payable;

- (A) During a vacation except when hospitalized or in equivalent confinement, or
- (B) During a layoff, leave of absence, or disciplinary layoff.

All hours of sick leave accrued and all hours of absence, whether or not paid, shall be recorded. To the extent necessary to implement this section, such records may be inspected by an individual employee and/or authorized Union representative.

13.2 **Sick Leave – Accrual**

- (A) Sick leave shall accrue to all full-time employees at the rate of eight (8) hours for each month of continuous service. No employee shall accumulate more sick leave in any year than is provided.
- (B) Sick leave shall continue to accrue while an employee is on vacation, sick leave, or job-connected injury leave.
- (C) No employee shall be eligible for sick leave before it accrues.

- (D) Employees serving his/her probationary period may take up to one (1) day sick leave with pay for each month worked. Employees hired on or before the fourteenth (14th) of the calendar month shall be credited with one (1) day of sick leave at the end of that month. Employees hired on or after the fifteenth (15th) of the calendar month shall not be credited with any sick leave for that calendar month.
- (E) For the purpose of charging sick leave, the minimum sick leave chargeable will be one (1) working hour.

13.3 Sick Leave – General

- (A) On taking sick leave time, the employee must notify his/her department director either prior to, or within thirty (30) minutes after, the time set for beginning his/her daily duties.
- (B) Sick leave shall not be considered as a right, which an employee may use at his/her discretion, but a privilege, which shall be allowed only in case of necessity and actual sickness or disability.
- (C) When an employee is absent for more than three (3) consecutive days, the department director may require a doctor's certificate for such sick leave absence.
- (D) Upon review of an employee's sick leave record, and where there appears to be a pattern of abuse, the supervisor shall notify the employee and the Union representative in order to discuss the sick leave usage. The supervisor will have the option to immediately require a doctor's certificate for any future absences. This would constitute a verbal warning. If the abuse still continues, the supervisor may initiate a suspension and/or dismissal action through the procedure outlined in the Personnel Rules and Regulations.
- (E) If an employee has not recovered by the time he/she has exhausted his/her accumulated sick leave, the City Manager, upon receipt of such request in writing, may grant him/her leave of absence not to exceed the time limitations of section 20.
- (F) Upon the expiration of a leave of absence quoted under section 20, the employee shall be returned to the same class or position or to any position to which he/she had been eligible to transfer at the time his/her leave of absence was granted, provided he/she furnishes medical certification of ability to perform the position for which he/she is eligible.
- (G) The City Manager may revoke pay and sick leave time if the employee is not sick, or if he/she has engaged in private or other public work while on such leave. Abuse of sick leave as stated above is sufficient grounds for dismissal.
- (H) No penalties shall be imposed on employees for taking justifiable sick leave to which the employee is eligible.

13.4 Sick Leave – Transfer

Employees wishing to donate hours of sick leave to another employee may voluntarily do so by sending approval by his/her department director to the Human Resources office, naming the individual to receive the sick leave and the amount donated, with the following restrictions:

- (A) Employees who wish to transfer sick leave must retain a minimum of one-hundred-sixty (160) hours sick leave.
- (B) Transfer amounts shall be limited to the number of actual hours needed and used by the recipient.
- (C) Any donated sick leave hours unused by a recipient shall be returned to the donor.
- (D) The employee receiving the sick leave transfer must have zero (0) hours of accrued sick leave, vacation, and accrued compensatory time.
- (E) Employees may not buy or sell sick leave, only the time may be transferred.
- (F) Employees may not transfer sick leave upon separation of service.
- (G) Transfers shall only be allowed between all Units.

13.5 Sick Leave – Retirement Payout

In the event of death or retirement, an employee who has completed ten (10) years or more with the City of Petaluma shall receive fifty (50%) percent of his/her accumulated but unused sick leave, not to exceed four-hundred-eighty (480) hours. An employee may, however, elect to place all sick leave hours under the PERS Sick Leave Credit program.

SECTION 14 – LEAVES – INDUSTRIAL INJURY LEAVE

Benefits shall be payable in situations where miscellaneous employee absence is due to industrial injury as provided in California State Workers' Compensation Law. During the first one-hundred-sixty (160) work hours when the employee's absence has been occasioned by injury suffered during his/her employment and he/she receives workers' compensation, he/she shall receive full pay. Medical appointments related to industrial injury or illness shall be calculated on an hourly basis. Following this period, sick leave may be a supplement to the workers' benefits provided the employee. Compensation is at his/her regular rate for a period not to exceed six (6) months, or until such sick leave is exhausted, or the disability is abrogated, or that employee is certified "permanent and stationary" by a competent medical authority. The City shall pay him/her the regular salary, based on the combination of the workers' compensation benefit plus sick leave.

Sick leave for industrial injury shall not be allowed for a disability resulting from sickness, self-inflicted injury, or willful misconduct.

The City may retire any employee prior to the exhaustion of accumulated sick leave, at which time all accrued but unused sick leave shall be abrogated, subject only to the limitations provided under this MOU.

SECTION 15 – LEAVES – BEREAVEMENT LEAVE

An employee shall be granted up to thirty-two (32) hours of bereavement leave in the event of death in the employee's immediate family. For the purpose of bereavement leave, immediate

family shall mean spouse, qualified domestic partner, father, father-in-law, mother, mother-in-law, brother, brother-in-law, sister, sister-in-law, child (including stepchildren), stepparents, grandparents and grandchildren or person with whom the employee has a relationship in loco parentis. Up to an additional eight (8) hours of accrued sick leave may be granted to supplement bereavement leave.

In the event an employee must travel more than three-hundred (300) miles to attend a funeral or memorial service, an additional eight (8) hours of bereavement leave shall be granted instead of the use of eight (8) hours of sick leave.

SECTION 16 – LEAVES – VICTIMS OF DOMESTIC VIOLENCE AND SEXUAL ASSAULT LEAVE

California Labor Code 230 and 230.1 allows use of such leave for Victims of Domestic Violence for any of the following: to seek medical attention for related injuries; to obtain services from a domestic violence shelter, program or rape crisis center; to obtain psychological counseling; or to participate in safety planning. Certification of need may be required in the form of a police report, protection order, and documentation from court or from a medical professional, domestic violence advocate or counselor.

The City of Petaluma provides appropriate leave, in accordance with California Labor Code Section 230.

SECTION 17 – LEAVES – MILITARY LEAVE

The City of Petaluma shall grant military leave benefits to eligible employees in accordance with California's Military Leave Laws found in Military & Veteran's Code 389 *et seq.*, the Federal Uniformed Services Employment and Re-employment Rights Act (USERRA), found at 389 U.S.C. 4301 *et seq.*, and the City of Petaluma Resolution No. 2004-200 N.C.S. Employees in the Ready Reserves of the Armed Forces who are ordered to active military duty or training under Executive Order 13223, shall have continued benefits in effect throughout his/her active duty training for a period of three hundred sixty-five (365) calendar days or until the date of discharge from military service, whichever occurs first, unless this policy is changed by action of the City Council.

SECTION 18 – LEAVES – ELECTION OFFICER LEAVE AND VOTING LEAVE

When an employee's actual work schedule otherwise would prevent the employee from voting in any state, county, or general election, the employee may be granted up to two (2) hours of paid time to vote, in accordance with Election Code 14000. The employee must provide the City with at least two (2) working days' notice that he/she will be taking time off to vote.

SECTION 19 – LEAVES – SCHOOL VISITATION LEAVE

An employee may take up to forty (40) hours off in a year to participate in his/her child's school activities, in accordance with California Labor Code Section 230.8.

SECTION 20 – LEAVES – LEAVE OF ABSENCE WITHOUT PAY

The City Manager may grant a regular or probationary employee leave of absence without pay pursuant to State and Federal Law. Good cause being shown by a written request, the City Manager may extend such leave of absence without pay or seniority or benefits for an additional period not to exceed six (6) months. No such leave shall be granted except upon written request of the employee setting forth the reason for the request, and the approval will be in writing. Upon expiration of a regularly approved leave or within a reasonable period of time after notice to return to duty, the employee shall be reinstated in the position held at the time leave was granted. Failure on the part of an employee on leave to report promptly at its expiration, or within a reasonable time after notice to return to duty shall be cause for discharge.

SECTION 21 – LEAVES – JURY DUTY LEAVE

Any employee summoned for jury duty shall be entitled to a leave of absence with full pay for such period of time as may be required to attend the court in response to such summons. Any employee may retain payment for travel, but shall make payable to the City any and all fees which the employee may receive in payment for service as a juror. For Grand Juries, this compensation shall not extend beyond twenty (20) working days.

For the purposes of this section, time served as a juror or as a witness, compelled to appear on behalf of the City under subpoena, by an irregular shift employee shall be paid time not to exceed the number of hours the employee would have worked on such day. However, such time shall not be considered as time worked for purposes of overtime. It is the intent of this section to allow an employee compelled by law to appear as a juror or witness to compute that time as a portion of the employee's work day so that the employee will not be required to appear in court under service of process and also work a shift for the City during one twenty-four (24) hour period.

SECTION 22 – FAMILY CARE AND MEDICAL LEAVE (FMLA & CFRA)

22.1 FMLA and/or CFRA Leave

The City shall provide family and medical care leave for eligible employees as required by City policy, state and federal law and as specifically provided in the Federal Family and Medical Leave Act of 1993 (FMLA) and the California Family Rights Act of 1993 (CFRA). If possible, employees must provide thirty (30) days advance notice of leave.

22.2 FMLA and/or CFRA – Second Opinion

The employee shall provide the City with a health care provider certification. The City, at City expense, may require a second opinion on the validity of the certification. Should a conflict arise between health providers, a third and binding opinion, at City expense shall be sought.

SECTION 23 – LEAVES – PREGNANCY DISABILITY LEAVE

The City shall provide pregnancy disability leave (PDL) for eligible employees as required by City policy and applicable state law and as specifically provided in the Fair Employment and Housing Act and the Family Medical Leave Act. If possible, employees must provide thirty (30) days advance notice of leave.

SECTION 24 – DISCRIMINATION, HARASSMENT & RETALIATION PROHIBITED

The City and its employees are prohibited from discriminating against an applicant or employee because the employee is in a "protected class" (based on age, race, etc.) in taking any personnel actions (such as hiring, promotion, discipline, etc.) Employees are prohibited from harassing any employees due to race, sex, age, etc. The City and its employees are prohibited from retaliating against an employee because the employee has filed a complaint of discrimination or harassment or opposed actions by other employees that constituted discrimination or harassment.

SECTION 25 – REASONABLE ACCOMMODATION

In accordance with the California Fair Employment and House Act (FEHA) and the Americans with Disability Act (ADA), the City will reasonably accommodate any known protected disability of an employee.

SECTION 26 – CALIFORNIA PUBLIC EMPLOYEE'S RETIREMENT SYSTEM

The Union and the City have reached agreement on establishing a different level of benefits (two-tiered retirement) for newly hired Miscellaneous employees. Effective upon agreement with the City's other Miscellaneous bargaining units; the City shall amend its contract with CalPERS. The amended contract shall provide that Miscellaneous employees hired after the effective date of the amendment shall receive the 2% at 60 formula retirement plan and the three-year final average compensation; instead of the current benefit of 2% at 55 formula retirement plan and one-year final average compensation.

The establishment of this second tier of benefits shall not affect the benefits currently in effect for employees hired prior to the effective date of the CalPERS contract amendment.

The City provides Miscellaneous employees with the two percent (2%) at fifty-five (55) formula retirement plan. The City's contract with CalPERS includes the following optional benefits:

- Third Level - 1959 Survivor's Benefit as provided in Section 21573 (April 5, 1999).
- Military Service Credit as provided in Section 21024 (January 1, 1992).
- One-Year Final Compensation as provided Section 20042 (November 1, 1980).
- Credit for Unused Sick Leave as provided in Section 20965 (November 1, 1980).
- Cost of Living Allowance two percent (2%) as provided by Section 21329 (April 1, 1971).
- Retired Death Benefit of five-hundred dollars (\$500.00) as provided in Section 21620 (December 1, 1969).
- Death Benefit Continues as provided in Section 21551 (January 1, 2000).
- Prior Service Credit as provided in Section 20055 (January 1, 1950).

The City shall continue to defer that portion of the employee's contribution paid to CalPERS through section 414(h)(2) of the Internal Revenue Code pursuant to City of Petaluma Resolution 90-363 N.C.S.

SECTION 27 – HEALTH BENEFITS – ACTIVE EMPLOYEES

27.1 Active Employees – PEMHCA Contribution

The City currently provides health benefits through the California Public Employees' Retirement System (CalPERS) Health Benefits Program under the Public Employees' Medical and Hospital Care Act (PEMHCA). The City's employer contribution for each employee's health benefits shall be the minimum required by PEMHCA. The City pays this contribution directly to CalPERS. This amount is established annually by PERS and is the minimum amount the agency must pay on behalf of the employee for medical insurance. It is separate and apart from the annual health insurance rates and the additional contribution noted in Section 27.2 Additional Contribution – Effective January 1, 2018.

27.2 Additional Contribution – Effective January 1, 2018

The amount of the City's additional contribution for current employees and their covered family members shall be \$614.52 for employee only, \$1,355.38 for employee plus one, and \$1,799.91 for employee plus two or more. These amounts do not include the City PEMCHA contribution identified in Section 27.1 Active Employees – PEMHCA Contribution. The City's additional contribution shall not exceed these amounts unless and until a different amount is negotiated by the parties.

Coverage	2018 Health Rates (Based on 2018 Kaiser Permanente Rates)	PEMHCA Contribution (Added to the City's Benefit Contribution)	2018 Health Rate Less the PEMHCA Contribution	City's Benefit Contribution of 95%	Total 2018 City's Contribution Rate	Employee Contribution KAISER
Employee Only	\$779.86	\$133.00	\$646.86	\$614.52	\$747.52	\$32.34
Employee + 1	\$1,559.72	\$133.00	\$1,426.72	\$1,355.38	\$1,488.38	\$71.34
Employee + 2 or more	\$2,027.64	\$133.00	\$1,894.64	\$1,799.91	\$1,932.91	\$94.73

For example, the 2018 Kaiser health rate for an employee electing employee only coverage is \$779.86. The PEMHCA contribution (\$133.00) is subtracted from the 2018 Kaiser health rate (\$779.86) to attain the 2018 health rate less the PEMHCA contribution (\$646.86). The 2018 health rate less the PEMHCA contribution (\$646.86) times ninety-five percent (95%) equals the City's benefit contribution of 95% (\$614.52). The PEMHCA contribution (\$133.00) is added to the City's benefit contribution of 95% (\$614.52) to attain the total 2018 City's contribution rate (\$747.52). The total 2018 City's contribution rate (\$747.52) is subtracted from the 2018 Kaiser health rate of \$779.86 to attain the monthly employee contribution rate of \$32.34.

27.3 Additional Contribution – Effective January 1, 2019

The 2019 CalPERS premium for Kaiser – Bay Area is unknown. The required 2019 PEMHCA contribution is one-hundred-thirty-six dollars (\$136.00). Effective January 1, 2019, the City shall pay the additional benefit that depends upon the actual percentage increase in the Kaiser – Bay Area premium.

The City's benefit contribution for 2019 shall be equal to the actual 2019 CalPERS Health premium for Kaiser – Bay Area, less the City's PEMHCA contribution, times ninety-five percent (95%) for current employees and their covered family members.

27.4 Additional Contribution – Effective January 1, 2020

The 2020 CalPERS premium for Kaiser – Bay Area and required 2020 PEMHCA contribution are unknown. Effective January 1, 2020, the City shall pay the additional benefit that depends upon the actual percentage increase in the Kaiser – Bay Area premium.

The City's benefit contribution for 2020 shall be equal to the actual 2020 CalPERS Health premium for Kaiser – Bay Area, less the City's PEMHCA contribution, times ninety-five percent (95%) for current employees and their covered family members.

27.5 Employee Contribution

Employees shall contribute to his/her CalPERS Health Premium in the amounts less the City's PEMHCA contribution and less the additional benefit dollar paid by the City.

SECTION 28 – HEALTH BENEFITS – RETIRED EMPLOYEES

28.1 Retired Employees – CalPERS and the PEMHCA

The City currently provides health benefits through the California Public Employees' Retirement System (CalPERS) Health Benefits Program under the Public Employees' Medical and Hospital Care Act (PEMHCA). In order to be eligible to receive health benefits through CalPERS upon retirement, a City of Petaluma employee must meet the following definition of "annuitant" under CalPERS law:

- (A) employee must be a member of CalPERS; and
- (B) employee must retire within 120 days of separation from employment with the City of Petaluma and receive a monthly retirement allowance from CalPERS.

28.2 "Unequal Contribution" Method for Health Care Premium Payments for Retirees

The City uses the "unequal contribution" method for health care premium payments for annuitants (retirees), as permitted under Government Code section 22892. Under this method, the City is required annually to increase the total monthly annuitant health care contribution to equal an amount not less than the number of years the City has been in the PEMHCA program multiplied by five percent (5%) of the current monthly employer contribution for active employees until the time the City's contribution for annuitants equals the City's PEMHCA contribution paid for active employees.

By way of explanation, for calendar year 2012, the formula for determining the City's PEMHCA contribution for retirees is as follows: 18 years in the PEMHCA program x 5% = 90% x \$112.00 (minimum employer contribution for active employees for 2012) = \$100.80

For calendar year 2013, the formula for determining the City's PEMHCA contribution for retirees is as follows: 19 years in the PEMHCA program x 5% = 95% x \$115.00 (minimum employer contribution for active employees for 2013) = \$109.25

Effective calendar year 2014 the "unequal contribution" method for health care premium payments for annuitants (retirees) will be at the twenty year mark. Thus, the City's contribution for the PEMHCA program will be at 100% (5% x 20 years). Therefore the monthly employer contribution for annuitants is the required minimum PEMHCA contribution.

The City pays this contribution directly to CalPERS. The retiree is required to contribute to the cost of the health benefit coverage. The retiree's monthly contribution shall be the cost of the monthly health benefit premium less the amount of the City's contribution.

28.3 CalPERS Annuitant – PEMHCA Health Benefits

In accordance with the PEMHCA provisions, if an employee is a CalPERS annuitant as defined in Section 28.1 and receives health benefits under the PEMHCA, the employee is eligible to receive the City's PEMHCA contribution amount specified in Section 28.5 below, regardless of the number of years of service with the City of Petaluma.

28.4 Less Than 20 Years of Service – Not Receiving PEMHCA Health Benefits

An employee with less than twenty (20) years of service with the City of Petaluma who is not enrolled in the CalPERS health benefit program does not receive any retiree benefit from the City.

28.5 Less Than 20 Years of Service – Receiving PEMHCA Health Benefits

An employee with less than twenty (20) years of service with the City of Petaluma who is a CalPERS annuitant as defined in Section 28.1 and enrolled in the CalPERS health benefit program is eligible to receive the City's PEMHCA contribution amount according to the following schedule:

Calendar Year	City's Monthly PEMHCA contribution
2016	\$125.00
2017	\$128.00
2018	\$133.00
2019	\$136.00
2020	Minimum PEMHCA contribution as set by CalPERS

The City's PEMHCA contribution amount is deducted from the retiree's monthly health premium and paid to CalPERS directly by the City.

28.6 20 Years or More of Service – Not Receiving PEMHCA Health Benefits

An employee with twenty (20) or more years of service with the City of Petaluma who is not enrolled in the CalPERS health benefits program shall receive direct payments in the amount of one-hundred-forty dollars (\$140.00) each month, effective the first month following the expiration of health benefit coverage.

28.7 20 Years or More of Service – Receiving PEMHCA Health Benefits

An employee with twenty (20) years or more of service with the City of Petaluma who is a CalPERS annuitant as defined in Section 28.1 and enrolled in the CalPERS health benefit program shall receive a benefit payment of one-hundred-forty dollars (\$140.00) per month as specified in this section. The City's cash retiree benefit is sent directly to the retiree.

The following chart indicates the amount of the City's PEMHCA contribution and the amount of cash payment to the retiree in the coming years.

Calendar Year	City PEMHCA contribution	City Cash Retiree Benefit	Total Benefit Amount
2016	\$125.00	\$15.00	\$140.00
2017	\$128.00	\$12.00	\$140.00
2018	\$133.00	\$7.00	\$140.00
2019	\$136.00	\$4.00	\$140.00
2020	Minimum PEMHCA contribution as set by CalPERS	Total benefit amount of \$140.00 minus the City monthly PEMHCA contribution.	\$140.00

It is the responsibility of the retiree to notify the City in writing if he/she is no longer participating in the CalPERS health benefit program. Following receipt of the written notice, the City will commence direct payment of the one-hundred-forty dollars (\$140.00) at the beginning of the following month.

SECTION 29 – CASH IN-LIEU OF HEALTH AND DENTAL BENEFITS

Employees with health and/or dental benefit insurance coverage from a source other than the City, or employees with health and dental benefit insurance coverage from a City employee, may request cash in-lieu of health and dental benefits. To be eligible for the cash in-lieu benefit program employees must waive his/her coverage under the City's health and/or dental benefits, agree to the terms and conditions of the cash in-lieu benefit program and have written verification of health and/or dental benefits insurance.

The cash in-lieu amount for health coverage shall be in the amount of fifty percent (50%) of the health insurance premium amount of the CalPERS Kaiser – Bay-Area that the City would otherwise pay for the employee and his/her family members. The cash in-lieu amount for dental insurance benefits shall be in the amount of fifty percent (50%) of the established dental program composite rate.

Upon declining medical and/or dental insurance, the employee will be required to meet the terms and conditions regarding the City's medical and/or dental plan. If an employee decides to stop receiving the medical/dental cash back and wishes to re-enroll into the City's medical and/or dental plan, then he/she must meet the current terms and conditions of the City's medical and/or dental plan. The City cannot guarantee that once the employee leaves a particular medical and/or dental plan, he/she may be able to re-enroll in his/her prior plan and under the same terms and conditions of his/her prior plan.

Employees hired on or after 10/10/16:

For new City employees hired on or after October 10, 2016, the cash in-lieu amount for health benefits shall be \$400.00. Employees hired on or after ratification and approval shall not be eligible for cash-in lieu for dental benefits.

Upon declining medical insurance, the employee will be required to meet the terms and conditions regarding the City's medical plan. If an employee decides to stop receiving the medical cash back and wishes to enroll into the City's medical plan, then he/she must meet the current terms and conditions of the City's medical plan.

SECTION 30 – SECTION 125 PLAN

The City of Petaluma has established and shall offer to eligible employees an Internal Revenue Code (IRC) Section 125 plan. The Section 125 plan is subject to federal law and plan provisions. The Section 125 Plan offered by the City provides employees with a tax savings through the following programs:

(A) **Pre-Tax Health Insurance Premiums:**

This program allows employees to pay his/her share of health insurance premiums with pre-tax dollars.

(B) **Flex Spending Accounts (FSAs):**

(1) **Medical Reimbursement**

This program permits employees to pay for common out-of-pocket medical expenses (not covered by insurance) such as deductibles, co-pays, and vision and dental care with pre-tax dollars.

(2) **Dependent Care Reimbursement**

This program permits employees to pay for most child and/or dependent care expenses with pre-tax dollars.

SECTION 31 – DENTAL INSURANCE

The City shall continue to provide dental coverage and pay the total premium costs for the employee and eligible dependents for the term of the Memorandum of Understanding. The annual maximum benefit amount is two thousand dollars (\$2,000.00) per person. Orthodontic coverage (for dependent children only) shall be provided at 50% of the dentist's allowed fee (subject to a \$2,000.00 lifetime maximum per dependent child). Dependent Children are eligible for dental and orthodontic coverage from birth to age 26.

SECTION 32 – VISION INSURANCE

The City shall provide a vision plan for employees and eligible dependents. The cost shall be paid for by the City. Employees are eligible for eye exams once a calendar year with a twenty-five dollar (\$25.00) copay. Frames are available once a calendar year with a maximum benefit of one-hundred-eighty dollars (\$180.00) and/or cosmetic contact lenses are available once a calendar year with a maximum benefit of one-hundred-eighty dollars (\$180.00).

SECTION 33 – LIFE INSURANCE

The City shall provide for a group term life insurance program for the City employees in this Unit. The City shall pay, during the course of the MOU, the insurance cost towards employee only coverage for such insurance in the principle sum of seventy-five thousand dollars (\$75,000.00) per employee.

SECTION 34 – DISABILITY INSURANCE

34.1 Short-Term Temporary Disability Benefit Program

The City has established and shall provide eligible employees with a short-term temporary disability benefit program in accordance with administrative policy.

34.2 Short-Term Disability Insurance – Voluntary

The City agrees that employees in this unit may, on a purely voluntary basis and at his/her own expense, participate in a voluntary short-term disability insurance, as long as the number of employees electing to participate in the program meets the minimum participation standards set by the carrier.

34.3 Long-Term Disability Insurance

The City shall provide for a long-term disability plan, with the premium to be paid for by the City.

SECTION 35 – EMPLOYEE ASSISTANCE PROGRAM

The City will provide an Employee Assistance Program to employees and his/her immediate families. This licensed counseling service will provide assistance and referrals for marriage and family problems, alcohol and drug dependency, emotional, personal, and stress-related concerns and other issues. All counseling services are confidential.

SECTION 36 – DEFERRED COMPENSATION

The City shall make available to the members of this unit the City's Deferred Compensation Plan.

SECTION 37 – TRANSFERS/PROMOTIONS RETREAT ENTITLEMENT

An employee who transfers or promotes to another the City position shall, for a period of six months, be entitled to retreat to the job classification formerly held, as long as that position is currently unfilled. Such an employee shall not be subject to another probationary period, so long as the employee has successfully completed probation in the pre-promotional classification.

SECTION 38 – NEW OR CHANGED CLASSIFICATION

The City shall notify the Union staff representative and the president when proposing to abolish or create a new bargaining unit position. In the event a new classification is established, the City shall assign it to a pay grade based upon the work to be performed after comparison with other classifications.

The City shall provide the Union staff representative and the president with a written classification description of the new or changed classification, which shall describe the content sufficiently to identify the classification.

Upon receipt of the City's description, the staff representative or the president of the Union, or his designated representative, shall be afforded an opportunity to discuss the new or changed classification and meet and confer as provided by the MMBA regarding assignment to the pay

grade with the City Manager or his representative. If the Union does not request a meeting within five (5) work days of the receipt of the City's recommendation, it shall be deemed to be approved by the Union.

SECTION 39 – PROBATIONARY PERIOD

All original, transfer, and promotional appointments shall be subject to a probationary period. The probationary period shall be regarded as part of the testing process. It shall be utilized for closely observing the employee's work performance. A probationary employee, whose performance does not meet the required standards of work, may be rejected.

In accordance with the City's administrative policy, a minimum of a six (6) month probationary period is required for all established classifications. However, an incumbent in a technical classification serves a twelve (12) month probationary period; an incumbent in a clerical classification serves a six (6) month probation period.

For promotion and/or transfer an employee's probationary period is six (6) months. Should an employee be on a leave of absence without pay, the probationary period will be extended for that time.

During the probationary period, an employee may be rejected at any time by the City Manager without cause and without the right of appeal.

Any employee rejected during the probationary period following a promotional or transfer appointment shall be discharged except as provided in section Transfers and Promotions.

Promotions of employees still on probation will result in a new probationary period for the class into which the individual was promoted.

SECTION 40 – DISCIPLINE PROCEDURE

40.1 Discipline – Methods

When an employee has not met standards of professional conduct the City of Petaluma may impose the following types of discipline:

- (A) Verbal Counseling
- (B) Letters of Counseling
- (C) Corrective Written Action
- (D) Suspension Without Pay
- (E) Reduction in Pay
- (F) Demotion
- (G) Disciplinary Probation
- (H) Discharge/Termination

Any authorized supervisor may initiate and recommend discipline for cause against an employee under his/her supervision in accordance with these procedures.

40.2 Discipline – Verbal Counseling

The City may correct an employee with verbal counseling. There shall be no written notice of verbal counseling placed in an employee's personnel file.

40.3 Discipline – Letters of Counseling

The City may correct an employee with a letter of counseling. The letter of counseling shall be placed in an employee's personnel file. Employees may request in writing to the department director with a copy to the Human Resources office that letters of counseling which are two (2) or more years old be destroyed when:

- (A) The employee's personnel file does not contain subsequent letters of corrective action; and,
- (B) There is no other current or pending corrective action at the time the employee submits his/her request to the department director.

40.4 Discipline – Corrective Written Action

The City may correct an employee in a written notice. The written notice shall include the basis for the correction and by attachment any other relevant documents. The employee may within thirty (30) calendar days respond to the City, either in writing or orally to the notice before it is placed in his/her personnel file. If the employee chooses, he/she may prepare a written response and have it placed with the City's written correction in his/her personnel file. There shall be no further appeal of a written correction.

40.5 Discipline – Employee Notice

For discipline other than a written correction, the employee shall receive a written notice of the discipline, the basis for the discipline, and by attachment other documents upon which the discipline is based, along with notice of the right to respond, either in writing or orally, before discipline is imposed.

If requested by the employee in writing within fourteen (14) calendar days the City shall meet with the employee, unless a different date is set by mutual agreement.

40.6 Discipline – Employee Response

If the employee elects to respond to the discipline, he/she shall either provide a written request to the City within seven (7) calendar days of receiving the notice of discipline. The request may be accompanied by a written position statement. If requested, the department director shall convene a meeting within seven (7) calendar days of receiving the request to review the employee's response and position before discipline is imposed. The employee shall be entitled to a representative of his/her choice, provided that the representative shall not be directly involved in the events underlying the proposed discipline. At the meeting, the employee shall be provided an informal opportunity to respond to the discipline and to present any information for consideration by the department director. Seven (7) calendar days after the employee has been provided an opportunity to respond to the discipline, the department director shall issue a written notice with his/her decision.

40.7 Discipline – Employee Appeal

For suspension greater in severity than five (5) working days, and other discipline other than written correction, the employee shall have the right to appeal the department director's decision to the City Manager or alternatively, the Union may elect to appeal the discipline to advisory

arbitration before discipline is imposed. If the employee elects to appeal the discipline to the City Manager, or if the Union elects to appeal the discipline to advisory arbitration, they shall within fourteen (14) calendar days from the notice of the department director's final decision submit a written request to the City Manager to appeal the discipline. If no written request is submitted to the City Manager within the fourteen (14) day time frame, the right of appeal is waived and the discipline shall become final.

40.8 Discipline – Employer Review

If the employee elects to have the City Manager review the discipline, the City Manager shall convene a meeting to review the employee's response and position before discipline is imposed. The employee shall be entitled to a representative of his/her choice. At the meeting, the employee shall be provided the opportunity to respond to the discipline and to present any information for consideration by the City Manager. Fourteen (14) calendar days after the employee has been provided an opportunity to respond to the discipline, the City Manager shall issue a written notice with his/her decision. The City Manager's decision shall be final.

40.9 Discipline – Advisory Arbitration

As an alternative, the Union may elect to appeal discipline to advisory arbitration before discipline is imposed.

- (A) The arbitrator shall be selected from a list provided by the American Arbitration Association or the State Mediation and Conciliation Service. A list of seven names shall be requested from either source in a manner to be jointly agreed upon by the City and Union. The City and the Union, shall alternatively delete names from the list.
- (B) The arbitrator so selected shall conduct a hearing as expeditiously as possible at a time and place convenient to the City, the employee and the Union.
- (C) The arbitrator shall have the authority to convene the hearing, receive evidence through testimony and documents and to make findings of fact and conclusion whether the discipline was for just cause and whether the discipline was appropriate. The arbitrator may recommend an outcome, but the final authority rests with the City Manager.
- (D) Within thirty (30) calendar days after the hearing, the arbitrator shall submit in writing his/her advisory recommendations to the City Manager and the employee.
- (E) Within fourteen (14) calendar days of receipt of the arbitrator's advisory recommendations, the City Manager shall issue a final decision. The City Manager's decision shall be final.
- (F) Any costs associated with the arbitration hearing shall be borne equally by the City and Union.
- (G) City employees who are employed "at-will," or who are temporary or probationary, are not subject to the requirement of good cause, and are not entitled to these discipline procedures.

SECTION 41 – GRIEVANCE PROCEDURE

41.1 Purpose of the Procedure

The purpose of the grievance procedure is to process and resolve grievances arising out of the interpretation, application, or enforcement of the express terms of this agreement; to promote improved employer-employee relations by establishing procedures for resolving such grievances; to afford employees individually or through his/her recognized employee organization a systematic means of obtaining further consideration of such grievances after every reasonable effort has failed to resolve them through discussions; to provide that the grievances shall be settled as near as possible to the point of origin; to provide that the grievance procedure shall be conducted as informally as possible.

“Grievance” is defined as any dispute concerning the interpretation, application, or enforcement of the express terms of this agreement (not including disputes regarding or appeals of disciplinary actions).

41.2 Conduct of Grievance Procedure

- (A) The time limits specified below may be extended to a definite date by mutual agreement of the employee, his/her representative, and the reviewer concerned.
- (B) The employee may request the assistance of another person of his/her own choosing in preparing and presenting his/her grievance at any level of review.
- (C) The employee and his/her representative may be permitted to use a reasonable amount of work time as determined by the appropriate department director in conferring about and presenting the grievance.
- (D) Employees shall not be retaliated against for using the grievance procedures.

41.3 Grievance Procedure

(A) Step One

An employee, a group of employees or the Union who has a grievance (as defined above) should first try to get it settled through an informal discussion with his/her immediate supervisor without undue delay. The employee, a group of employees or the Union must present the grievance within thirty (30) working days of the event(s) giving rise to the grievance or the grievance shall be deemed untimely. Every effort should be made to find an acceptable solution by informal means at his/her lowest possible level of supervision.

If the employee is not in agreement with the decision reached by the informal discussion in Step One, the employee shall have the right to elevate the grievance to Step Two.

(B) Step Two

To elevate to Step Two, the employee shall submit a written grievance within ten (10) working days after the informal discussion with the immediate supervisor. The written grievance shall specify the term of the agreement at issue and the factual basis of the grievance. The immediate supervisor shall render a decision in writing and return it to the employee within ten (10) working days after receiving the written grievance.

If the employee is not in agreement with the written decision rendered by his/her immediate supervisor, the employee shall have the right to elevate the grievance to Step Three.

If the employee does not receive a decision in writing from his/her immediate supervisor within fifteen (15) working days of the employee's submission of the written grievance, the employee may elevate the grievance to Step Three.

Failure of the employee to take further action within the days specified shall be considered by the City as dropping the grievance.

(C) **Step Three**

To elevate to Step Three, the employee shall present the written grievance within ten (10) working days after receiving the immediate supervisor's written decision, or if no decision is rendered, within fifteen (15) working days of the employee's submission of the written grievance to his/her immediate supervisor.

If the next level of supervision is not a department director, the next level supervisor, or manager shall discuss the grievance with the employee, and his/her representative if requested, and any other person the supervisor or manager deems appropriate. The supervisor or manager shall render a decision in writing, and return it to the employee within ten (10) working days after receiving the written grievance.

If the employee is not in agreement with the written decision rendered by his/her supervisor or manager, the employee shall have the right to elevate the grievance to Step Four.

If the employee does not receive a decision in writing from his/her supervisor or manager within fifteen (15) working days of the employee's submission of the written grievance, the employee may elevate the grievance to Step Four.

Failure of the employee to take further action within the days specified shall be considered by the City as dropping the grievance.

(D) **Step Four**

To elevate to Step Four, the employee shall present the written grievance within ten (10) working days after receiving the supervisor or manager's written decision, or if no decision is rendered, within fifteen (15) working days of the employee's submission of the written grievance to the supervisor or manager.

The department director shall discuss the grievance with the employee, and his/her representative if requested and any other person the department director deems appropriate. The department director shall render a decision in writing, and return it to the employee within ten (10) working days after receipt of the written grievance.

If the employee is not in agreement with the written decision rendered by his/her department director, the employee shall have the right to elevate the grievance to Step Five.

If the employee does not receive a decision in writing from his/her department director within fifteen (15) working days of the employee's submission of the written grievance, the employee may elevate the grievance to Step Five.

Failure of the employee to take further action within the days specified shall be considered by the City as dropping the grievance.

(E) **Step Five**

To elevate to Step Five, the employee shall present the written grievance within ten (10) working days after receiving the department director's written decision, or if no decision is rendered, within fifteen (15) working days of the employee's submission of the written grievance to the department director.

The City Manager, or a designated representative, shall discuss the grievance with the employee, and his/her representative if requested, and with other appropriate persons the City Manager deems appropriate. The City Manager may designate a fact-finding committee or officer not in the normal line of supervision, to advise him/her concerning the grievance. The City Manager shall render a decision in writing to the employee within twenty (20) working days after receipt of the written grievance. The City Manager's decision shall be final.

SECTION 42 – LAYOFF AND RECALL

42.1 **Layoff Application**

Should the City decide, for labor cost-control reasons, to permanently eliminate bargaining unit work by permanently replacing existing bargaining unit positions with contract or subcontract employees to do the same work under similar conditions of employment ("Work Elimination"), the City agrees to notify the Union fourteen (14) days prior to implementation of the work elimination, in order to allow the Union to meet and confer with respect to the effects of the proposed action upon the bargaining unit employees and to propose effective economical methods, if any, by which such work could continue to be provided by the City's own employees. It is not the intention of the City to contract out work normally performed by bargaining unit employees. If the City proposes to abolish a position, whether filled or vacant, the City will notify the Union and afford the opportunity to meet and confer.

42.2 **Layoff – Employer Right**

Whenever, in the judgment of the City Council, it becomes necessary to abolish any position of employment due to a re-organization or to separate employees due to lack of work or funds, the employee holding such position or employment may be laid off or demoted without disciplinary action and without the right of appeal.

42.3 **Layoff – Employee Notification**

Employees to be laid off shall be given, whenever possible, at least fourteen (14) calendar days' prior notice.

42.4 **Layoff – Vacancy and Reclassification**

Except as otherwise provided, whenever there is a reduction in the work force, the appointing authority shall first demote to a vacancy, if any, in a lower classification for which the employee who is the latest to be laid off in accordance with Section 42.7 is qualified. All persons so demoted shall have his/her names placed on the re-employment list.

42.5 Layoff – Employee Rights

An employee affected by layoff shall have the right to displace an employee in the same department who has less seniority in 1) a lower classification in the same classification series or in 2) a lower classification in which the affected employee once had regular status. For the purpose of this section and Section 42.6, seniority includes all periods of full-time service at or above the classification level where the layoff is to occur.

42.6 Layoff – Seniority

In order to retreat to a former or lower classification, an employee must have more seniority than at least one (1) of the incumbents in the retreat classification, be qualified to hold the retreat classification or have served in the retreat classification prior to the layoff and request displacement action in writing to the Human Resources office within five (5) working days of receipt of notice of layoff.

Employees within each category shall be laid off in reverse order of seniority within the classification series. Seniority for the retreat classification would be the combination of time served (at or above) in the layoff classification and any prior time served in the retreat classification. Ties will be broken based upon seniority of total City service.

Employees retreating to a lower or similar classification shall be placed at the salary step representing the least loss of pay. In no case shall the salary be increased above that received in the classification from which the employee was laid off.

Employees retreating to a lower or similar classification shall serve a probationary period in the new classification unless they have previously completed a probationary period in the retreat classification or a higher classification in the series.

42.7 Layoff – Order of

In each classification of position within the competitive service, employees shall be laid off according to employment status in the following order: temporary, provisional, probationary, and regular.

Temporary, provisional, and probationary employees shall be laid off according to the needs of the service as determined by the appointing authority.

42.8 Recall – Re-Employment List

The names of persons laid off or demoted in accordance with these rules shall be entered upon a re-employment list. Lists from different departments or at different times for the same classification of position shall be combined into a single list based on seniority. Such list shall be used by every appointing authority when a vacancy arises, based on seniority, in the same or lower classification of position before certification is made from an eligible list.

42.9 Recall – Duration of Re-Employment List

Names of persons laid off shall be carried on a re-employment list for two (2) years.

SECTION 43 – EMPLOYEE PERSONNEL FILE

43.1 Employee Personnel File – Right to Inspect

An employee (or employee representative with written authorization from the employee) shall have the right to inspect and review his/her employee personnel file. The employee's personnel file shall be made available to the employee for inspection and review at a mutually agreeable time between the employee and Human Resource office staff member.

43.2 Employee Personnel File – Acknowledgement Adverse Comments

Before any adverse comments are placed in an employee's personnel file, the employee shall be given a copy of the material to be placed in his/her file; and written notice that the material will be placed in his/her personnel file. The material shall contain either a written acknowledgment that the employee has received the material and the notice, or a statement signed by the person who delivered the material that the employee refused to sign such an acknowledgment. The employee may write a response to the document containing the adverse comment for placement in his/her personnel file.

SECTION 44 – OTHER

44.1 Performance Evaluations

- (A) Performance evaluations are a process designed to acknowledge the performance of an employee.
- (B) A probationary employee shall receive at least one (1) performance evaluation during his/her probationary period at or near the midpoint of the probationary period.
- (C) An employee who disagrees with his/her performance evaluation shall be given opportunity to submit a written response to the evaluation. The response will accompany the performance evaluation in the employee's personnel file. The contents of a performance evaluation shall not be subject to the provisions of the Grievance Procedure of this MOU.

44.2 Safety Committee

The City agrees that it has the obligation to take reasonable steps to furnish employment and a place of employment, which is safe and healthful for its employees. The Union may report to the City any condition, which it perceives to be a working condition that is less than safe or healthful. Upon receiving such a report, the City agrees to meet with the Union to discuss the reported condition.

A Safety Committee composed of one (1) member of this Unit and a member of management shall meet with other Unit designees in a Safety Committee that shall meet at least twice (2x) yearly to discuss safety practices, methods of reducing hazards, safety training, building inspections and other mandatory elements of the City's Injury and Illness Prevention Program.

SECTION 45 – MUTUAL ACCEPTANCE AND RECOMMENDATION

This document represents the final and complete Agreement resulting from the 2018 Meet and Confer sessions with the American Federation of State, County and Municipal Employees, AFSCME, 675, Unit 1 Confidential.

Representatives of the City and Unit 1 acknowledge that they have fulfilled his/her mutual respective obligations to meet and confer under the Meyers-Milias-Brown Act. As a result, the parties have come to a mutual understanding, which the representatives of the City and Unit 1, who have the approval of his/her members, agree to recommend for acceptance and approval to the City Council of the City.

The parties affix his/her signatures as constituting mutual acceptance and recommendation of this MOU to become effective July 1, 2018 upon acceptance and approval of the City Council.

AMERICAN FEDERATION OF STATE, COUNTY, AND MUNICIPAL EMPLOYEES

/s/ Larry Hendel
Larry Hendel, Business Agent, AFSCME

7/19/2018
Date

/s/ Ken Whaley
Ken Whaley, Union President, AFSCME

7/16/2018
Date

/s/ Mike Seslar
Mike Seslar, Union Vice-President, AFSCME

7/16/2018
Date

/s/ Leslie Manning
Leslie Manning, Treasurer, AFSCME

7/17/2018
Date

/s/ Suzanne Terry
Suzanne Terry, Secretary, AFSCME

7/18/2018
Date

CITY OF PETALUMA

/s/ John Brown,
John Brown, City Manager

7/23/2018
Date

/s/ Amy Reeve
Amy Reeve, Director of Human Resources

7/12/2018
Date

EXHIBIT A – SALARY TABLE

AFSCME – Local 675, Confidential Unit 1

EFFECTIVE FIRST FULL PAY PERIOD IN JULY 2018 FACTORING IN 3% WAGE INCREASE & JULY 2018 0.75% PERS COST-SHARE

CLASSIFICATION	1	2	3	4	5
Administrative Assistant	29.09	30.54	32.07	33.68	35.36
Administrative Technician	30.56	32.09	33.70	35.38	37.14
Deputy City Clerk	30.56	32.09	33.70	35.38	37.14
Human Resources Assistant I	24.21	25.40	26.69	28.02	29.42
Human Resources Assistant II	27.83	29.23	30.69	32.22	33.84
Human Resources Specialist	31.95	33.55	35.23	37.00	38.84
Information Tech Specialist I	32.36	33.99	35.69	37.47	39.34
Information Tech Specialist II	38.83	40.76	42.81	44.94	47.19
Office Assistant II Conf	22.45	23.58	24.77	26.00	27.31
Secretary Conf	25.04	26.29	27.60	28.97	30.43

EXHIBIT B- DEFINITION OF TERMS

The following definitions apply throughout this MOU unless the context requires another meaning.

- The terms "employee" and "employees" as used in this MOU, (except where the MOU clearly indicates otherwise) shall mean only an employee or employees within the unit described in Exhibit A – Salary Table.
- The term "temporary" shall mean any individual or individuals whose employment is limited in duration.
- The term "regular full-time employee" shall mean an employee in the competitive service who has successfully completed the probationary period and whose normal schedule of work is forty (40) hours per calendar work week.
- The term "regular part-time employee" shall mean an employee in the competitive service who has successfully completed the probationary period and whose normal schedule of work is less than a regular full-time employee.
- "Calendar day" means the twenty-four (24) consecutive hour period beginning at midnight, and ending at midnight the following day.
- "Calendar work week" means a consecutive seven (7) days beginning at 0001 day 1 and continuing until 2400, 168 hours later.
- "Normal work week" means any five (5) consecutive calendar days within a calendar work week.
- "Seniority" means uninterrupted employment with the City beginning with the last date hired by the City and shall include periods of City employment outside the Unit, but shall exclude periods of layoff, leaves of absence without pay, and leaves of absence, except medical, in excess of thirty (30) consecutive days, including the first thirty (30) days of such absence.
- "Probationary Employee" means an employee assigned to a regular position for a probationary period.