



AGENDA

SAN RAFAEL CITY COUNCIL – MONDAY, JULY 19, 2021

CORONAVIRUS (COVID-19) ADVISORY NOTICE

In response to Executive Order N-29-20, the City of San Rafael will no longer offer an in-person meeting location for the public to attend. This meeting will be held virtually using Zoom and is being streamed to YouTube at www.youtube.com/cityofsanrafael.

How to participate in the meeting:

- Submit public comment in writing before 4:00 p.m. the day of the meeting to city.clerk@cityofsanrafael.org.
- Join the Zoom webinar and use the 'raise hand' feature to provide verbal public comment.
- Dial-in to Zoom's telephone number using the meeting ID and provide verbal public comment.

Any member of the public who needs accommodations should contact the City Clerk (email city.clerk@cityofsanrafael.org or phone at 415-485-3066) who will use their best efforts to provide reasonable accommodations to provide as much accessibility as possible while also maintaining public safety in accordance with the City procedure for resolving reasonable accommodation requests.

REGULAR MEETING AT 7:00 P.M.

Watch on Webinar: <https://tinyurl.com/cc-2021-07-19>

Watch on YouTube: www.youtube.com/cityofsanrafael

Listen by phone: (669) 900-9128

ID: 899-2635-9885#

OPEN SESSION

1. None.

CLOSED SESSION

2. Closed Session: – None.

OPEN TIME FOR PUBLIC EXPRESSION

The public is welcome to address the City Council at this time on matters not on the agenda that are within its jurisdiction. Please be advised that pursuant to Government Code Section 54954.2, the City Council is not permitted to discuss or take action on any matter not on the agenda unless it determines that an emergency exists, or that there is a need to take immediate action which arose following posting of the agenda. Comments may be no longer than two minutes and should be respectful to the community.

CITY MANAGER'S REPORT:

3. City Manager's Report:

COUNCILMEMBER REPORTS:

(including AB 1234 Reports on Meetings and Conferences Attended at City Expense)

4. Councilmember Reports:

CONSENT CALENDAR:

The opportunity for public comment on consent calendar items will occur prior to the City Council's vote on the Consent Calendar. The City Council may approve the entire consent calendar with one action. In the alternative, items on the Consent Calendar may be removed by any City Council or staff member, for separate discussion and vote.

5. Consent Calendar Items:

a. **Approval of Minutes**

Approve Minutes of City Council / Successor Agency Regular Meeting of Tuesday, July 6, 2021 (CC)

Recommended Action – Approve minutes as submitted

b. **Vacancies on San Rafael Boards and Commissions**

Announcement of Vacancies on San Rafael Pickleweed Advisory Committee and the Special Library Parcel Tax Oversight Committee (CC)

Recommended Action – Receive and file

c. **City Quarterly Investment Report**

Acceptance of City of San Rafael Quarterly Investment Report for the Quarter Ending June 30, 2021 (Fin)

Recommended Action – Accept report

OTHER AGENDA ITEMS

6. Other Agenda Items:

a. **2021-2022 City Council Redistricting Process**

Informational Report on Upcoming City Council Redistricting Process Following Release of 2020 United States Census Data, and Approval of Tentative Timeline for Adoption of New Districts by April 17, 2022 (CA)

Recommended Action – Accept report

PUBLIC HEARINGS

7. Public Hearings:

a. **San Rafael General Plan 2040 and Downtown Precise Plan**

i. Resolution Certifying the Final Environmental Impact Report (FEIR) (SCH #2019039167) Prepared for the San Rafael General Plan 2040 and Downtown San Rafael Precise Plan (CD);

Recommended Action – Adopt Resolution

ii. Report on the Upcoming Review of the San Rafael General Plan 2040 Document and the Downtown Precise Plan (CD)

Recommended Action – Accept Report

b. Request for Modification of Affordable Housing Requirements

Resolution Modifying Conditions of Approval of Environmental and Design Review (ED18-100), Use Permit (UP18-039) and Tentative Map (TS18-006) for the Merrydale Townhomes Located at 350 Merrydale Rd/3833 Redwood Hwy to Allow Fulfillment of the Affordable Housing Requirement in Accordance with City Council Resolution 14890 (ZC19-002) (CD)
Recommended Action – Adopt Resolution

c. Request to Waive the Building Permit Fees

Resolution Denying the Request for Waiver of Building Permit Fees for Vivalon Healthy Aging Affordable Housing Project at 999 Third Street (Previously Whistlestop) (APN: 011-265-01) (CD)
Recommended Action – Adopt Resolution

OTHER AGENDA ITEMS (continued)

8. Other Agenda Items:

a. Approval of the New Memorandum of Understanding with AFSCME/Local 1 & Furlough Reimbursement Side Letter

Resolution Approving a Memorandum of Understanding Pertaining to Compensation and Working Conditions for AFSCME / LOCAL 1 (July 1, 2021 Through June 30, 2024) and Furlough Reimbursement Side Letter (HR)
Recommended Action – Adopt Resolution

b. Approval of the New Memorandum of Understanding with Western Council of Engineers (WCE) & Furlough Reimbursement Side Letter

Resolution Approving a Memorandum of Understanding Pertaining to Compensation and Working Conditions for Western Council of Engineers (July 1, 2021 Through June 30, 2024) and Furlough Reimbursement Side Letter (HR)
Recommended Action – Adopt Resolution

c. Approval of the New Memorandum of Understanding with SEIU Local 1021 & Furlough Reimbursement Side Letter

Resolution Approving a Memorandum of Understanding Pertaining to Compensation and Working Conditions for SEIU Local 1021 (July 1, 2021 Through June 30, 2024) and Furlough Reimbursement Side Letter (HR)
Recommended Action – Adopt Resolution

d. Memorandum of Understanding Between the City of San Rafael and San Rafael Fire Chief Officers' Association

Resolution Approving a Memorandum of Understanding Pertaining to Compensation and Working Conditions for San Rafael Fire Chief Officers' Association (July 1, 2021 Through June 30, 2024) (HR)
Recommended Action – Adopt Resolution

- e. **Memorandum of Understanding Between the City of San Rafael and San Rafael Police Mid-Management Association**
Resolution Approving a Memorandum of Understanding Pertaining to Compensation and Working Conditions for San Rafael Police Mid-Management Association (July 1, 2021 Through June 30, 2024) (HR)
Recommended Action – Adopt Resolution

- f. **Approval of the New Resolution that Authorizes Compensation for Executive Management Employees**
Resolution Establishing the Compensation and Working Conditions for Unrepresented Executive Management Employees (July 1, 2021 through June 30, 2024) and FY 20-21 Furlough Repayment (HR)
Recommended Action – Adopt Resolution

- g. **Approval of the New Resolution that Authorizes Compensation for Mid-Management Employees**
Resolution Establishing the Compensation and Working Conditions for Unrepresented Mid-Management Employees (July 1, 2021 through June 30, 2024) and FY 20-21 Furlough Repayment (HR)
Recommended Action – Adopt Resolution

- h. **Approval of the New Salary Resolution that Authorizes Compensation for Elected City Clerk and Part-Time City Attorney**
Resolution Establishing the Compensation and Working Conditions for the Elected City Clerk and Elected Part-Time City Attorney (July 1, 2021 Through June 30, 2024) and FY 20-21 Furlough Repayment (HR)
Recommended Action – Adopt Resolution

SAN RAFAEL SUCCESSOR AGENCY:

- 1. Consent Calendar:
 - a. **Successor Agency Quarterly Investment Report**
Acceptance of Successor Agency Quarterly Investment Report for the Quarter Ending June 30, 2021 (Fin)
Recommended Action – Accept report

ADJOURNMENT:

Any records relating to an agenda item, received by a majority or more of the Council less than 72 hours before the meeting, shall be available for inspection online. Sign Language interpreters may be requested by calling (415) 485-3066 (voice), emailing Lindsay.lara@cityofsanrafael.org or using the California Telecommunications Relay Service by dialing "711", at least 72 hours in advance of the meeting. Copies of documents are available in accessible formats upon request.



MINUTES

SAN RAFAEL CITY COUNCIL – TUESDAY, JULY 6, 2021

CORONAVIRUS (COVID-19) ADVISORY NOTICE

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Present: Mayor Kate
Vice Mayor Bushey
Councilmember Hill
Councilmember Kertz
Councilmember Llorens Gulati

Absent: None

Also Present: City Manager Jim Schutz
City Attorney Robert Epstein
City Clerk Lindsay Lara

CLOSED SESSION AT 6:00 P.M.

Watch on Webinar: <https://tinyurl.com/cs-2021-07-06>

Watch on YouTube: www.youtube.com/cityofsanrafael

Listen by phone: (669) 900-9128

ID: 852-3461-8723#

OPEN SESSION

1. Mayor Kate to announce Closed Session item.

CLOSED SESSION

2. Closed Session:
 - a. Conference with Labor Negotiators - Government Code Section 54957.6
Lead Negotiators: Timothy L. Davis and Stephanie Vollmer (Burke, Williams & Sorensen)
Agency Designated Representatives: Jim Schutz, Cristine Alilovich, Nadine Hade, Thomas Wong, Carmen Valdez, and Sylvia Gonzalez-Shelton
Employee Organization: SEIU - Childcare; San Rafael Police Mid-Management Association; Public Employee Union, Local 1; San Rafael Firefighters' Association; San Rafael Police Association; SEIU Local 1021; Western Council of Engineers; San Rafael Fire Chief Officers' Association; Unrepresented Mid-Management; Unrepresented Executive Management

REGULAR MEETING AT 7:00 P.M.
Watch on Webinar: <https://tinyurl.com/cc-2021-07-06>
Watch on YouTube: www.youtube.com/cityofsanrafael
Listen by phone: (669) 900-9128
ID: 817-3692-0337#

Mayor Kate called the meeting to order at 7:02 p.m. She provided opening remarks, which included a homelessness update and a land acknowledgement.

Mayor Kate invited City Clerk Lindsay Lara to call the roll. All members of the City Council were present.

City Attorney Robert Epstein announced that no reportable action was taken in the Closed Session held prior to the meeting.

City Clerk Lindsay Lara announced the process for Spanish interpretation tonight. She informed the community that the meeting would be streamed live to YouTube and through Zoom and members of the public would provide public comment either on the telephone or through Zoom. She explained the process for community participation on the telephone or through Zoom. Also, City Clerk Lara announced that the City is preparing a hybrid virtual public meeting model and informed the community of the public comment modifications for City Council and Planning Commission meetings, as of June 15th.

OPEN TIME FOR PUBLIC EXPRESSION

Correspondence in real-time through Zoom or on telephone

- Joanne Webster, San Rafael Chamber of Commerce addressed the City Council regarding homeless encampments.

CITY MANAGER'S REPORT:

3. City Manager's Report:

City Manager Jim Schutz announced:

- Mitigating fire risk and the potential need for evacuations update
- Homeless encampments update

COUNCILMEMBER REPORTS:

(including AB 1234 Reports on Meetings and Conferences Attended at City Expense)

4. Councilmember Reports:

- Councilmember Bushey reported on a San Rafael Sanitation Board meeting and a Canal Karate event at The Boro Center.
- Councilmember Hill reported on Association of Bay Area Government (ABAG) and Marin Municipal Water District (MMWD) meetings.
- Councilmember Kertz reported on Homelessness and Marin Wildfire Prevention Authority meetings.
- Councilmember Llorens Gulati reported on Canal Collaborative, East San Rafael Business, and Marin County Council of Mayors and Councilmembers (MCCMC) Climate Action meetings. She announced the mural at 3301 Kerner Blvd. is now up.

- Mayor Kate reported on Guatemalan Consulate and Common Knowledge meetings, a ribbon cutting event at 2nd and B Streets, Transportation Authority of Marin (TAM), Gun Safety Collaborative, and BayWAVE meetings.

CONSENT CALENDAR:

Mayor Kate invited public comment.

Speakers: Kristen Jacobson, Youth in Arts, Morgan Schaffler, Youth in Arts, John Reynolds, Name withheld

Councilmember Llorens Gulati moved and Councilmember Kertz seconded to approve the Consent Calendar.

5. Consent Calendar Items:

- a. **Approval of Minutes**
Approve Minutes of City Council / Successor Agency Regular Meeting of Monday, June 21, 2021 (CC)
Approved minutes as submitted
- b. **California State Preschool Contract**
Resolution Approving a Contract (California State Preschool Program-1283) with the California Department of Education to Provide Funding in the Amount of \$238,821 for Fiscal Year 2021-2022 for Child Development Services and Authorizing the City Manager to Execute the Contract Documents (LR)
Resolution 14941 - Resolution Approving a Contract (California State Preschool Program-1283) with the California Department of Education to Provide Funding in the Amount of \$238,821 for Fiscal Year 2021-2022 for Child Development Services and Authorizing the City Manager to Execute the Contract Documents
- c. **San Rafael Parks and Recreation Master Plan Steering Committee**
Resolution Approving the Formation of a 15-Member Ad-Hoc Parks and Recreation Master Plan Steering Committee (LR)
Resolution 14942 - Resolution Approving the Formation of a 15-Member Ad-Hoc Parks and Recreation Master Plan Steering Committee
- d. **Special Event Street Closures in Downtown San Rafael**
Informational Report Regarding Temporary Closure of Streets in Downtown San Rafael for the Continuation of the Dining Under the Lights Program and the City COVID Outdoor Dining and Retail Program; and Resolution Authorizing the Temporary Closure of C Street from Fourth Street to Third Street for the Youth in Arts Special Event on July 23, 2021 (PW)
Accepted report and Resolution 14943 - Informational Report Regarding Temporary Closure of Streets in Downtown San Rafael for the Continuation of the Dining Under the Lights Program and the City COVID Outdoor Dining and Retail Program; and Resolution Authorizing the Temporary Closure of C Street from Fourth Street to Third Street for the Youth in Arts Special Event on July 23, 2021

SPECIAL PRESENTATIONS

6. Special Presentations:

- a. Presentation of Proclamation Designating July 2021 as Park and Recreation Month (LR)

Mayor Kate presented a Proclamation to Susan Andrade-Wax, Library & Recreation Director.

Mark Machado, Park & Recreation Commission Chair, Susan Andrade-Wax, Library & Recreation Director, and Catherine Quffa, Assistant Library & Recreation Director provided comments.

PUBLIC HEARINGS

7. Public Hearings:

a. [**Prohibition of Camping on Certain Public Property**](#)

An Urgency Ordinance of the City Council of the City of San Rafael, Pursuant to California Government Code Section 36937(B), Prohibiting Camping or Lodging at Any Time in Boyd Park and in City Parking Garages (CA)

Lisa Goldfien, Assistant City Attorney presented the Staff Report.

Staff responded to questions from Councilmembers.

Mayor Kate invited public comment.

Speakers: Pat Langley, Marin Organizing Committee, David, John Reynolds, Marin Organizing Committee, Laurie, Jonathan Harb, Sunny Lee

Staff responded to public comment.

Councilmembers provided comments.

Councilmember Bushey moved and Councilmember Kertz seconded to adopt Urgency Ordinance No. 1995.

| | | |
|---------|-----------------|--|
| AYES: | Councilmembers: | Bushey, Hill, Kertz, Llorens Gulati & Mayor Kate |
| NOES: | Councilmembers: | None |
| ABSENT: | Councilmembers: | None |

Adopted Urgency Ordinance No. 1995 - An Urgency Ordinance of the City Council of the City of San Rafael, Pursuant to California Government Code Section 36937(B), Prohibiting Camping or Lodging at Any Time in Boyd Park and in City Parking Garages

b. [**Proposed Library and Recreation Department Fee Update**](#)

Resolution Approving Amendments to the City Master Fee Schedule Updating Library, Recreation, and Childcare Fees (LR)

Susan Andrade-Wax, Library & Recreation Director presented the Staff Report.

Staff responded to questions from Councilmembers.

Mayor Kate invited public comment.

Speaker: Maureen, Terra Linda Community Garden

Staff responded to public comment.

Councilmembers provided comments.

Councilmember Llorens Gulati moved and Councilmember Hill seconded to adopt the resolution.

AYES: Councilmembers: Bushey, Hill, Kertz, Llorens Gulati & Mayor Kate
NOES: Councilmembers: None
ABSENT: Councilmembers: None

Resolution 14944 - Resolution Approving Amendments to the City Master Fee Schedule Updating Library, Recreation, and Childcare Fees

OTHER AGENDA ITEMS

8. Other Agenda Items:

a. [Highway 101 to Interstate 580 Connector Project](#)

Presentation of Potential Guiding Principles Representing San Rafael's Interests in the Transportation Authority of Marin's (TAM) Study of Alternative Alignments for the 101 to 580 Connector Project (PW)

Bill Guerin, Public Works Director and Barry Miller, General Plan 2040 Consultant presented the Staff Report.

Staff, including Anne Richman and Dan Cherrier from Transportation Authority of Marin (TAM), responded to questions from Councilmembers.

Mayor Kate invited public comment.

Speakers: Linda Jackson, Sustainable San Rafael, Jeff Rhoads, Resilient Shore

Staff responded to public comment.

Councilmembers provided comments.

Staff provided comments.

Councilmember Hill moved and Councilmember Kertz seconded to accept the report.

AYES: Councilmembers: Bushey, Hill, Kertz, Llorens Gulati & Mayor Kate
NOES: Councilmembers: None
ABSENT: Councilmembers: None

Accepted Report

b. [New Memorandum of Understanding with San Rafael Firefighters' Association \(SRFA\)](#)

Resolution Approving a Memorandum of Understanding Pertaining to Compensation and Working Conditions for San Rafael Firefighters' Association (SRFA) (July 1, 2021 Through June 30, 2024) (HR)

Sylvia Gonzalez, HR Operations Manager presented the Staff Report.

Mayor Kate invited public comment; however, there was none.

Councilmember Kertz moved and Councilmember Hill seconded to adopt the resolution.

AYES: Councilmembers: Bushey, Hill, Kertz, Llorens Gulati & Mayor Kate
NOES: Councilmembers: None
ABSENT: Councilmembers: None

Resolution 14945 - Resolution Approving a Memorandum of Understanding Pertaining to Compensation and Working Conditions for San Rafael Firefighters' Association (SRFA) (July 1, 2021 Through June 30, 2024)

c. [Successor Memorandum of Understanding with AFSCME/Local 1 & Furlough Reimbursement Side Letter](#)

Discussion and Consideration of a Memorandum of Understanding Pertaining to Compensation and Working Conditions for AFSCME / Local 1 (July 1, 2021 Through June 30, 2024) (HR)

Sylvia Gonzalez, HR Operations Manager presented the Staff Report. She announced that she would be combining the Staff Reports for Items 8.c and 8.d.

Mayor Kate invited public comment for Items 8.c and 8.d.; however, there was none.

Councilmember Hill moved and Councilmember Kertz seconded to direct staff to return with resolution adopting MOU.

AYES: Councilmembers: Bushey, Hill, Kertz, Llorens Gulati & Mayor Kate
NOES: Councilmembers: None
ABSENT: Councilmembers: None

Directed staff to return with resolution adopting MOU

Councilmember Hill moved and Councilmember Kertz seconded to direct staff to return with resolution adopting MOU.

AYES: Councilmembers: Bushey, Hill, Kertz, Llorens Gulati & Mayor Kate
NOES: Councilmembers: None
ABSENT: Councilmembers: None

Directed staff to return with resolution adopting MOU

d. [Successor Memorandum of Understanding with Western Council of Engineers & Furlough Reimbursement Side Letter](#)

Discussion and Consideration of a Memorandum of Understanding Pertaining to Compensation and Working Conditions for Western Council of Engineers (July 1, 2021 Through June 30, 2024) (HR)

Recommended Action – Direct staff to return with Resolution adopting MOU

The Staff Report for Item 8.d Successor Memorandum of Understanding with Western Council of Engineers & Furlough Reimbursement Side Letter was combined (and presented) with Item 8.c. See Item 8.c Successor Memorandum of Understanding with AFSCME/Local 1 & Furlough Reimbursement Side Letter.

- e. [Successor Memorandum of Understanding with San Rafael Fire Chief Officers' Association](#)
Discussion and Consideration of a Memorandum of Understanding Pertaining to Compensation and Working Conditions for San Rafael Fire Chief Officers' Association (July 1, 2021 Through June 30, 2024) (HR)

Sylvia Gonzalez, HR Operations Manager presented the Staff Report.
Mayor Kate invited public comment; however, there was none.

Councilmember Llorens Gulati moved and Councilmember Kertz seconded to direct staff to return with resolution adopting MOU.

AYES: Councilmembers: Bushey, Hill, Kertz, Llorens Gulati & Mayor Kate
NOES: Councilmembers: None
ABSENT: Councilmembers: None

Directed staff to return with resolution adopting MOU

- f. [Successor Memorandum of Understanding with San Rafael Police Mid-Management Association](#)
Discussion and Consideration of a Memorandum of Understanding Pertaining to Compensation and Working Conditions for San Rafael Police Mid-Management Association (July 1, 2021 Through June 30, 2024) (HR)

Sylvia Gonzalez, HR Operations Manager presented the Staff Report.

Mayor Kate invited public comment; however, there was none.

Councilmember Bushey moved and Councilmember Llorens Gulati seconded to direct staff to return with resolution adopting MOU.

AYES: Councilmembers: Bushey, Hill, Kertz, Llorens Gulati & Mayor Kate
NOES: Councilmembers: None
ABSENT: Councilmembers: None

Directed staff to return with resolution adopting MOU

- g. [Successor Memorandum of Understanding with SEIU Local 1021 & Furlough Reimbursement Side Letter](#)
Discussion and Consideration of a Memorandum of Understanding Pertaining to Compensation and Working Conditions for SEIU Local 1021 (July 1, 2021 Through June 30, 2024) (HR)

Sylvia Gonzalez, HR Operations Manager presented the Staff Report.

Mayor Kate invited public comment; however, there was none.

Councilmember Kertz moved and Councilmember Hill seconded to direct staff to return with resolution adopting MOU.

AYES: Councilmembers: Bushey, Hill, Kertz, Llorens Gulati & Mayor Kate
NOES: Councilmembers: None
ABSENT: Councilmembers: None

Directed staff to return with resolution adopting MOU

SAN RAFAEL SUCCESSOR AGENCY:

1. Consent Calendar: - None.

ADJOURNMENT:

Councilmember Llorens Gulati closed the meeting in memory of Sean Castle, a music teacher at San Rafael High School. Mayor Kate adjourned the meeting at 10:40 p.m.

LINDSAY LARA, City Clerk

APPROVED THIS ____ DAY OF _____, 2021

KATE COLIN, Mayor



SAN RAFAEL CITY COUNCIL AGENDA REPORT

Department: City Clerk's Office

Prepared by: Lindsay Lara, City Clerk

City Manager Approval: _____

TOPIC: VACANCIES ON SAN RAFAEL BOARDS AND COMMISSIONS

SUBJECT: ANNOUNCEMENT OF VACANCIES ON SAN RAFAEL PICKLEWEED ADVISORY COMMITTEE AND THE SPECIAL LIBRARY PARCEL TAX OVERSIGHT COMMITTEE

RECOMMENDATION:

Receive and file the announcement of upcoming vacancies on San Rafael's Boards and Commissions.

BACKGROUND:

The City Clerk's office is currently recruiting to fill upcoming vacancies on our boards and commissions. Community members can apply online to serve on our boards and commissions, and more information and eligibility requirements are as follows:

Pickleweed Advisory Committee

Board Description: The Pickleweed Advisory Committee provides valuable input in representing and advocating for the Canal area resident's needs and wishes for programs and services; and is a primary public networking resource between the Canal residents, representatives from governmental and non-profit agencies, and others. The Pickleweed Advisory Committee works in conjunction with the City of San Rafael.

Term: January 2021 through December 2024

2021 Meeting Schedule: October 6, 2021 at 7:00 p.m.
December (date to be determined)

Eligibility Requirements: The Committee shall be composed of seven (7) regular voting members which may include up to two (2) youth members, plus one (1) alternate member. Each shall have the same duties and responsibilities and shall consist of the following:

1. Members of the Committee shall be at least 18 years of age, except for the youth members who shall be a minimum age of a high school 9th grade student
2. At least six (6) regular voting members of the Committee shall reside within the Canal neighborhood
3. One (1) member of the Committee must be a City of San Rafael resident but may reside outside of the Canal neighborhood.

FOR CITY CLERK ONLY

Council Meeting: _____

Disposition: _____

Application Deadline (subject to extension): Open until filled.

Additional Information: Highly interested in youth member applicants.

Special Library Parcel Tax Oversight Committee

Board Description: The Special Library Parcel Tax Oversight Committee (Measure D) meets a few times a year with responsibility to act as an independent citizens oversight committee to ensure that the Library spends the funds from the parcel tax in a manner consistent with the language of the ballot measure that approved the tax.

Term: August 2021 through July 2025

Meeting Schedule: The Committee shall conduct at least two regular meetings a year.

Eligibility Requirements: Members of the Committee shall be at least 18 years of age and reside within the City limits. The Committee may not include any employee or official of the City, or any vendor, contractor or consultant doing business with the City.

Application Deadline (subject to extension): Open until filled

COMMUNITY OUTREACH: (if applicable)

The recruitment for applications was advertised through mass email notification, Canal Alliance, the City website, Nextdoor and Facebook social media platforms.

RECOMMENDED ACTION:

Receive and file the announcement of upcoming vacancies on San Rafael's Boards and Commissions.



SAN RAFAEL CITY COUNCIL AGENDA REPORT

Department: Finance Department

Prepared by: Nadine Atieh Hade,
Finance Director

City Manager Approval: _____

A handwritten signature in black ink, appearing to be 'AS', written over a horizontal line.

TOPIC: CITY QUARTERLY INVESTMENT REPORT

SUBJECT: ACCEPTANCE OF CITY OF SAN RAFAEL QUARTERLY INVESTMENT REPORT FOR THE QUARTER ENDING JUNE 30, 2021

RECOMMENDATION: Accept investment report for the quarter ending June 30, 2021, as presented.

BACKGROUND: Pursuant to the State of California Government Code Section 53601, and the City's investment policy, last approved by the City Council on [June 7, 2021](#), staff provides the City Council a quarterly report on the City's investment activities and liquidity. Included in the report are the cost of each investment, the interest rates (yield), maturity dates, and market value. Separate reports are prepared for the City and the Successor Agency to San Rafael Redevelopment Agency.

The City invests a portion of its pooled funds in the [Local Agency Investment Fund \(LAIF\)](#), a State-run investment pool. Beginning in March 2014, the City incorporated an investment strategy that added purchases of securities outside of LAIF with the assistance of its investment advisor, Insight Investment.

ANALYSIS: As of June 30, 2021, the primary LAIF account had a balance of \$44,444,817. Portfolio returns on LAIF deposits were 0.26% for the quarter ending June 30, 2021. The remaining investment assets included the \$1,239,200 balance of Pt. San Pedro Assessment District bonds, and \$32,183,300 in government agency securities and corporate bonds (including Pfizer Inc., American Express, JP Morgan Chase, Walmart Inc., Apple Inc., American Honda Finance, Wells Fargo, Toyota, Caterpillar, Bank of America, John Deere, Citibank, PNC Financial Services, US Bancorp, IBM Corp, 3M Company, and PepsiCo). The overall total portfolio returns for the quarter ended June 30, 2021, were 0.60%.

The City's Westamerica general operating bank account had a balance of \$9,187,784 at quarter end.

Exhibit A is composed of three parts: (1) Quarterly Investment Portfolio Report; (2) Historical Activity by Quarter summarizing the City's investments; and (3) the three monthly investment reports from Insight Investment for the quarter.

FISCAL IMPACT: No financial impact occurs by adopting the report. The City continues to meet the priority principles of investing - safety, liquidity and yield in respective order. The portfolio remains

FOR CITY CLERK ONLY

Council Meeting:

Disposition:

conservatively invested. Sufficient liquidity exists to meet daily operating and capital project requirements for the next six months. Operating funds, as defined for this report, exclude cash held with fiscal agents for the payment of bond principal and interest.

RECOMMENDATION: Accept investment report for the quarter ending June 30, 2021, as presented.

ATTACHMENTS:

Exhibit A:

1. Quarterly Investment Portfolio Report
2. Historical Activity by Quarter Report
3. Insight Investment Statements, April through June 2021

I CERTIFY THAT ALL INVESTMENTS MADE ARE IN CONFORMANCE WITH THE CITY'S APPROVED INVESTMENT POLICY AND STATE INVESTMENT REGULATIONS. THE CITY HAS SUFFICIENT LIQUIDITY TO MEET ALL OF THE OBLIGATIONS REQUIRED DURING THE NEXT SIX-MONTH PERIOD.

A handwritten signature in blue ink that reads "Nadine Atieh Hade". The signature is written in a cursive style with a large initial 'N'.

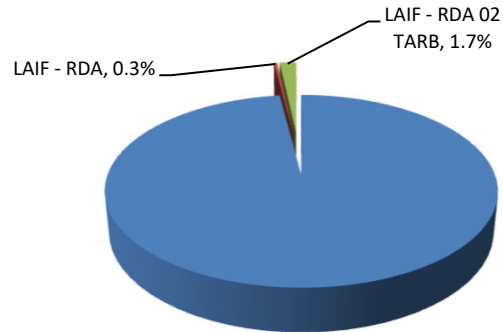
NADINE ATIEH HADE
FINANCE DIRECTOR

City of Rafael

Quarterly Investment Portfolio Report

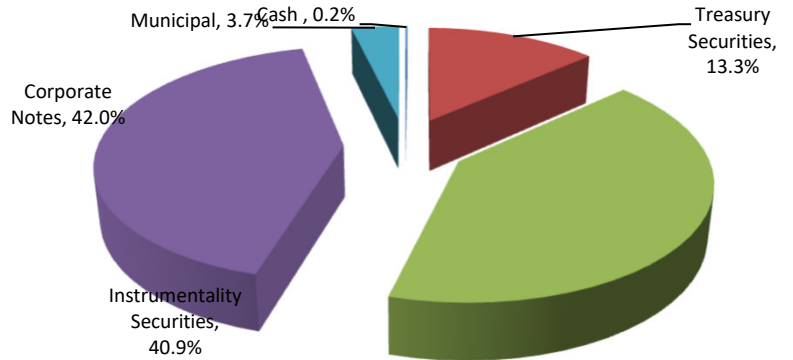
June 30, 2021

| Internally Managed Assets | | % | Return |
|---------------------------------|----------------------|--------------|--------|
| LAIF | \$ 44,444,817 | 98.0% | 0.26% |
| LAIF - RDA | \$ 154,942 | 0.3% | 0.26% |
| LAIF - RDA 02 TARB | \$ 768,824 | 1.7% | 0.26% |
| Total Internally Managed | \$ 45,368,583 | 57.5% | |



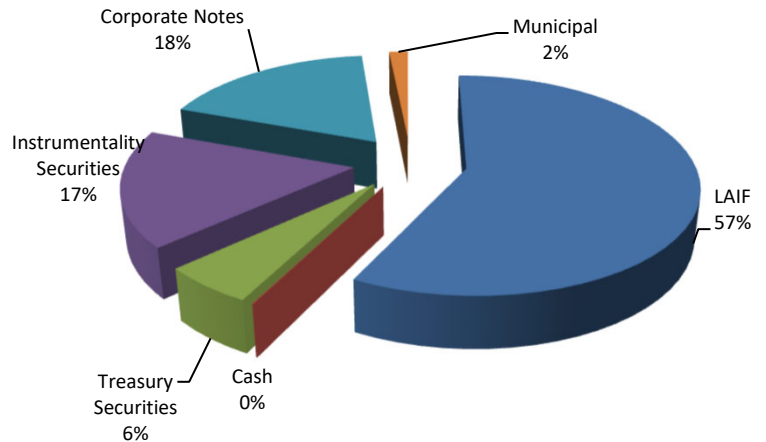
| | |
|---------------------------------------|--------------|
| Weighted Average Yield | 0.26% |
| Effective Average Duration - Internal | 1 |
| Weighted Average Maturity - Internal | 1 |
| | LAIF, 98.0% |

| Externally Managed Assets | | % | Return |
|---------------------------------|----------------------|--------------|--------|
| Cash | \$ 56,088 | 0.2% | 0.01% |
| Treasury Securities | \$ 4,439,182 | 13.3% | 0.70% |
| Instrumentality Securities | \$ 13,695,843 | 40.9% | 1.21% |
| Corporate Notes | \$ 14,048,276 | 42.0% | 0.68% |
| Municipal | \$ 1,239,200 | 3.7% | 5.25% |
| Total Externally Managed | \$ 33,478,588 | 42.5% | |



| | |
|---------------------------------------|--------------|
| Weighted Average Yield | 1.07% |
| Effective Average Duration - External | 2.02 |
| Weighted Average Maturity - External | 2.39 |

| Total Portfolio Assets | | % | Return |
|-------------------------------|----------------------|-------|--------|
| LAIF | \$ 45,368,583 | 57.5% | 0.26% |
| Cash | \$ 56,088 | 0.1% | 0.01% |
| Treasury Securities | \$ 4,439,182 | 5.6% | 0.70% |
| Instrumentality Securities | \$ 13,695,843 | 17.4% | 1.21% |
| Corporate Notes | \$ 14,048,276 | 17.8% | 0.68% |
| Municipal | \$ 1,239,200 | 1.6% | 5.25% |
| Total Portfolio Assets | \$ 78,847,171 | | |



| | |
|------------------------------------|--------------|
| Weighted Average Yield | 0.60% |
| Effective Average Duration - Total | 0.86 |
| Weighted Average Maturity - Total | 1.02 |

Based on Market Values

City of San Rafael

Historical Activity-By Quarter

| | June 30, 2021 | | | March 31, 2021 | | | December 31, 2020 | | | September 30, 2020 | | | June 30, 2020 | | | March 31, 2020 | | |
|---------------------------------------|----------------------|--------------|--------------|----------------------|--------------|--------------|----------------------|--------------|--------------|----------------------|--------------|--------------|----------------------|--------------|--------------|----------------------|--------------|--------------|
| | \$ | % | Return | \$ | % | Return | \$ | % | Return | \$ | % | Return | \$ | % | Return | \$ | % | Return |
| Internally Managed Assets | | | | | | | | | | | | | | | | | | |
| LAIF | \$ 45,213,641 | 99.7% | 0.26% | \$ 40,171,329 | 99.6% | 0.36% | \$ 35,129,481 | 99.6% | 0.54% | \$ 23,075,641 | 99.3% | 0.68% | \$ 32,962,961 | 99.5% | 1.22% | \$ 22,847,933 | 99.3% | 1.78% |
| LAIF - Housing | \$ 154,942 | 0.3% | 0.26% | \$ 154,773 | 0.4% | 0.36% | \$ 154,528 | 0.4% | 0.54% | \$ 154,201 | 0.7% | 0.68% | \$ 153,640 | 0.5% | 1.22% | \$ 152,871 | 0.7% | 1.78% |
| Total Internally Managed | \$ 45,368,583 | 57.5% | | \$ 40,326,102 | 65.2% | | \$ 35,284,009 | 61.5% | | \$ 23,229,842 | 51.3% | | \$ 33,116,601 | 57.4% | | \$ 23,000,804 | 48.6% | |
| Weighted Average Yield | | | 0.26% | | | 0.36% | | | 0.54% | | | 0.68% | | | 1.22% | | | 1.78% |
| Externally Managed Assets | | | | | | | | | | | | | | | | | | |
| Cash | \$ 56,088 | 0.2% | 0.01% | \$ 260,338 | 21.0% | 0.01% | \$ 278,791 | 22.5% | 0.01% | \$ 387,991 | 31.3% | 0.00% | \$ 1,784,838 | 135.7% | 0.00% | \$ 57,810 | 4.4% | 0.00% |
| Treasury Securities | \$ 4,439,182 | 13.3% | 0.70% | \$ 1,455,053 | 6.8% | 1.54% | \$ 1,464,113 | 6.6% | 1.54% | \$ 1,470,457 | 6.7% | 1.54% | \$ 2,476,872 | 10.1% | 1.49% | \$ 3,083,104 | 12.7% | 1.54% |
| Instrumentality Securities | \$ 13,695,843 | 40.9% | 1.21% | \$ 11,757,213 | 54.6% | 1.54% | \$ 12,320,155 | 55.9% | 1.58% | \$ 12,173,214 | 55.3% | 1.70% | \$ 12,218,650 | 49.8% | 1.80% | \$ 13,227,918 | 54.4% | 1.81% |
| Corporate Notes | \$ 14,048,276 | 42.0% | 0.68% | \$ 6,830,936 | 31.7% | 1.40% | \$ 6,747,102 | 30.6% | 2.02% | \$ 6,751,751 | 30.7% | 2.06% | \$ 6,749,718 | 27.5% | 2.23% | \$ 6,636,962 | 27.3% | 2.23% |
| Municipal/Assessment District | \$ 1,239,200 | 3.7% | 5.25% | \$ 1,239,200 | 5.8% | 5.25% | \$ 1,239,200 | 5.6% | 5.25% | \$ 1,239,200 | 5.6% | 5.25% | \$ 1,315,100 | 5.4% | 5.25% | \$ 1,315,100 | 5.4% | 5.25% |
| Total Externally Managed | \$ 33,478,588 | 42.5% | | \$ 21,542,739 | 34.8% | | \$ 22,049,361 | 38.5% | | \$ 22,022,613 | 48.7% | | \$ 24,545,178 | 42.6% | | \$ 24,320,894 | 51.4% | |
| Weighted Average Yield | | | 1.07% | | | 1.69% | | | 1.90% | | | 1.97% | | | 1.94% | | | 2.07% |
| | | | Years | | | Years | | | Years | | | Years | | | Years | | | Years |
| Effective Average Duration - External | | | 2.02 | | | 1.90 | | | 1.91 | | | 1.91 | | | 1.83 | | | 2.07 |
| Weighted Average Maturity - External | | | 2.39 | | | 2.32 | | | 2.22 | | | 2.22 | | | 2.07 | | | 2.32 |
| Total Portfolio Assets | | | | | | | | | | | | | | | | | | |
| LAIF | \$ 45,368,583 | 57.5% | 0.26% | \$ 40,326,102 | 65.2% | 0.36% | \$ 35,284,009 | 61.5% | 0.54% | \$ 23,229,842 | 51.3% | 0.68% | \$ 33,116,601 | 57.4% | 1.22% | \$ 23,000,804 | 48.6% | 1.78% |
| Cash | \$ 56,088 | 0.1% | 0.01% | \$ 260,338 | 0.4% | 0.01% | \$ 278,791 | 0.5% | 0.01% | \$ 387,991 | 0.9% | 0.00% | \$ 1,784,838 | 3.1% | 0.00% | \$ 57,810 | 0.1% | 0.00% |
| Treasury Securities | \$ 4,439,182 | 5.6% | 0.70% | \$ 1,455,053 | 2.4% | 1.54% | \$ 1,464,113 | 2.6% | 1.54% | \$ 1,470,457 | 3.2% | 1.54% | \$ 2,476,872 | 4.3% | 1.49% | \$ 3,083,104 | 6.5% | 1.54% |
| Instrumentality Securities | \$ 13,695,843 | 17.4% | 1.21% | \$ 11,757,213 | 19.0% | 1.54% | \$ 12,320,155 | 21.5% | 1.58% | \$ 12,173,214 | 26.9% | 1.70% | \$ 12,218,650 | 21.2% | 1.80% | \$ 13,227,918 | 28.0% | 1.81% |
| Corporate Notes | \$ 14,048,276 | 17.8% | 0.68% | \$ 6,830,936 | 11.0% | 1.40% | \$ 6,747,102 | 11.8% | 2.02% | \$ 6,751,751 | 14.9% | 2.06% | \$ 6,749,718 | 11.7% | 2.23% | \$ 6,636,962 | 14.0% | 2.23% |
| Municipal/Assessment District | \$ 1,239,200 | 1.6% | 5.25% | \$ 1,239,200 | 2.0% | 5.25% | \$ 1,239,200 | 2.2% | 5.25% | \$ 1,239,200 | 2.7% | 5.25% | \$ 1,315,100 | 2.3% | 5.25% | \$ 1,315,100 | 2.8% | 5.25% |
| Total Portfolio Assets | \$ 78,847,170 | | | \$ 61,868,840 | | | \$ 57,333,369 | | | \$ 45,252,454 | | | \$ 57,661,778 | | | \$ 47,321,697 | | |
| Weighted Average Yield | | | 0.60% | | | 0.82% | | | 1.06% | | | 1.31% | | | 1.53% | | | 1.93% |
| | | | Years | | | Years | | | Years | | | Years | | | Years | | | Years |
| Effective Average Duration - Total | | | 0.86 | | | 0.66 | | | 0.74 | | | 0.93 | | | 0.78 | | | 1.07 |
| Weighted Average Maturity - Total | | | 1.02 | | | 0.81 | | | 0.86 | | | 1.08 | | | 0.88 | | | 1.19 |

Performance Recap

- The weighted average quarterly portfolio yield decreased from 0.82% to 0.60% during the past quarter. The yield has decreased over the past year, from 1.53% in the quarter ended June 30, 2020 to 0.60% in the most recent quarter. This trend is reflective of the general decrease in interest rates during the period.
- The effective average duration increased, from 0.66 to 0.86 years since last quarter due to an increase in bond holdings.
- The total portfolio assets increased by approximately \$17 million during the quarter. This is due to the receipt of ARPA funds as well as property tax and ERAF remittances

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SAN RAFAEL

April 2021

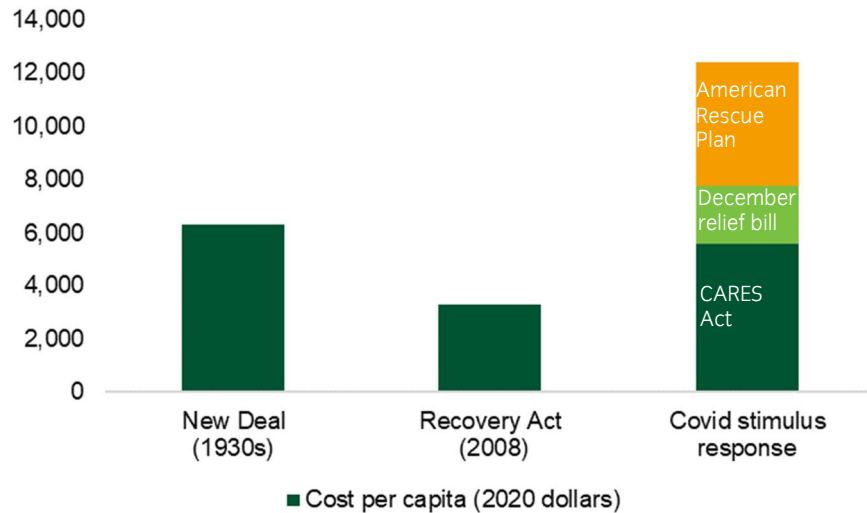


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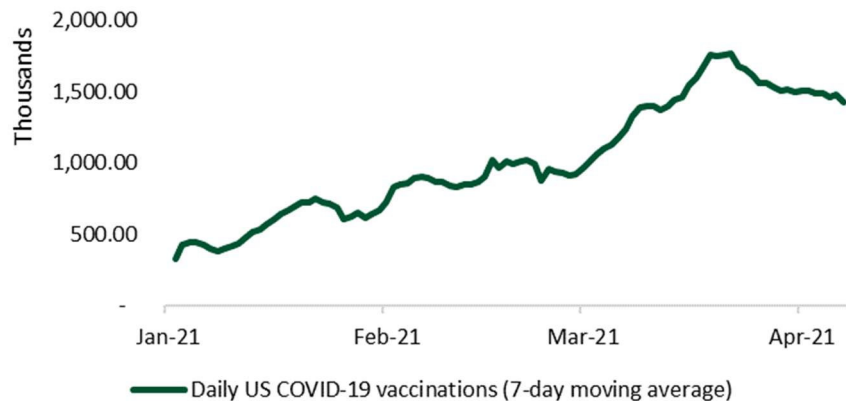
As of April 30, 2021

Chart 1: Fiscal stimulus per capital is already higher than the New Deal



Source: Federal Reserve, April 30, 2021.

Chart 2: Pace of daily vaccinations begins to slow



Source: Federal Reserve, April 30, 2021.

Economic Indicators and Monetary Policy

Fed Chairman Jay Powell reiterated that the Fed will wait for more fundamental economic data to arrive (rather than relying on forecasts) before scaling back the central bank's current monetary easing measures. He also continued to emphasize that the Fed sees the inevitable acceleration in inflation to be transitory. He reiterated the Fed will be prepared to look through near-term inflation figures.

President Biden, addressing a joint session of Congress to mark his first 100 days in office, proposed "The American Families Plan", incorporating \$1.8trn of social spending for middle- and lower-income families, against \$2trn in tax increases on corporations and wealthier, higher-income Americans. Together, these proposals are the broadest and largest spending measures since the Lyndon B. Johnson Administration and on a cost per capita basis has already surpassed Franklin D Roosevelt's New Deal (Chart 1).

Data wise, real GDP grew by 6.4% pa in Q1 2021, a slightly softer increase than the 6.7% consensus expectation, but moving the economy closer to entirely recovering the hit taken from the pandemic. Consumption rose a strong 10.7% while business investment rose 9.9% and residential investment rose 10.8%. Inventories weighed on Q1 GDP by -2.6 percentage points (pp) and net exports contributed -0.9pp. Core PCE inflation rose 2.31% pa and the overall GDP deflator rose 4.1%, the strongest quarterly increase since 2007. Strength was led by rising prices for exports, residential investment, and components of government spending.

The US continued to ramp up COVID-19 vaccinations at the start of the month, but the pace of vaccinations began to slow materially (Chart 2), with demand rather than supply appearing to be the main factor, perhaps influenced by a pause in the disbursement of the Johnson and Johnson vaccine given questions over rare blood clots. Nonetheless, restrictions continued to ease, with New York notably targeting July for a full reopening.

Interest Rate Summary

The Treasury yield curve modestly retraced some of its recent steepening. At the end of April, the 3-month US Treasury bill yielded 0.02%, the 6-month US Treasury bill yielded 0.04%, the 2-year US Treasury note yielded 0.16%, the 5-year US Treasury note yielded 0.85% and the 10-year US Treasury note yielded 1.63%.

ACTIVITY AND PERFORMANCE SUMMARY

For the period April 1, 2021 - April 30, 2021

| <u>Amortized Cost Basis Activity Summary</u> | |
|--|---------------|
| Opening balance | 21,256,082.33 |
| Income received | 34,115.90 |
| Total receipts | 34,115.90 |
| Expenses paid | (126.91) |
| Total disbursements | (126.91) |
| Interportfolio transfers | 12,000,000.00 |
| Total Interportfolio transfers | 12,000,000.00 |
| Realized gain (loss) | 5,052.45 |
| Change in accruals from security movement | 0.00 |
| Total amortization expense | (15,781.10) |
| Total OID/MKT accretion income | 41.62 |
| Return of capital | 0.00 |
| Closing balance | 33,279,384.29 |
| Ending fair value | 33,555,870.03 |
| Unrealized gain (loss) | 276,485.74 |

| <u>Detail of Amortized Cost Basis Return</u> | | | | |
|--|------------------|--------------------------|----------------------|------------------|
| | Interest earned | Accretion (amortization) | Realized gain (loss) | Total income |
| Cash and Cash Equivalents | 1.48 | 0.00 | 0.00 | 1.48 |
| Corporate Bonds | 16,643.53 | (10,700.36) | 5,052.45 | 10,995.62 |
| Government Agencies | 18,599.28 | (4,458.68) | 0.00 | 14,140.60 |
| Government Bonds | 2,374.66 | (580.44) | 0.00 | 1,794.22 |
| Municipal/Provincial Bonds | 5,240.79 | 0.00 | 0.00 | 5,240.79 |
| Total | 42,859.74 | (15,739.48) | 5,052.45 | 32,172.71 |

| <u>Comparative Rates of Return (%)</u> | | | |
|--|-------------------------|----------------------|-------------|
| | * Twelve month trailing | * Six month trailing | * One month |
| Fed Funds | 0.08 | 0.04 | 0.01 |
| Overnight Repo | 0.08 | 0.03 | 0.00 |
| Merrill Lynch 3m US Treas Bill | 0.07 | 0.02 | 0.00 |
| Merrill Lynch 6m US Treas Bill | 0.08 | 0.03 | 0.00 |
| ML 1 Year US Treasury Note | 0.12 | 0.04 | 0.01 |
| ML 2 Year US Treasury Note | 0.15 | 0.07 | 0.01 |
| ML 5 Year US Treasury Note | 0.44 | 0.28 | 0.07 |

* rates reflected are cumulative

| <u>Summary of Amortized Cost Basis Return for the Period</u> | |
|--|-----------------|
| | Total portfolio |
| Interest earned | 42,859.74 |
| Accretion (amortization) | (15,739.48) |
| Realized gain (loss) on sales | 5,052.45 |
| Total income on portfolio | 32,172.71 |
| Average daily amortized cost | 25,074,901.58 |
| Period return (%) | 0.14 |
| YTD return (%) | 0.65 |
| Weighted average final maturity in days | 662 |

ACTIVITY AND PERFORMANCE SUMMARY

For the period April 1, 2021 - April 30, 2021

| <u>Fair Value Basis Activity Summary</u> | | |
|--|---------------|---------------|
| Opening balance | | 21,542,739.17 |
| Income received | 34,115.90 | |
| Total receipts | | 34,115.90 |
| Expenses paid | (126.91) | |
| Total disbursements | | (126.91) |
| Interportfolio transfers | 12,000,000.00 | |
| Total Interportfolio transfers | | 12,000,000.00 |
| Unrealized gain (loss) on security movements | | 0.00 |
| Change in accruals from security movement | | 0.00 |
| Return of capital | | 0.00 |
| Change in fair value for the period | | (20,858.13) |
| Ending fair value | | 33,555,870.03 |

| <u>Detail of Fair Value Basis Return</u> | | | |
|--|------------------|----------------------|------------------|
| | Interest earned | Change in fair value | Total income |
| Cash and Cash Equivalents | 1.48 | 0.00 | 1.48 |
| Corporate Bonds | 16,643.53 | (8,684.09) | 7,959.44 |
| Government Agencies | 18,599.28 | (10,532.57) | 8,066.71 |
| Government Bonds | 2,374.66 | (1,641.47) | 733.19 |
| Municipal/Provincial Bonds | 5,240.79 | 0.00 | 5,240.79 |
| Total | 42,859.74 | (20,858.13) | 22,001.61 |

| <u>Comparative Rates of Return (%)</u> | | | |
|--|-------------------------|----------------------|-------------|
| | * Twelve month trailing | * Six month trailing | * One month |
| Fed Funds | 0.08 | 0.04 | 0.01 |
| Overnight Repo | 0.08 | 0.03 | 0.00 |
| ICE Bofa 3 Months US T-BILL | 0.11 | 0.05 | 0.00 |
| ICE Bofa 6m US Treas Bill | 0.16 | 0.09 | 0.01 |
| ICE Bofa 1 Yr US Treasury Note | 0.25 | 0.15 | 0.03 |
| ICE BofA US Treasury 1-3 | 0.24 | 0.09 | 0.05 |
| ICE BofA US Treasury 1-5 | (0.01) | (0.22) | 0.16 |

* rates reflected are cumulative

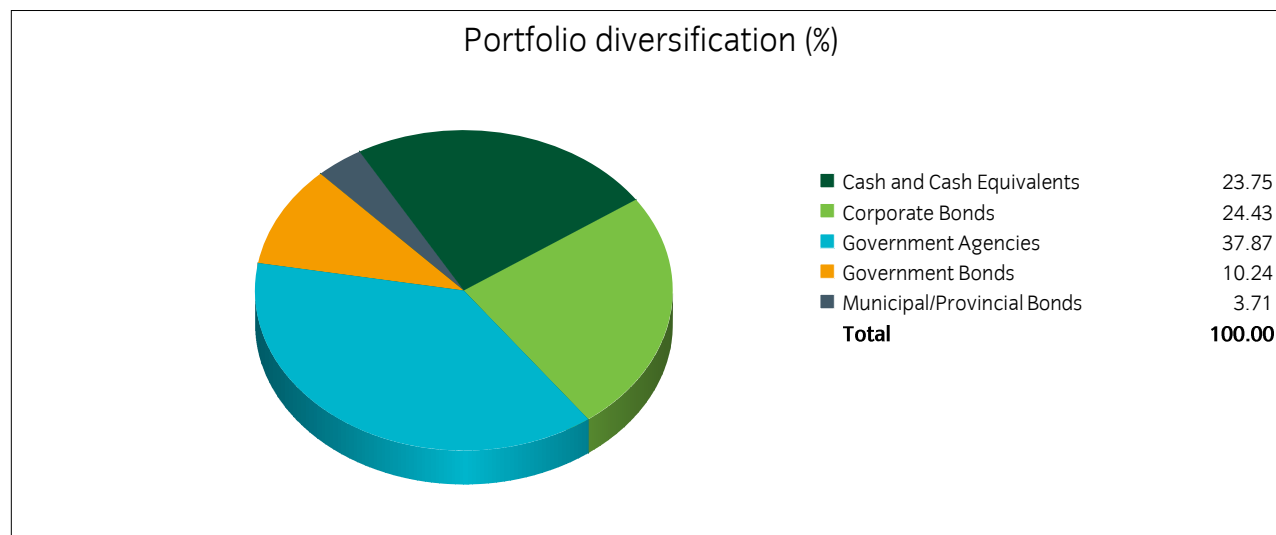
| <u>Summary of Fair Value Basis Return for the Period</u> | | Total portfolio |
|--|--|-----------------|
| Interest earned | | 42,859.74 |
| Change in fair value | | (20,858.13) |
| Total income on portfolio | | 22,001.61 |
| Average daily total value * | | 25,473,434.92 |
| Period return (%) | | 0.09 |
| YTD return (%) | | 0.11 |
| Weighted average final maturity in days | | 662 |

* Total value equals market value and accrued interest

RECAP OF SECURITIES HELD

As of April 30, 2021

| | Historical cost | Amortized cost | Fair value | Unrealized gain (loss) | Weighted average final maturity (days) | Percent of portfolio | Weighted average effective duration (years) |
|----------------------------|----------------------|----------------------|----------------------|------------------------|--|----------------------|---|
| Cash and Cash Equivalents | 7,940,940.32 | 7,940,940.32 | 7,940,940.32 | 0.00 | 1 | 23.75 | 0.00 |
| Corporate Bonds | 8,169,969.00 | 8,114,405.12 | 8,174,342.56 | 59,937.44 | 785 | 24.43 | 1.84 |
| Government Agencies | 12,663,651.07 | 12,569,523.77 | 12,746,680.12 | 177,156.35 | 594 | 37.87 | 1.37 |
| Government Bonds | 3,424,898.11 | 3,415,315.08 | 3,454,707.03 | 39,391.95 | 898 | 10.24 | 2.43 |
| Municipal/Provincial Bonds | 1,239,200.00 | 1,239,200.00 | 1,239,200.00 | 0.00 | 4,143 | 3.71 | 8.73 |
| Total | 33,438,658.50 | 33,279,384.29 | 33,555,870.03 | 276,485.74 | 662 | 100.00 | 1.54 |

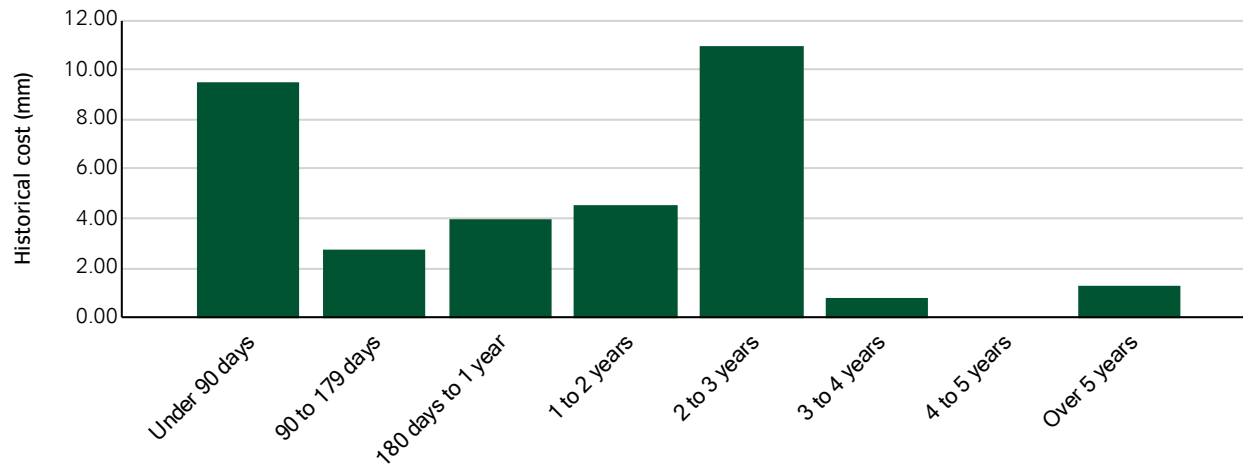


MATURITY DISTRIBUTION OF SECURITIES HELD

As of April 30, 2021

| Maturity | Historic cost | Percent |
|--------------------|----------------------|---------------|
| Under 90 days | 9,472,010.32 | 28.33 |
| 90 to 179 days | 2,701,748.00 | 8.08 |
| 180 days to 1 year | 3,910,810.30 | 11.70 |
| 1 to 2 years | 4,489,743.83 | 13.43 |
| 2 to 3 years | 10,871,719.30 | 32.51 |
| 3 to 4 years | 753,426.75 | 2.25 |
| 4 to 5 years | 0.00 | 0.00 |
| Over 5 years | 1,239,200.00 | 3.71 |
| | 33,438,658.50 | 100.00 |

Maturity distribution



SECURITIES HELD

As of April 30, 2021

| Cusip | Description | Coupon | Maturity/ Call date | Par value or shares | Historical cost | Amortized cost | Fair value | Unrealized gain (loss) | Total accrued interest | % Port cost |
|--|---|--------|--------------------------|------------------------|---------------------|---------------------|---------------------|------------------------------|------------------------------|-------------------|
| Cash and Cash Equivalents | | | | | | | | | | |
| | Cash and Cash Equivalents | 0.000 | | 7,940,940.32 | 7,940,940.32 | 7,940,940.32 | 7,940,940.32 | 0.00 | 0.00 | 23.75 |
| Total Cash and Cash Equivalents | | | | 7,940,940.32 | 7,940,940.32 | 7,940,940.32 | 7,940,940.32 | 0.00 | 0.00 | 23.75 |
| Corporate Bonds | | | | | | | | | | |
| 17325FAQ1 | CITIBANK NA 3.4% 23JUL2021 (CALLABLE 23JUN21) | 3.400 | 07/23/2021 06/23/2021 | 500,000.00 | 507,030.00 | 500,500.12 | 502,178.90 | 1,678.78 | 4,580.56 | 1.52 |
| 717081DZ3 | PFIZER INC 2.2% 15DEC2021 | 2.200 | 12/15/2021 | 500,000.00 | 503,615.00 | 501,131.26 | 505,861.48 | 4,730.22 | 4,125.00 | 1.51 |
| 0258M0EG0 | AMERICAN EXPRESS CREDIT 2.7% 03MAR2022 (CALLABLE 31JAN22) | 2.700 | 03/03/2022 01/31/2022 | 700,000.00 | 714,231.00 | 712,760.46 | 713,011.65 | 251.19 | 2,992.50 | 2.14 |
| 931142DH3 | WALMART INC 2.55% 11APR2023 (CALLABLE 11JAN23) | 2.550 | 04/11/2023 01/11/2023 | 500,000.00 | 509,155.00 | 504,680.92 | 519,677.87 | 14,996.95 | 672.92 | 1.52 |
| 037833AK6 | APPLE INC 2.4% 03MAY2023 | 2.400 | 05/03/2023 | 500,000.00 | 506,880.00 | 503,805.85 | 521,095.94 | 17,290.09 | 5,900.00 | 1.52 |
| 94988J5R4 | WELLS FARGO BANK NA 3.55% 14AUG2023 (CALLABLE 14JUL23) | 3.550 | 08/14/2023 07/14/2023 | 500,000.00 | 539,535.00 | 535,112.74 | 535,105.00 | (7.74) | 3,747.22 | 1.61 |
| 89236THA6 | TOYOTA MOTOR CREDIT CORP 1.35% 25AUG2023 | 1.350 | 08/25/2023 | 700,000.00 | 714,959.00 | 714,781.97 | 715,351.25 | 569.28 | 1,706.25 | 2.14 |
| 06051GHC6 | BANK OF AMERICA CORP 3.004% 20DEC2023 (CALLABLE 20DEC22) | 3.004 | 12/20/2023 12/20/2022 | 500,000.00 | 525,795.00 | 519,362.66 | 519,775.00 | 412.34 | 5,423.89 | 1.57 |
| 693475AV7 | PNC FINANCIAL SERVICES 3.5% 23JAN2024 (CALLABLE 23DEC23) | 3.500 | 01/23/2024 12/24/2023 | 900,000.00 | 957,939.00 | 948,631.91 | 969,748.17 | 21,116.26 | 8,487.50 | 2.86 |
| 91159HHV5 | US BANCORP 3.375% 05FEB2024 (CALLABLE 05JAN24) | 3.375 | 02/05/2024 01/05/2024 | 1,000,000.00 | 1,079,130.00 | 1,079,130.00 | 1,078,602.58 | (527.42) | 8,343.75 | 3.23 |

SECURITIES HELD

As of April 30, 2021

| Cusip | Description | Coupon | Maturity/ Call date | Par value or shares | Historical cost | Amortized cost | Fair value | Unrealized gain (loss) | Total accrued interest | % Port cost |
|------------------------------|---|--------|--------------------------|------------------------|---------------------|---------------------|---------------------|------------------------------|------------------------------|-------------------|
| Corporate Bonds | | | | | | | | | | |
| 88579YBB6 | 3M COMPANY 3.25% 14FEB2024 (CALLABLE 14JAN24) | 3.250 | 02/14/2024 01/14/2024 | 500,000.00 | 541,935.00 | 538,788.88 | 537,260.89 | (1,527.99) | 3,430.56 | 1.62 |
| 06051GHF9 | BANK OF AMERICA CORP 3.55% 05MAR2024 (CALLABLE 05MAR23) | 3.550 | 03/05/2024 03/05/2023 | 500,000.00 | 535,525.00 | 524,893.70 | 526,668.59 | 1,774.89 | 2,711.81 | 1.60 |
| 46647PAP1 | JPMORGAN CHASE & CO 3.559% 23APR2024 (CALLABLE 23APR23) | 3.559 | 04/23/2024 04/23/2023 | 500,000.00 | 534,240.00 | 530,824.65 | 530,005.24 | (819.41) | 346.01 | 1.60 |
| Total Corporate Bonds | | | | 7,800,000.00 | 8,169,969.00 | 8,114,405.12 | 8,174,342.56 | 59,937.44 | 52,467.97 | 24.43 |
| Government Agencies | | | | | | | | | | |
| 313373ZY1 | FEDERAL HOME LOAN BANK 3.625% 11JUN2021 | 3.625 | 06/11/2021 | 1,000,000.00 | 1,024,040.00 | 1,001,209.37 | 1,003,692.90 | 2,483.53 | 13,996.53 | 3.06 |
| 313378JP7 | FEDERAL HOME LOAN BANK 2.375% 10SEP2021 | 2.375 | 09/10/2021 | 600,000.00 | 602,430.00 | 600,377.87 | 604,838.13 | 4,460.26 | 1,979.17 | 1.80 |
| 3135G0Q89 | FANNIE MAE 1.375% 07OCT2021 | 1.375 | 10/07/2021 | 1,100,000.00 | 1,099,318.00 | 1,099,820.95 | 1,106,297.28 | 6,476.33 | 966.32 | 3.29 |
| 3137EADB2 | FREDDIE MAC 2.375% 13JAN2022 | 2.375 | 01/13/2022 | 1,650,000.00 | 1,676,634.30 | 1,658,177.76 | 1,676,733.17 | 18,555.41 | 11,647.40 | 5.01 |
| 313378WG2 | FEDERAL HOME LOAN BANK 2.5% 11MAR2022 | 2.500 | 03/11/2022 | 1,000,000.00 | 1,016,330.00 | 1,005,135.12 | 1,020,821.58 | 15,686.46 | 3,402.78 | 3.04 |
| 3135G0T78 | FANNIE MAE 2% 05OCT2022 | 2.000 | 10/05/2022 | 600,000.00 | 601,716.00 | 600,757.28 | 616,134.70 | 15,377.42 | 833.33 | 1.80 |
| 3130A3KM5 | FEDERAL HOME LOAN BANK 2.5% 09DEC2022 | 2.500 | 12/09/2022 | 1,000,000.00 | 1,021,240.00 | 1,009,925.71 | 1,037,148.53 | 27,222.82 | 9,791.67 | 3.05 |
| 3134GW2F2 | FREDDIE MAC 0.3% 25MAY2023 (CALLABLE 25AUG21) | 0.300 | 05/25/2023 08/25/2021 | 1,000,000.00 | 1,000,000.00 | 1,000,000.00 | 1,000,316.31 | 316.31 | 541.67 | 2.99 |

SECURITIES HELD

SAN RAFAEL

As of April 30, 2021

| Cusip | Description | Coupon | Maturity/ Call date | Par value or shares | Historical cost | Amortized cost | Fair value | Unrealized gain (loss) | Total accrued interest | % Port cost |
|----------------------------------|---|--------|--------------------------|------------------------|----------------------|----------------------|----------------------|------------------------------|------------------------------|-------------------|
| Government Agencies | | | | | | | | | | |
| 3135G0U43 | FANNIE MAE 2.875% 12SEP2023 | 2.875 | 09/12/2023 | 1,000,000.00 | 1,047,553.22 | 1,028,352.23 | 1,062,808.21 | 34,455.98 | 3,833.33 | 3.13 |
| 3135G0V34 | FANNIE MAE 2.5% 05FEB2024 | 2.500 | 02/05/2024 | 600,000.00 | 621,262.80 | 613,693.52 | 636,371.91 | 22,678.39 | 3,541.67 | 1.86 |
| 3133EMWV0 | FEDERAL FARM CREDIT BANK 0.35% 22APR2024 | 0.350 | 04/22/2024 | 1,000,000.00 | 1,000,000.00 | 1,000,000.00 | 999,714.81 | (285.19) | 106.94 | 2.99 |
| 3136G46B4 | FANNIE MAE 0.35% 26APR2024 (CALLABLE 26OCT21) | 0.350 | 04/26/2024 10/26/2021 | 1,200,000.00 | 1,199,700.00 | 1,199,743.20 | 1,198,703.21 | (1,039.99) | 46.67 | 3.59 |
| 3135G0V75 | FANNIE MAE 1.75% 02JUL2024 | 1.750 | 07/02/2024 | 750,000.00 | 753,426.75 | 752,330.76 | 783,099.38 | 30,768.62 | 4,302.08 | 2.25 |
| Total Government Agencies | | | | 12,500,000.00 | 12,663,651.07 | 12,569,523.77 | 12,746,680.12 | 177,156.35 | 54,989.56 | 37.87 |
| Government Bonds | | | | | | | | | | |
| 912828M80 | USA TREASURY 2% 30NOV2022 | 2.000 | 11/30/2022 | 750,000.00 | 762,072.83 | 756,734.27 | 772,148.44 | 15,414.17 | 6,222.53 | 2.28 |
| 91282CAW1 | USA TREASURY 0.25% 15NOV2023 | 0.250 | 11/15/2023 | 1,000,000.00 | 1,000,120.54 | 1,000,120.54 | 1,000,078.12 | (42.42) | 1,167.13 | 2.99 |
| 912828U57 | USA TREASURY 2.125% 30NOV2023 | 2.125 | 11/30/2023 | 650,000.00 | 661,529.52 | 657,285.05 | 681,230.47 | 23,945.42 | 5,729.91 | 1.98 |
| 91282CBV2 | USA TREASURY 0.375% 15APR2024 | 0.375 | 04/15/2024 | 1,000,000.00 | 1,001,175.22 | 1,001,175.22 | 1,001,250.00 | 74.78 | 184.43 | 2.99 |
| Total Government Bonds | | | | 3,400,000.00 | 3,424,898.11 | 3,415,315.08 | 3,454,707.03 | 39,391.95 | 13,304.00 | 10.24 |

SECURITIES HELD

SAN RAFAEL

As of April 30, 2021

| Cusip | Description | Coupon | Maturity/ Call date | Par value or shares | Historical cost | Amortized cost | Fair value | Unrealized gain (loss) | Total accrued interest | % Port cost |
|---|--|--------|------------------------|------------------------|----------------------|----------------------|----------------------|------------------------------|------------------------------|-------------------|
| Municipal/Provincial Bonds | | | | | | | | | | |
| 888599LS4 | PT. SAN ASSESS DISTRICT 5.25% 144A 02SEP2032 SANRAF\$01 | 5.250 | 09/02/2032 | 1,239,200.00 | 1,239,200.00 | 1,239,200.00 | 1,239,200.00 | 0.00 | 10,481.57 | 3.71 |
| Total Municipal/Provincial Bonds | | | | 1,239,200.00 | 1,239,200.00 | 1,239,200.00 | 1,239,200.00 | 0.00 | 10,481.57 | 3.71 |
| Grand total | | | | 32,880,140.32 | 33,438,658.50 | 33,279,384.29 | 33,555,870.03 | 276,485.74 | 131,243.10 | 100.00 |

GASB 40 - DEPOSIT AND INVESTMENT RISK DISCLOSURE

As of April 30, 2021

| Cusip | Description | Coupon | Maturity date | Call date | S&P rating | Moody rating | Par value or shares | Historical cost | % Portfolio hist cost | Market value | % Portfolio mkt value | Effective dur (yrs) |
|--|---------------------|--------|---------------|------------|------------|--------------|----------------------|---------------------|-----------------------|---------------------|-----------------------|---------------------|
| Cash and Cash Equivalents | | | | | | | | | | | | |
| | INVESTED CASH | 0.000 | | | | | 12,031,168.33 | 12,031,168.33 | 0.00 | 12,031,168.33 | 35.85 | 0.00 |
| | PENDING TRADE | 0.000 | | | | | 0.00 | (4,090,228.01) | 0.00 | (4,090,228.01) | (12.19) | 0.00 |
| Issuer total | | | | | | | 12,031,168.33 | 7,940,940.32 | 0.00 | 7,940,940.32 | 23.66 | 0.00 |
| Federal National Mortgage Association | | | | | | | | | | | | |
| 3135G0Q89 | FANNIE MAE 1.375% | 1.375 | 10/07/2021 | | AA+ | Aaa | 1,100,000.00 | 1,099,318.00 | 3.29 | 1,106,297.28 | 3.30 | 0.44 |
| 3135G0T78 | FANNIE MAE 2% | 2.000 | 10/05/2022 | | AA+ | Aaa | 600,000.00 | 601,716.00 | 1.80 | 616,134.70 | 1.84 | 1.42 |
| 3135G0U43 | FANNIE MAE 2.875% | 2.875 | 09/12/2023 | | AA+ | Aaa | 1,000,000.00 | 1,047,553.22 | 3.13 | 1,062,808.21 | 3.17 | 2.30 |
| 3135G0V34 | FANNIE MAE 2.5% | 2.500 | 02/05/2024 | | AA+ | Aaa | 600,000.00 | 621,262.80 | 1.86 | 636,371.91 | 1.90 | 2.68 |
| 3136G46B4 | FANNIE MAE 0.35% | 0.350 | 04/26/2024 | 10/26/2021 | AA+ | Aaa | 1,200,000.00 | 1,199,700.00 | 3.59 | 1,198,703.21 | 3.57 | 1.53 |
| 3135G0V75 | FANNIE MAE 1.75% | 1.750 | 07/02/2024 | | AA+ | Aaa | 750,000.00 | 753,426.75 | 2.25 | 783,099.38 | 2.33 | 3.09 |
| Issuer total | | | | | | | 5,250,000.00 | 5,322,976.77 | 15.92 | 5,403,414.69 | 16.10 | 1.80 |
| Federal Home Loan Banks | | | | | | | | | | | | |
| 313373ZY1 | FEDERAL HOME LOAN | 3.625 | 06/11/2021 | | AA+ | Aaa | 1,000,000.00 | 1,024,040.00 | 3.06 | 1,003,692.90 | 2.99 | 0.12 |
| 313378JP7 | FEDERAL HOME LOAN | 2.375 | 09/10/2021 | | AA+ | Aaa | 600,000.00 | 602,430.00 | 1.80 | 604,838.13 | 1.80 | 0.36 |
| 313378WG2 | FEDERAL HOME LOAN | 2.500 | 03/11/2022 | | AA+ | Aaa | 1,000,000.00 | 1,016,330.00 | 3.04 | 1,020,821.58 | 3.04 | 0.86 |
| 3130A3KM5 | FEDERAL HOME LOAN | 2.500 | 12/09/2022 | | AA+ | Aaa | 1,000,000.00 | 1,021,240.00 | 3.05 | 1,037,148.53 | 3.09 | 1.57 |
| Issuer total | | | | | | | 3,600,000.00 | 3,664,040.00 | 10.96 | 3,666,501.14 | 10.93 | 0.77 |
| United States Treasury Note/Bond | | | | | | | | | | | | |
| 912828M80 | USA TREASURY 2% | 2.000 | 11/30/2022 | | AA+ | Aaa | 750,000.00 | 762,072.83 | 2.28 | 772,148.44 | 2.30 | 1.55 |
| 91282CAW1 | USA TREASURY 0.25% | 0.250 | 11/15/2023 | | AA+ | Aaa | 1,000,000.00 | 1,000,120.54 | 2.99 | 1,000,078.12 | 2.98 | 2.53 |
| 912828U57 | USA TREASURY 2.125% | 2.125 | 11/30/2023 | | AA+ | Aaa | 650,000.00 | 661,529.52 | 1.98 | 681,230.47 | 2.03 | 2.51 |
| 91282CBV2 | USA TREASURY 0.375% | 0.375 | 04/15/2024 | | AA+ | Aaa | 1,000,000.00 | 1,001,175.22 | 2.99 | 1,001,250.00 | 2.98 | 2.94 |
| Issuer total | | | | | | | 3,400,000.00 | 3,424,898.11 | 10.24 | 3,454,707.03 | 10.30 | 2.43 |

GASB 40 - DEPOSIT AND INVESTMENT RISK DISCLOSURE

SAN RAFAEL

As of April 30, 2021

| Cusip | Description | Coupon | Maturity date | Call date | S&P rating | Moody rating | Par value or shares | Historical cost | % Portfolio hist cost | Market value | % Portfolio mkt value | Effective dur (yrs) |
|---|----------------------|--------|---------------|------------|------------|--------------|---------------------|---------------------|-----------------------|---------------------|-----------------------|---------------------|
| Federal Home Loan Mortgage Corp | | | | | | | | | | | | |
| 3137EADB2 | FREDDIE MAC 2.375% | 2.375 | 01/13/2022 | | AA+ | Aaa | 1,650,000.00 | 1,676,634.30 | 5.01 | 1,676,733.17 | 5.00 | 0.70 |
| 3134GW2F2 | FREDDIE MAC 0.3% | 0.300 | 05/25/2023 | 08/25/2021 | AA+ | Aaa | 1,000,000.00 | 1,000,000.00 | 2.99 | 1,000,316.31 | 2.98 | 0.76 |
| Issuer total | | | | | | | 2,650,000.00 | 2,676,634.30 | 8.00 | 2,677,049.48 | 7.98 | 0.72 |
| PT. SAN ASSESS DISTRICT | | | | | | | | | | | | |
| 888599LS4 | PT. SAN ASSESS | 5.250 | 09/02/2032 | | NR | NR | 1,239,200.00 | 1,239,200.00 | 3.71 | 1,239,200.00 | 3.69 | 8.73 |
| Issuer total | | | | | | | 1,239,200.00 | 1,239,200.00 | 3.71 | 1,239,200.00 | 3.69 | 8.73 |
| US Bancorp | | | | | | | | | | | | |
| 91159HHV5 | US BANCORP 3.375% | 3.375 | 02/05/2024 | 01/05/2024 | A+ | A1 | 1,000,000.00 | 1,079,130.00 | 3.23 | 1,078,602.58 | 3.21 | 2.58 |
| Issuer total | | | | | | | 1,000,000.00 | 1,079,130.00 | 3.23 | 1,078,602.58 | 3.21 | 2.58 |
| Bank of America Corp | | | | | | | | | | | | |
| 06051GHC6 | BANK OF AMERICA CORP | 3.004 | 12/20/2023 | 12/20/2022 | A- | A2 | 500,000.00 | 525,795.00 | 1.57 | 519,775.00 | 1.55 | 1.59 |
| 06051GHF9 | BANK OF AMERICA CORP | 3.550 | 03/05/2024 | 03/05/2023 | A- | A2 | 500,000.00 | 535,525.00 | 1.60 | 526,668.59 | 1.57 | 1.79 |
| Issuer total | | | | | | | 1,000,000.00 | 1,061,320.00 | 3.17 | 1,046,443.59 | 3.12 | 1.69 |
| Federal Farm Credit Banks Funding Corp | | | | | | | | | | | | |
| 3133EMWV | FEDERAL FARM CREDIT | 0.350 | 04/22/2024 | | AA+ | Aaa | 1,000,000.00 | 1,000,000.00 | 2.99 | 999,714.81 | 2.98 | 2.96 |
| Issuer total | | | | | | | 1,000,000.00 | 1,000,000.00 | 2.99 | 999,714.81 | 2.98 | 2.96 |
| PNC Financial Services Group Inc/The | | | | | | | | | | | | |
| 693475AV7 | PNC FINANCIAL | 3.500 | 01/23/2024 | 12/24/2023 | A- | A3 | 900,000.00 | 957,939.00 | 2.86 | 969,748.17 | 2.89 | 2.54 |
| Issuer total | | | | | | | 900,000.00 | 957,939.00 | 2.86 | 969,748.17 | 2.89 | 2.54 |
| Toyota Motor Credit Corp | | | | | | | | | | | | |
| 89236THA6 | TOYOTA MOTOR CREDIT | 1.350 | 08/25/2023 | | A+ | A1 | 700,000.00 | 714,959.00 | 2.14 | 715,351.25 | 2.13 | 2.28 |
| Issuer total | | | | | | | 700,000.00 | 714,959.00 | 2.14 | 715,351.25 | 2.13 | 2.28 |

GASB 40 - DEPOSIT AND INVESTMENT RISK DISCLOSURE

SAN RAFAEL

As of April 30, 2021

| Cusip | Description | Coupon | Maturity date | Call date | S&P rating | Moody rating | Par value or shares | Historical cost | % Portfolio hist cost | Market value | % Portfolio mkt value | Effective dur (yrs) |
|-------------------------------------|---------------------|--------|---------------|------------|------------|--------------|---------------------|-------------------|-----------------------|-------------------|-----------------------|---------------------|
| American Express Credit Corp | | | | | | | | | | | | |
| 0258M0EG0 | AMERICAN EXPRESS | 2.700 | 03/03/2022 | 01/31/2022 | A- | A2 | 700,000.00 | 714,231.00 | 2.14 | 713,011.65 | 2.12 | 0.75 |
| Issuer total | | | | | | | 700,000.00 | 714,231.00 | 2.14 | 713,011.65 | 2.12 | 0.75 |
| 3M Co | | | | | | | | | | | | |
| 88579YBB6 | 3M COMPANY 3.25% | 3.250 | 02/14/2024 | 01/14/2024 | A+ | A1 | 500,000.00 | 541,935.00 | 1.62 | 537,260.89 | 1.60 | 2.61 |
| Issuer total | | | | | | | 500,000.00 | 541,935.00 | 1.62 | 537,260.89 | 1.60 | 2.61 |
| Wells Fargo Bank NA | | | | | | | | | | | | |
| 94988J5R4 | WELLS FARGO BANK NA | 3.550 | 08/14/2023 | 07/14/2023 | A+ | Aa2 | 500,000.00 | 539,535.00 | 1.61 | 535,105.00 | 1.59 | 2.13 |
| Issuer total | | | | | | | 500,000.00 | 539,535.00 | 1.61 | 535,105.00 | 1.59 | 2.13 |
| JPMorgan Chase & Co | | | | | | | | | | | | |
| 46647PAP1 | JPMORGAN CHASE & CO | 3.559 | 04/23/2024 | 04/23/2023 | A- | A2 | 500,000.00 | 534,240.00 | 1.60 | 530,005.24 | 1.58 | 1.92 |
| Issuer total | | | | | | | 500,000.00 | 534,240.00 | 1.60 | 530,005.24 | 1.58 | 1.92 |
| Apple Inc | | | | | | | | | | | | |
| 037833AK6 | APPLE INC 2.4% | 2.400 | 05/03/2023 | | AA+ | Aa1 | 500,000.00 | 506,880.00 | 1.52 | 521,095.94 | 1.55 | 1.95 |
| Issuer total | | | | | | | 500,000.00 | 506,880.00 | 1.52 | 521,095.94 | 1.55 | 1.95 |
| Walmart Inc | | | | | | | | | | | | |
| 931142DH3 | WALMART INC 2.55% | 2.550 | 04/11/2023 | 01/11/2023 | AA | Aa2 | 500,000.00 | 509,155.00 | 1.52 | 519,677.87 | 1.55 | 1.68 |
| Issuer total | | | | | | | 500,000.00 | 509,155.00 | 1.52 | 519,677.87 | 1.55 | 1.68 |
| Pfizer Inc | | | | | | | | | | | | |
| 717081DZ3 | PFIZER INC 2.2% | 2.200 | 12/15/2021 | | A+ | A2 | 500,000.00 | 503,615.00 | 1.51 | 505,861.48 | 1.51 | 0.62 |
| Issuer total | | | | | | | 500,000.00 | 503,615.00 | 1.51 | 505,861.48 | 1.51 | 0.62 |

GASB 40 - DEPOSIT AND INVESTMENT RISK DISCLOSURE

As of April 30, 2021

| Cusip | Description | Coupon | Maturity date | Call date | S&P rating | Moody rating | Par value or shares | Historical cost | % Portfolio hist cost | Market value | % Portfolio mkt value | Effective dur (yrs) |
|---------------------|------------------|--------|---------------|------------|------------|--------------|----------------------|----------------------|-----------------------|----------------------|-----------------------|---------------------|
| Citibank NA | | | | | | | | | | | | |
| 17325FAQ1 | CITIBANK NA 3.4% | 3.400 | 07/23/2021 | 06/23/2021 | A+ | Aa3 | 500,000.00 | 507,030.00 | 1.52 | 502,178.90 | 1.50 | 0.15 |
| Issuer total | | | | | | | 500,000.00 | 507,030.00 | 1.52 | 502,178.90 | 1.50 | 0.15 |
| Grand total | | | | | | | 36,970,368.33 | 33,438,658.50 | 100.00 | 33,555,870.03 | 100.00 | 1.54 |

SECURITIES PURCHASED

For the period April 1, 2021 - April 30, 2021

| Cusip | Description / Broker | Trade date Settle date | Coupon | Maturity/ Call date | Par value or shares | Unit cost | Principal cost | Accrued interest |
|----------------------------------|--|---------------------------|--------|--------------------------|------------------------|-----------|-----------------------|---------------------|
| Corporate Bonds | | | | | | | | |
| 89236THA6 | TOYOTA MOTOR CREDIT CORP 1.35% DEUTSCHE BANK SECURITIES INC. | 04/21/2021 04/23/2021 | 1.350 | 08/25/2023 | 700,000.00 | 102.14 | (714,959.00) | (1,522.50) |
| 91159HHV5 | US BANCORP 3.375% 05FEB2024 MERRILL LYNCH, PIERCE, | 04/30/2021 05/04/2021 | 3.375 | 02/05/2024 01/05/2024 | 1,000,000.00 | 107.91 | (1,079,130.00) | (8,343.75) |
| Total Corporate Bonds | | | | | 1,700,000.00 | | (1,794,089.00) | (9,866.25) |
| Government Agencies | | | | | | | | |
| 3133EMWV0 | FEDERAL FARM CREDIT BANK 0.35% DAIWA CAPITAL MARKETS AMERICA | 04/30/2021 05/03/2021 | 0.350 | 04/22/2024 | 1,000,000.00 | 100.00 | (1,000,000.00) | (106.94) |
| Total Government Agencies | | | | | 1,000,000.00 | | (1,000,000.00) | (106.94) |
| Government Bonds | | | | | | | | |
| 91282CAW1 | USA TREASURY 0.25% 15NOV2023 CITIGROUP GLOBAL MARKETS LIMITED | 04/30/2021 05/03/2021 | 0.250 | 11/15/2023 | 1,000,000.00 | 100.01 | (1,000,120.54) | (1,167.13) |
| 91282CBV2 | USA TREASURY 0.375% 15APR2024 WELLS FARGO BANK, N.A. | 04/30/2021 05/03/2021 | 0.375 | 04/15/2024 | 1,000,000.00 | 100.12 | (1,001,175.22) | (184.43) |
| Total Government Bonds | | | | | 2,000,000.00 | | (2,001,295.76) | (1,351.56) |
| Grand total | | | | | 4,700,000.00 | | (4,795,384.76) | (11,324.75) |

SECURITIES SOLD AND MATURED

For the period April 1, 2021 - April 30, 2021

| Cusip | Description / Broker | Trade date Settle date | Coupon | Maturity/ Call date | Par value or shares | Historical cost | Amortized cost at sale or maturity | Price | Fair value at sale or maturity | Realized gain (loss) | Accrued interest sold |
|--------------------------------|---|---------------------------|--------|--------------------------|------------------------|---------------------|--|--------|--------------------------------------|----------------------------|-----------------------------|
| Corporate Bonds | | | | | | | | | | | |
| 0258M0EB1 | AMERICAN EXPRESS CREDIT 2.25% 05MAY2021 (CALLABLE 05APR21) | 04/05/2021 04/05/2021 | 2.250 | | (550,000.00) | 552,667.50 | 550,000.00 | 0.00 | 550,000.00 | 0.00 | 0.00 |
| 693475AV7 | PNC FINANCIAL SERVICES 3.5% 23JAN2024 (CALLABLE 23DEC23) J.P. MORGAN SECURITIES LLC | 04/16/2021 04/20/2021 | 3.500 | 01/23/2024 12/24/2023 | (100,000.00) | 104,691.00 | 102,856.55 | 107.91 | 107,909.00 | 5,052.45 | 845.83 |
| 91159HHA1 | US BANCORP 4.125% 24MAY2021 (CALLABLE 23APR21) | 04/23/2021 04/23/2021 | 4.125 | | (500,000.00) | 514,880.00 | 500,000.00 | 0.00 | 500,000.00 | 0.00 | 0.00 |
| Total (Corporate Bonds) | | | | | (1,150,000.00) | 1,172,238.50 | 1,152,856.55 | | 1,157,909.00 | 5,052.45 | 845.83 |
| Grand total | | | | | (1,150,000.00) | 1,172,238.50 | 1,152,856.55 | | 1,157,909.00 | 5,052.45 | 845.83 |

DETAIL OF RETURN AND INTEREST RECEIVED

For the period April 1, 2021 - April 30, 2021

| Cusip | Description | Accretion (amortization) | Realized gain (loss) | Change in fair value | Interest earned | Interest received |
|------------------------------|--|-----------------------------|-------------------------|-------------------------|------------------|-------------------|
| Cash | | | | | | |
| | Cash and Cash Equivalents | 0.00 | 0.00 | 0.00 | 1.48 | 1.48 |
| Total Cash | | 0.00 | 0.00 | 0.00 | 1.48 | 1.48 |
| Corporate Bonds | | | | | | |
| 88579YBB6 | 3M COMPANY 3.25% 14FEB2024 (CALLABLE 14JAN24) | (1,194.73) | 0.00 | (703.82) | 1,309.03 | 0.00 |
| 0258M0EB1 | AMERICAN EXPRESS CREDIT 2.25% 05MAY2021 (CALLABLE 05APR21) | (22.80) | 0.00 | 0.00 | 103.13 | 5,121.88 |
| 0258M0EG0 | AMERICAN EXPRESS CREDIT 2.7% 03MAR2022 (CALLABLE 31JAN22) | (1,470.54) | 0.00 | (1,162.76) | 1,312.50 | 0.00 |
| 037833AK6 | APPLE INC 2.4% 03MAY2023 | (157.91) | 0.00 | (1,232.32) | 966.67 | 0.00 |
| 06051GHC6 | BANK OF AMERICA CORP 3.004% 20DEC2023 (CALLABLE 20DEC22) | (984.54) | 0.00 | (230.38) | 1,209.95 | 0.00 |
| 06051GHF9 | BANK OF AMERICA CORP 3.55% 05MAR2024 (CALLABLE 05MAR23) | (1,123.03) | 0.00 | (879.07) | 1,429.87 | 0.00 |
| 17325FAQ1 | CITIBANK NA 3.4% 23JUL2021 (CALLABLE 23JUN21) | (283.09) | 0.00 | (1,286.10) | 1,369.45 | 0.00 |
| 46647PAP1 | JPMORGAN CHASE & CO 3.559% 23APR2024 (CALLABLE 23APR23) | (1,296.97) | 0.00 | 180.17 | 1,433.48 | 8,897.50 |
| 717081DZ3 | PFIZER INC 2.2% 15DEC2021 | (150.83) | 0.00 | (771.08) | 886.11 | 0.00 |
| 693475AV7 | PNC FINANCIAL SERVICES 3.5% 23JAN2024 (CALLABLE 23DEC23) | (1,578.17) | 5,052.45 | (637.89) | 2,722.22 | 0.00 |
| 89236THA6 | TOYOTA MOTOR CREDIT CORP 1.35% 25AUG2023 | (177.03) | 0.00 | 392.25 | 183.75 | 0.00 |
| 91159HHV5 | US BANCORP 3.375% 05FEB2024 (CALLABLE 05JAN24) | 0.00 | 0.00 | (527.42) | 0.00 | 0.00 |
| 91159HHA1 | US BANCORP 4.125% 24MAY2021 (CALLABLE 23APR21) | (704.20) | 0.00 | (977.13) | 1,260.42 | 8,536.46 |
| 931142DH3 | WALMART INC 2.55% 11APR2023 (CALLABLE 11JAN23) | (229.84) | 0.00 | (844.78) | 1,027.09 | 6,375.00 |
| 94988J5R4 | WELLS FARGO BANK NA 3.55% 14AUG2023 (CALLABLE 14JUL23) | (1,326.68) | 0.00 | (3.76) | 1,429.86 | 0.00 |
| Total Corporate Bonds | | (10,700.36) | 5,052.45 | (8,684.09) | 16,643.53 | 28,930.84 |

DETAIL OF RETURN AND INTEREST RECEIVED

For the period April 1, 2021 - April 30, 2021

| Cusip | Description | Accretion (amortization) | Realized gain (loss) | Change in fair value | Interest earned | Interest received |
|----------------------------------|---|-----------------------------|-------------------------|-------------------------|------------------|-------------------|
| Government Agencies | | | | | | |
| 3136G46B4 | FANNIE MAE 0.35% 26APR2024 (CALLABLE 26OCT21) | 7.40 | 0.00 | 3,699.49 | 338.34 | 2,100.00 |
| 3135G0Q89 | FANNIE MAE 1.375% 07OCT2021 | 34.22 | 0.00 | (1,084.18) | 1,218.40 | 7,562.50 |
| 3135G0V75 | FANNIE MAE 1.75% 02JUL2024 | (61.23) | 0.00 | 927.72 | 1,057.29 | 0.00 |
| 3135G0T78 | FANNIE MAE 2% 05OCT2022 | (44.11) | 0.00 | (590.67) | 966.66 | 6,000.00 |
| 3135G0V34 | FANNIE MAE 2.5% 05FEB2024 | (412.87) | 0.00 | (914.72) | 1,208.34 | 0.00 |
| 3135G0U43 | FANNIE MAE 2.875% 12SEP2023 | (998.32) | 0.00 | (1,215.02) | 2,315.97 | 0.00 |
| 3133EMWV0 | FEDERAL FARM CREDIT BANK 0.35% 22APR2024 | 0.00 | 0.00 | (285.19) | 0.00 | 0.00 |
| 313378JP7 | FEDERAL HOME LOAN BANK 2.375% 10SEP2021 | (87.20) | 0.00 | (1,260.83) | 1,147.92 | 0.00 |
| 3130A3KM5 | FEDERAL HOME LOAN BANK 2.5% 09DEC2022 | (514.29) | 0.00 | (1,804.09) | 2,013.89 | 0.00 |
| 313378WG2 | FEDERAL HOME LOAN BANK 2.5% 11MAR2022 | (495.35) | 0.00 | (1,801.82) | 2,013.89 | 0.00 |
| 313373ZY1 | FEDERAL HOME LOAN BANK 3.625% 11JUN2021 | (884.91) | 0.00 | (3,176.21) | 2,920.14 | 0.00 |
| 3134GW2F2 | FREDDIE MAC 0.3% 25MAY2023 (CALLABLE 25AUG21) | 0.00 | 0.00 | (70.99) | 241.67 | 0.00 |
| 3137EADB2 | FREDDIE MAC 2.375% 13JAN2022 | (1,002.02) | 0.00 | (2,956.06) | 3,156.77 | 0.00 |
| Total Government Agencies | | (4,458.68) | 0.00 | (10,532.57) | 18,599.28 | 15,662.50 |
| Government Bonds | | | | | | |
| 91282CAW1 | USA TREASURY 0.25% 15NOV2023 | 0.00 | 0.00 | (42.42) | 0.00 | 0.00 |
| 91282CBV2 | USA TREASURY 0.375% 15APR2024 | 0.00 | 0.00 | 74.78 | 0.00 | 0.00 |
| 912828M80 | USA TREASURY 2% 30NOV2022 | (348.92) | 0.00 | (937.50) | 1,236.27 | 0.00 |
| 912828U57 | USA TREASURY 2.125% 30NOV2023 | (231.52) | 0.00 | (736.33) | 1,138.39 | 0.00 |
| Total Government Bonds | | (580.44) | 0.00 | (1,641.47) | 2,374.66 | 0.00 |

DETAIL OF RETURN AND INTEREST RECEIVED

For the period April 1, 2021 - April 30, 2021

| Cusip | Description | Accretion (amortization) | Realized gain (loss) | Change in fair value | Interest earned | Interest received |
|---|---|-----------------------------|-------------------------|-------------------------|------------------|-------------------|
| Municipal/Provincial Bonds | | | | | | |
| 888599LS4 | PT. SAN ASSESS DISTRICT 5.25% 144A 02SEP2032 SANRAF\$01 | 0.00 | 0.00 | 0.00 | 5,240.79 | 0.00 |
| Total Municipal/Provincial Bonds | | 0.00 | 0.00 | 0.00 | 5,240.79 | 0.00 |
| Grand total | | (15,739.48) | 5,052.45 | (20,858.13) | 42,859.74 | 44,594.82 |

TRANSACTION REPORT

For the period April 1, 2021 - April 30, 2021

| Trade date Settle date | Cusip | Transaction | Sec type | Description | Maturity | Par value or shares | Realized gain(loss) | Principal | Interest | Transaction total |
|---------------------------|-----------|----------------|---------------------------|-----------------------------|------------|------------------------|------------------------|----------------|------------|-------------------|
| 04/05/2021 04/05/2021 | 0258M0EB1 | Income | Corporate Bonds | AMERICAN EXPRESS CREDIT | 05/05/2021 | 550,000.00 | 0.00 | 0.00 | 5,121.88 | 5,121.88 |
| 04/05/2021 04/05/2021 | 0258M0EB1 | Capital Change | Corporate Bonds | AMERICAN EXPRESS CREDIT | 05/05/2021 | (550,000.00) | 0.00 | 550,000.00 | 0.00 | 550,000.00 |
| 04/05/2021 04/05/2021 | 3135G0T78 | Income | Government Agencies | FANNIE MAE 2% 05OCT2022 | 10/05/2022 | 600,000.00 | 0.00 | 0.00 | 6,000.00 | 6,000.00 |
| 04/07/2021 04/07/2021 | 3135G0Q89 | Income | Government Agencies | FANNIE MAE 1.375% | 10/07/2021 | 1,100,000.00 | 0.00 | 0.00 | 7,562.50 | 7,562.50 |
| 04/11/2021 04/11/2021 | 931142DH3 | Income | Corporate Bonds | WALMART INC 2.55% | 04/11/2023 | 500,000.00 | 0.00 | 0.00 | 6,375.00 | 6,375.00 |
| 04/16/2021 04/20/2021 | 693475AV7 | Sold | Corporate Bonds | PNC FINANCIAL SERVICES 3.5% | 01/23/2024 | (100,000.00) | 5,052.45 | 107,909.00 | 845.83 | 108,754.83 |
| 04/21/2021 04/23/2021 | 89236THA6 | Bought | Corporate Bonds | TOYOTA MOTOR CREDIT CORP | 08/25/2023 | 700,000.00 | 0.00 | (714,959.00) | (1,522.50) | (716,481.50) |
| 04/23/2021 04/23/2021 | 46647PAP1 | Income | Corporate Bonds | JPMORGAN CHASE & CO | 04/23/2024 | 500,000.00 | 0.00 | 0.00 | 8,897.50 | 8,897.50 |
| 04/23/2021 04/23/2021 | 91159HHA1 | Income | Corporate Bonds | US BANCORP 4.125% | 05/24/2021 | 500,000.00 | 0.00 | 0.00 | 8,536.46 | 8,536.46 |
| 04/23/2021 04/23/2021 | 91159HHA1 | Capital Change | Corporate Bonds | US BANCORP 4.125% | 05/24/2021 | (500,000.00) | 0.00 | 500,000.00 | 0.00 | 500,000.00 |
| 04/26/2021 04/26/2021 | 3136G46B4 | Income | Government Agencies | FANNIE MAE 0.35% 26APR2024 | 04/26/2024 | 1,200,000.00 | 0.00 | 0.00 | 2,100.00 | 2,100.00 |
| 04/30/2021 05/03/2021 | 3133EMWV0 | Bought | Government Agencies | FEDERAL FARM CREDIT BANK | 04/22/2024 | 1,000,000.00 | 0.00 | (1,000,000.00) | (106.94) | (1,000,106.94) |
| 04/30/2021 05/04/2021 | 91159HHV5 | Bought | Corporate Bonds | US BANCORP 3.375% | 02/05/2024 | 1,000,000.00 | 0.00 | (1,079,130.00) | (8,343.75) | (1,087,473.75) |
| 04/30/2021 05/03/2021 | 91282CAW1 | Bought | Government Bonds | USA TREASURY 0.25% | 11/15/2023 | 1,000,000.00 | 0.00 | (1,000,120.54) | (1,167.13) | (1,001,287.67) |
| 04/30/2021 05/03/2021 | 91282CBV2 | Bought | Government Bonds | USA TREASURY 0.375% | 04/15/2024 | 1,000,000.00 | 0.00 | (1,001,175.22) | (184.43) | (1,001,359.65) |
| 04/30/2021 | | Income | Cash and Cash Equivalents | Cash | | 0.00 | 0.00 | 0.00 | 1.48 | 1.48 |

ADDITIONAL INFORMATION

As of April 30, 2021

Past performance is not a guide to future performance. The value of investments and any income from them will fluctuate and is not guaranteed (this may partly be due to exchange rate changes) and investors may not get back the amount invested. Transactions in foreign securities may be executed and settled in local markets. Performance comparisons will be affected by changes in interest rates. Investment returns fluctuate due to changes in market conditions. Investment involves risk, including the possible loss of principal. No assurance can be given that the performance objectives of a given strategy will be achieved. The information contained herein is for your reference only and is being provided in response to your specific request and has been obtained from sources believed to be reliable; however, no representation is made regarding its accuracy or completeness. This document must not be used for the purpose of an offer or solicitation in any jurisdiction or in any circumstances in which such offer or solicitation is unlawful or otherwise not permitted. This document should not be duplicated, amended, or forwarded to a third party without consent from Insight. This is a marketing document intended for professional clients only and should not be made available to or relied upon by retail clients.

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Where indicated, performance numbers used in the analysis are gross returns. The performance reflects the reinvestment of all dividends and income. INA charges management fees on all portfolios managed and these fees will reduce the returns on the portfolios. For example, assume that \$30 million is invested in an account with INA, and this account achieves a 5.0% annual return compounded monthly, gross of fees, for a period of five years. At the end of five years that account would have grown to \$38,500,760 before the deduction of management fees. Assuming management fees of 0.25% per year are deducted monthly from the account, the value at the end of the five year period would be \$38,022,447. Actual fees for new accounts are dependent on size and subject to negotiation. INA's investment advisory fees are discussed in Part 2A of its Form ADV.

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For trading activity the Clearing broker will be reflected. In certain cases the Clearing broker will differ from the Executing broker.

In calculating ratings distributions and weighted average portfolio quality, Insight assigns U.S Treasury and U.S agency securities a quality rating based on the methodology used within the respective benchmark index. When Moody's, S&P and Fitch rate a security, Bank of America and Merrill Lynch indexes assign a simple weighted average statistic while Barclays indexes assign the median statistic. Insight assigns all other securities the lower of Moody's and S&P ratings.

Information about the indices shown here is provided to allow for comparison of the performance of the strategy to that of certain well-known and widely recognized indices. There is no representation that such index is an appropriate benchmark for such comparison. You cannot invest directly in an index and the indices represented do not take into account trading commissions and/or other brokerage or custodial costs. The volatility of the indices may be materially different from that of the strategy. In addition, the strategy's holdings may differ substantially from the securities that comprise the indices shown.

The ICE BofA 3 Month US T-Bill index is an unmanaged market index of U.S. Treasury securities maturing in 90 days that assumes reinvestment of all income.

The ICE BofA 6 Month US T-Bill index measures the performance of Treasury bills with time to maturity of less than 6 months.

The ICE BofA 1-Year US Treasury Index is a one-security index comprised of the most recently issued 1-year US Treasury note. The index is rebalanced monthly. In order to qualify for inclusion, a 1-year note must be auctioned on or before the third business day before the last business day of the month.

The ICE BofA 3-Year US Treasury Index is a one-security index comprised of the most recently issued 3-year US Treasury note. The index is rebalanced monthly. In order to qualify for inclusion, a 3-year note must be auctioned on or before the third business day before the last business day of the month.

The ICE BofA 5-Year US Treasury Index is a one-security index comprised of the most recently issued 5-year US Treasury note. The index is rebalanced monthly. In order to qualify for inclusion, a 5-year note must be auctioned on or before the third business day before the last business day of the month.

The ICE BofA 1-3 US Year Treasury Index is an unmanaged index that tracks the performance of the direct sovereign debt of the U.S. Government having a maturity of at least one year and less than three years.

The ICE BofA 1-5 US Year Treasury Index is an unmanaged index that tracks the performance of the direct sovereign debt of the U.S. Government having a maturity of at least one year and less than five years.

ADDITIONAL INFORMATION

As of April 30, 2021

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SAN RAFAEL

May 2021

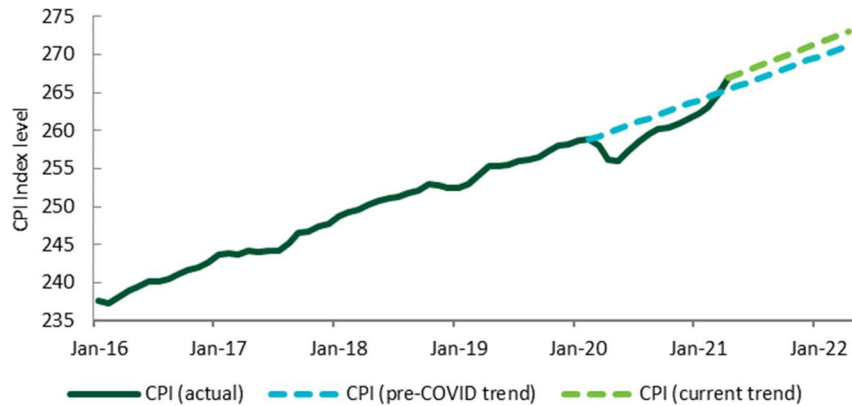


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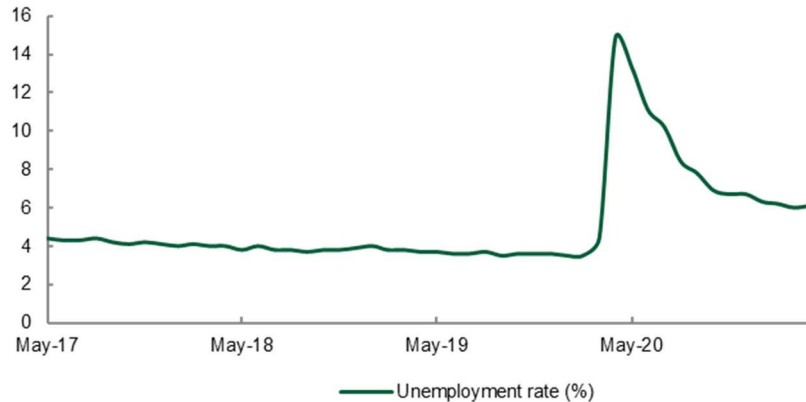
As of May 31, 2021

Chart 1: CPI recovers to pre-COVID trend level



Source: Federal Reserve, May 31, 2021.

Chart 2: Unemployment rate ticks up slightly



Source: Federal Reserve, May 31, 2021.

Economic Indicators and Monetary Policy

Economic data was generally mixed over the month. CPI came in at 4.2%, significantly faster than the 3.6% expected by markets. Much of this was attributable to a surge in used car prices, which increased by 10% in April alone, and 21% over the last year. Hotel prices rising 10% in April were also notable. However, signs of persistent inflation were absent as the ‘shelter’ and ‘healthcare’ components did not significantly accelerate. CPI has now largely recovered to its pre-COVID trend (Chart 1).

Treasury Secretary Janet Yellen noted that if expansionary fiscal policy were to cause inflation, Fed officials ‘have the tools’ to address it and needed to subsequently clarify that she was not predicting or calling for a rate hike following a bout of market volatility.

The employment report disappointed. The US economy added 266,000 jobs in April, well below the one million expected. The previous month was revised down from 916,000 to 770,000. Manufacturing jobs notably fell modestly, perhaps related to reduced auto production on chip shortages. Leisure and hospitality increased 331,000, consistent with rehiring in those sectors given economic reopening. The unemployment rate unexpectedly increased slightly to 6.1% from 6% (Chart 2) with the participation rate rising to 61.7% from 61.5%. Wage growth increased 0.7% with a strong 1.65% increase in leisure and hospitality wages.

Elsewhere, April retail sales were flat after a solid 10.7% increase in March, reflecting normalization after an unsustainable jump. New home sales fell 5.9%, below expectations.

The pace of US vaccinations continued to slow, with demand rather than supply appearing to be the main factor. Nonetheless, restrictions continued to ease across the US.

Interest Rate Summary

At the end of May, the 3-month US Treasury bill yielded 0.02%, the 6-month US Treasury bill yielded 0.04%, the 2-year US Treasury note yielded 0.15%, the 5-year US Treasury note yielded 0.80% and the 10-year US Treasury note yielded 1.60%.

ACTIVITY AND PERFORMANCE SUMMARY

For the period May 1, 2021 - May 31, 2021

Amortized Cost Basis Activity Summary

| | | |
|---|-------------|---------------|
| Opening balance | | 33,279,384.29 |
| Income received | (11,749.43) | |
| Total receipts | | (11,749.43) |
| Expenses paid | (202.04) | |
| Total disbursements | | (202.04) |
| Interportfolio transfers | 0.00 | |
| Total Interportfolio transfers | | 0.00 |
| Realized gain (loss) | | 0.00 |
| Change in accruals from security movement | | 0.00 |
| Total amortization expense | | (26,766.48) |
| Total OID/MKT accretion income | | 95.10 |
| Return of capital | | 0.00 |
| Closing balance | | 33,240,761.44 |
| Ending fair value | | 33,522,484.13 |
| Unrealized gain (loss) | | 281,722.69 |

Detail of Amortized Cost Basis Return

| | Interest earned | Accretion (amortization) | Realized gain (loss) | Total income |
|----------------------------|------------------|--------------------------|----------------------|------------------|
| Cash and Cash Equivalents | 19.66 | 0.00 | 0.00 | 19.66 |
| Corporate Bonds | 29,405.27 | (21,693.34) | 0.00 | 7,711.93 |
| Government Agencies | 20,414.62 | (4,394.50) | 0.00 | 16,020.12 |
| Government Bonds | 3,027.37 | (583.54) | 0.00 | 2,443.83 |
| Municipal/Provincial Bonds | 5,602.21 | 0.00 | 0.00 | 5,602.21 |
| Total | 58,469.13 | (26,671.38) | 0.00 | 31,797.75 |

Comparative Rates of Return (%)

| | * Twelve month trailing | * Six month trailing | * One month |
|--------------------------------|-------------------------|----------------------|-------------|
| Fed Funds | 0.08 | 0.04 | 0.01 |
| Overnight Repo | 0.08 | 0.02 | 0.00 |
| Merrill Lynch 3m US Treas Bill | 0.06 | 0.01 | 0.00 |
| Merrill Lynch 6m US Treas Bill | 0.07 | 0.02 | 0.00 |
| ML 1 Year US Treasury Note | 0.11 | 0.04 | 0.00 |
| ML 2 Year US Treasury Note | 0.15 | 0.07 | 0.01 |
| ML 5 Year US Treasury Note | 0.48 | 0.32 | 0.07 |

* rates reflected are cumulative

Summary of Amortized Cost Basis Return for the Period

| | Total portfolio |
|---|-----------------|
| Interest earned | 58,469.13 |
| Accretion (amortization) | (26,671.38) |
| Realized gain (loss) on sales | 0.00 |
| Total income on portfolio | 31,797.75 |
| Average daily amortized cost | 33,243,644.76 |
| Period return (%) | 0.10 |
| YTD return (%) | 0.74 |
| Weighted average final maturity in days | 856 |

ACTIVITY AND PERFORMANCE SUMMARY

For the period May 1, 2021 - May 31, 2021

| <u>Fair Value Basis Activity Summary</u> | | |
|--|-------------|---------------|
| Opening balance | | 33,555,870.03 |
| Income received | (11,749.43) | |
| Total receipts | | (11,749.43) |
| Expenses paid | (202.04) | |
| Total disbursements | | (202.04) |
| Interportfolio transfers | 0.00 | |
| Total Interportfolio transfers | | 0.00 |
| Unrealized gain (loss) on security movements | | 0.00 |
| Change in accruals from security movement | | 0.00 |
| Return of capital | | 0.00 |
| Change in fair value for the period | | (21,434.43) |
| Ending fair value | | 33,522,484.13 |

| <u>Detail of Fair Value Basis Return</u> | | | |
|--|------------------|----------------------|------------------|
| | Interest earned | Change in fair value | Total income |
| Cash and Cash Equivalents | 19.66 | 0.00 | 19.66 |
| Corporate Bonds | 29,405.27 | (9,793.54) | 19,611.73 |
| Government Agencies | 20,414.62 | (14,282.07) | 6,132.55 |
| Government Bonds | 3,027.37 | 2,641.18 | 5,668.55 |
| Municipal/Provincial Bonds | 5,602.21 | 0.00 | 5,602.21 |
| Total | 58,469.13 | (21,434.43) | 37,034.70 |

| <u>Comparative Rates of Return (%)</u> | | | |
|--|-------------------------|----------------------|-------------|
| | * Twelve month trailing | * Six month trailing | * One month |
| Fed Funds | 0.08 | 0.04 | 0.01 |
| Overnight Repo | 0.08 | 0.02 | 0.00 |
| ICE Bofa 3 Months US T-BILL | 0.11 | 0.04 | 0.00 |
| ICE Bofa 6m US Treas Bill | 0.19 | 0.08 | 0.01 |
| ICE Bofa 1 Yr US Treasury Note | 0.28 | 0.11 | 0.01 |
| ICE BofA US Treasury 1-3 | 0.25 | 0.12 | 0.08 |
| ICE BofA US Treasury 1-5 | 0.02 | (0.12) | 0.17 |

* rates reflected are cumulative

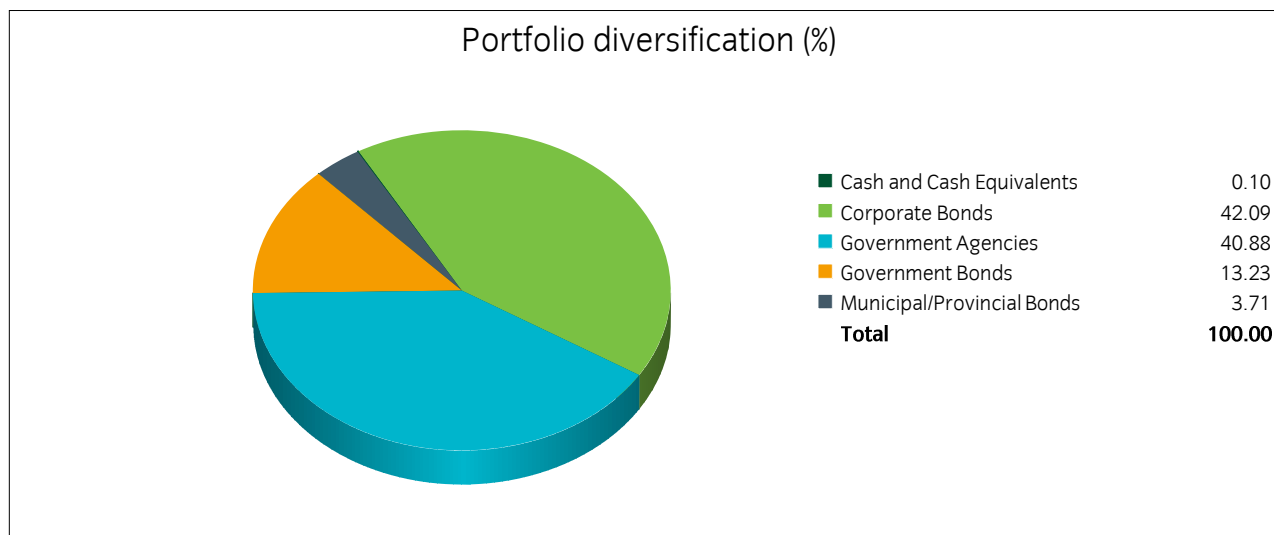
| <u>Summary of Fair Value Basis Return for the Period</u> | | Total portfolio |
|--|--|-----------------|
| Interest earned | | 58,469.13 |
| Change in fair value | | (21,434.43) |
| Total income on portfolio | | 37,034.70 |
| Average daily total value * | | 33,702,801.98 |
| Period return (%) | | 0.11 |
| YTD return (%) | | 0.22 |
| Weighted average final maturity in days | | 856 |

* Total value equals market value and accrued interest

RECAP OF SECURITIES HELD

As of May 31, 2021

| | Historical cost | Amortized cost | Fair value | Unrealized gain (loss) | Weighted average final maturity (days) | Percent of portfolio | Weighted average effective duration (years) |
|----------------------------|----------------------|----------------------|----------------------|------------------------|--|----------------------|---|
| Cash and Cash Equivalents | 34,219.50 | 34,219.50 | 34,219.50 | 0.00 | 1 | 0.10 | 0.00 |
| Corporate Bonds | 14,067,860.00 | 13,990,602.78 | 14,062,440.02 | 71,837.24 | 802 | 42.09 | 1.97 |
| Government Agencies | 13,663,651.07 | 13,565,129.27 | 13,732,398.05 | 167,268.78 | 601 | 40.88 | 1.29 |
| Government Bonds | 4,421,776.46 | 4,411,609.89 | 4,454,226.56 | 42,616.67 | 915 | 13.23 | 2.49 |
| Municipal/Provincial Bonds | 1,239,200.00 | 1,239,200.00 | 1,239,200.00 | 0.00 | 4,112 | 3.71 | 8.65 |
| Total | 33,426,707.03 | 33,240,761.44 | 33,522,484.13 | 281,722.69 | 856 | 100.00 | 2.00 |

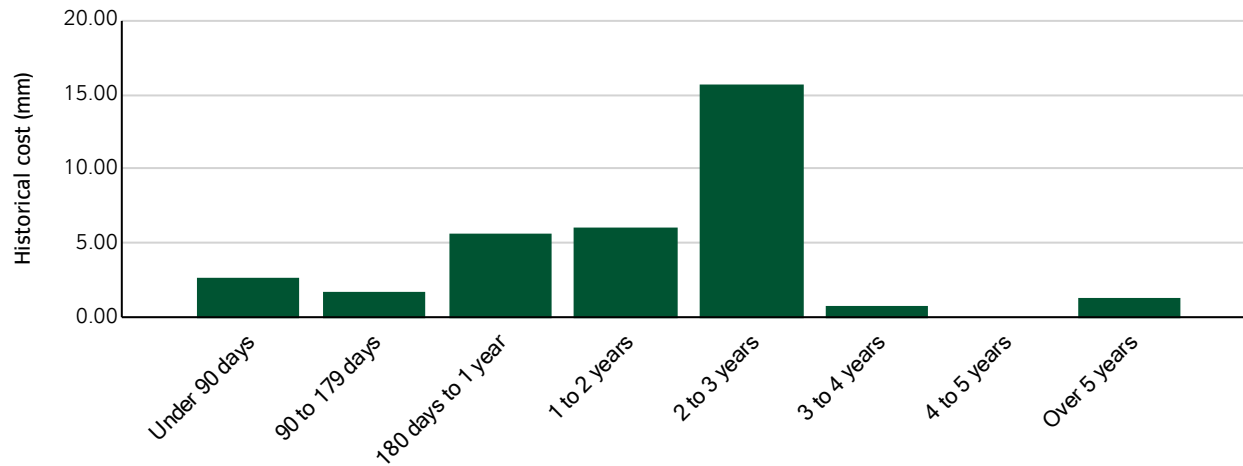


MATURITY DISTRIBUTION OF SECURITIES HELD

As of May 31, 2021

| Maturity | Historic cost | Percent |
|--------------------|----------------------|---------------|
| Under 90 days | 2,565,289.50 | 7.67 |
| 90 to 179 days | 1,701,748.00 | 5.09 |
| 180 days to 1 year | 5,526,386.30 | 16.53 |
| 1 to 2 years | 6,028,133.83 | 18.03 |
| 2 to 3 years | 15,612,522.65 | 46.71 |
| 3 to 4 years | 753,426.75 | 2.25 |
| 4 to 5 years | 0.00 | 0.00 |
| Over 5 years | 1,239,200.00 | 3.71 |
| | 33,426,707.03 | 100.00 |

Maturity distribution



SECURITIES HELD

SAN RAFAEL

As of May 31, 2021

| Cusip | Description | Coupon | Maturity/ Call date | Par value or shares | Historical cost | Amortized cost | Fair value | Unrealized gain (loss) | Total accrued interest | % Port cost |
|--|---|--------|--------------------------|------------------------|------------------|------------------|------------------|------------------------------|------------------------------|-------------------|
| Cash and Cash Equivalents | | | | | | | | | | |
| | Cash and Cash Equivalents | 0.000 | | 34,219.50 | 34,219.50 | 34,219.50 | 34,219.50 | 0.00 | 0.00 | 0.10 |
| Total Cash and Cash Equivalents | | | | 34,219.50 | 34,219.50 | 34,219.50 | 34,219.50 | 0.00 | 0.00 | 0.10 |
| Corporate Bonds | | | | | | | | | | |
| 17325FAQ1 | CITIBANK NA 3.4% 23JUL2021 (CALLABLE 06JUL21) | 3.400 | 07/23/2021 06/23/2021 | 500,000.00 | 507,030.00 | 500,217.03 | 500,953.76 | 736.73 | 6,044.44 | 1.52 |
| 717081DZ3 | PFIZER INC 2.2% 15DEC2021 | 2.200 | 12/15/2021 | 500,000.00 | 503,615.00 | 500,980.42 | 505,842.40 | 4,861.98 | 5,072.22 | 1.51 |
| 0258M0EG0 | AMERICAN EXPRESS CREDIT 2.7% 03MAR2022 (CALLABLE 31JAN22) | 2.700 | 03/03/2022 01/31/2022 | 700,000.00 | 714,231.00 | 711,384.80 | 711,838.41 | 453.61 | 4,620.00 | 2.14 |
| 46647PBB1 | JPMORGAN CHASE & CO 3.207% 01APR2023 (CALLABLE 01APR22) | 3.207 | 04/01/2023 04/01/2022 | 600,000.00 | 615,576.00 | 614,250.38 | 614,554.89 | 304.51 | 3,207.00 | 1.84 |
| 931142DH3 | WALMART INC 2.55% 11APR2023 (CALLABLE 11JAN23) | 2.550 | 04/11/2023 01/11/2023 | 500,000.00 | 509,155.00 | 504,451.09 | 519,277.62 | 14,826.53 | 1,770.83 | 1.52 |
| 037833AK6 | APPLE INC 2.4% 03MAY2023 | 2.400 | 05/03/2023 | 500,000.00 | 506,880.00 | 503,647.93 | 519,964.89 | 16,316.96 | 933.33 | 1.52 |
| 02665WDH1 | AMERICAN HONDA FINANCE 1.95% 10MAY2023 | 1.950 | 05/10/2023 | 1,000,000.00 | 1,031,510.00 | 1,030,298.08 | 1,032,170.92 | 1,872.84 | 1,137.50 | 3.09 |
| 94988J5R4 | WELLS FARGO BANK NA 3.55% 14AUG2023 (CALLABLE 14JUL23) | 3.550 | 08/14/2023 07/14/2023 | 1,000,000.00 | 1,074,350.00 | 1,067,799.69 | 1,069,644.97 | 1,845.28 | 10,551.39 | 3.21 |
| 89236THA6 | TOYOTA MOTOR CREDIT CORP 1.35% 25AUG2023 | 1.350 | 08/25/2023 | 700,000.00 | 714,959.00 | 714,250.88 | 715,099.14 | 848.26 | 2,520.00 | 2.14 |
| 14912L5X5 | CATERPILLAR FINANCIAL SE 3.75% 24NOV2023 | 3.750 | 11/24/2023 | 1,000,000.00 | 1,086,390.00 | 1,083,766.44 | 1,086,081.28 | 2,314.84 | 729.17 | 3.25 |

SECURITIES HELD

SAN RAFAEL

As of May 31, 2021

| Cusip | Description | Coupon | Maturity/ Call date | Par value or shares | Historical cost | Amortized cost | Fair value | Unrealized gain (loss) | Total accrued interest | % Port cost |
|------------------------------|---|--------|--------------------------|------------------------|----------------------|----------------------|----------------------|------------------------------|------------------------------|-------------------|
| Corporate Bonds | | | | | | | | | | |
| 06051GHC6 | BANK OF AMERICA CORP 3.004% 20DEC2023 (CALLABLE 20DEC22) | 3.004 | 12/20/2023 12/20/2022 | 500,000.00 | 525,795.00 | 518,378.12 | 520,253.78 | 1,875.66 | 6,717.28 | 1.57 |
| 24422EVN6 | JOHN DEERE CAPITAL CORP 0.45% 17JAN2024 | 0.450 | 01/17/2024 | 1,000,000.00 | 1,001,230.00 | 1,001,194.68 | 1,001,086.54 | (108.14) | 1,087.50 | 3.00 |
| 17325FAS7 | CITIBANK NA 3.65% 23JAN2024 (CALLABLE 23DEC23) | 3.650 | 01/23/2024 12/23/2023 | 500,000.00 | 541,470.00 | 540,850.38 | 541,788.35 | 937.97 | 6,488.89 | 1.62 |
| 693475AV7 | PNC FINANCIAL SERVICES 3.5% 23JAN2024 (CALLABLE 23DEC23) | 3.500 | 01/23/2024 12/24/2023 | 900,000.00 | 957,939.00 | 947,101.00 | 969,845.84 | 22,744.84 | 11,200.00 | 2.87 |
| 91159HHV5 | US BANCORP 3.375% 05FEB2024 (CALLABLE 05JAN24) | 3.375 | 02/05/2024 01/05/2024 | 1,000,000.00 | 1,079,130.00 | 1,076,672.55 | 1,076,150.94 | (521.61) | 10,875.00 | 3.23 |
| 459200HU8 | IBM CORP 3.625% 12FEB2024 | 3.625 | 02/12/2024 | 1,000,000.00 | 1,086,900.00 | 1,084,466.80 | 1,084,286.13 | (180.67) | 10,975.69 | 3.25 |
| 88579YBB6 | 3M COMPANY 3.25% 14FEB2024 (CALLABLE 14JAN24) | 3.250 | 02/14/2024 01/14/2024 | 500,000.00 | 541,935.00 | 537,594.15 | 537,147.47 | (446.68) | 4,829.86 | 1.62 |
| 06051GHF9 | BANK OF AMERICA CORP 3.55% 05MAR2024 (CALLABLE 05MAR23) | 3.550 | 03/05/2024 03/05/2023 | 500,000.00 | 535,525.00 | 523,770.68 | 527,383.16 | 3,612.48 | 4,240.28 | 1.60 |
| 46647PAP1 | JPMORGAN CHASE & CO 3.559% 23APR2024 (CALLABLE 23APR23) | 3.559 | 04/23/2024 04/23/2023 | 500,000.00 | 534,240.00 | 529,527.68 | 529,069.53 | (458.15) | 1,878.36 | 1.60 |
| Total Corporate Bonds | | | | 13,400,000.00 | 14,067,860.00 | 13,990,602.78 | 14,062,440.02 | 71,837.24 | 94,878.74 | 42.09 |
| Government Agencies | | | | | | | | | | |
| 313373ZY1 | FEDERAL HOME LOAN BANK 3.625% 11JUN2021 | 3.625 | 06/11/2021 | 1,000,000.00 | 1,024,040.00 | 1,000,324.47 | 1,001,012.74 | 688.27 | 17,118.06 | 3.06 |
| 313378JP7 | FEDERAL HOME LOAN BANK 2.375% 10SEP2021 | 2.375 | 09/10/2021 | 600,000.00 | 602,430.00 | 600,290.67 | 603,802.58 | 3,511.91 | 3,206.25 | 1.80 |

SECURITIES HELD

SAN RAFAEL

As of May 31, 2021

| Cusip | Description | Coupon | Maturity/ Call date | Par value or shares | Historical cost | Amortized cost | Fair value | Unrealized gain (loss) | Total accrued interest | % Port cost |
|----------------------------|--|--------|--------------------------|------------------------|-----------------|----------------|--------------|------------------------------|------------------------------|-------------------|
| Government Agencies | | | | | | | | | | |
| 3135G0Q89 | FANNIE MAE 1.375% 07OCT2021 | 1.375 | 10/07/2021 | 1,100,000.00 | 1,099,318.00 | 1,099,855.16 | 1,105,170.00 | 5,314.84 | 2,268.75 | 3.29 |
| 3137EADB2 | FREDDIE MAC 2.375% 13JAN2022 | 2.375 | 01/13/2022 | 1,650,000.00 | 1,676,634.30 | 1,657,240.39 | 1,673,755.94 | 16,515.55 | 15,021.88 | 5.02 |
| 313378WG2 | FEDERAL HOME LOAN BANK 2.5% 11MAR2022 | 2.500 | 03/11/2022 | 1,000,000.00 | 1,016,330.00 | 1,004,639.77 | 1,019,046.59 | 14,406.82 | 5,555.56 | 3.04 |
| 3135G0T78 | FANNIE MAE 2% 05OCT2022 | 2.000 | 10/05/2022 | 600,000.00 | 601,716.00 | 600,713.16 | 615,077.68 | 14,364.52 | 1,866.67 | 1.80 |
| 3130A3KM5 | FEDERAL HOME LOAN BANK 2.5% 09DEC2022 | 2.500 | 12/09/2022 | 1,000,000.00 | 1,021,240.00 | 1,009,411.43 | 1,035,959.92 | 26,548.49 | 11,944.44 | 3.06 |
| 3134GW2F2 | FREDDIE MAC 0.3% 25MAY2023 (CALLABLE 25AUG21) | 0.300 | 05/25/2023 08/25/2021 | 1,000,000.00 | 1,000,000.00 | 1,000,000.00 | 1,000,289.00 | 289.00 | 800.00 | 2.99 |
| 3135G0U43 | FANNIE MAE 2.875% 12SEP2023 | 2.875 | 09/12/2023 | 1,000,000.00 | 1,047,553.22 | 1,027,353.92 | 1,060,210.83 | 32,856.91 | 6,309.03 | 3.13 |
| 3135G0V34 | FANNIE MAE 2.5% 05FEB2024 | 2.500 | 02/05/2024 | 600,000.00 | 621,262.80 | 613,280.65 | 635,952.08 | 22,671.43 | 4,833.33 | 1.86 |
| 3133EMWV0 | FEDERAL FARM CREDIT BANK 0.35% 22APR2024 | 0.350 | 04/22/2024 | 1,000,000.00 | 1,000,000.00 | 1,000,000.00 | 1,000,028.73 | 28.73 | 379.17 | 2.99 |
| 3136G46B4 | FANNIE MAE 0.35% 26APR2024 (CALLABLE 26OCT21) | 0.350 | 04/26/2024 10/26/2021 | 1,200,000.00 | 1,199,700.00 | 1,199,750.12 | 1,199,957.14 | 207.02 | 408.33 | 3.59 |
| 3133EMYR7 | FEDERAL FARM CREDIT BANK 0.375% 06MAY2024 (CALLABLE 06MAY22) | 0.375 | 05/06/2024 05/06/2022 | 1,000,000.00 | 1,000,000.00 | 1,000,000.00 | 1,000,008.30 | 8.30 | 260.42 | 2.99 |

SECURITIES HELD

SAN RAFAEL

As of May 31, 2021

| Cusip | Description | Coupon | Maturity/ Call date | Par value or shares | Historical cost | Amortized cost | Fair value | Unrealized gain (loss) | Total accrued interest | % Port cost |
|---|--|--------|------------------------|------------------------|----------------------|----------------------|----------------------|------------------------------|------------------------------|-------------------|
| Government Agencies | | | | | | | | | | |
| 3135GOV75 | FANNIE MAE 1.75% 02JUL2024 | 1.750 | 07/02/2024 | 750,000.00 | 753,426.75 | 752,269.53 | 782,126.52 | 29,856.99 | 5,432.29 | 2.25 |
| Total Government Agencies | | | | 13,500,000.00 | 13,663,651.07 | 13,565,129.27 | 13,732,398.05 | 167,268.78 | 75,404.18 | 40.88 |
| Government Bonds | | | | | | | | | | |
| 912828M80 | USA TREASURY 2% 30NOV2022 | 2.000 | 11/30/2022 | 750,000.00 | 762,072.83 | 756,373.71 | 771,152.34 | 14,778.63 | 7,500.00 | 2.28 |
| 91282CAW1 | USA TREASURY 0.25% 15NOV2023 | 0.250 | 11/15/2023 | 1,000,000.00 | 1,000,120.54 | 1,000,116.52 | 1,001,210.94 | 1,094.42 | 108.70 | 2.99 |
| 912828U57 | USA TREASURY 2.125% 30NOV2023 | 2.125 | 11/30/2023 | 650,000.00 | 661,529.52 | 657,045.82 | 680,925.78 | 23,879.96 | 6,906.25 | 1.98 |
| 91282CBV2 | USA TREASURY 0.375% 15APR2024 | 0.375 | 04/15/2024 | 1,000,000.00 | 1,001,175.22 | 1,001,141.52 | 1,002,500.00 | 1,358.48 | 471.31 | 3.00 |
| 91282CCC3 | USA TREASURY 0.25% 15MAY2024 | 0.250 | 05/15/2024 | 1,000,000.00 | 996,878.35 | 996,932.32 | 998,437.50 | 1,505.18 | 108.70 | 2.98 |
| Total Government Bonds | | | | 4,400,000.00 | 4,421,776.46 | 4,411,609.89 | 4,454,226.56 | 42,616.67 | 15,094.96 | 13.23 |
| Municipal/Provincial Bonds | | | | | | | | | | |
| 888599LS4 | PT. SAN ASSESS DISTRICT 5.25% 144A 02SEP2032 SANRAF\$01 | 5.250 | 09/02/2032 | 1,239,200.00 | 1,239,200.00 | 1,239,200.00 | 1,239,200.00 | 0.00 | 16,083.78 | 3.71 |
| Total Municipal/Provincial Bonds | | | | 1,239,200.00 | 1,239,200.00 | 1,239,200.00 | 1,239,200.00 | 0.00 | 16,083.78 | 3.71 |
| Grand total | | | | 32,573,419.50 | 33,426,707.03 | 33,240,761.44 | 33,522,484.13 | 281,722.69 | 201,461.66 | 100.00 |

GASB 40 - DEPOSIT AND INVESTMENT RISK DISCLOSURE

SAN RAFAEL

As of May 31, 2021

| Cusip | Description | Coupon | Maturity date | Call date | S&P rating | Moody rating | Par value or shares | Historical cost | % Portfolio hist cost | Market value | % Portfolio mkt value | Effective dur (yrs) |
|--|---------------------|--------|---------------|------------|------------|--------------|---------------------|---------------------|-----------------------|---------------------|-----------------------|---------------------|
| Federal National Mortgage Association | | | | | | | | | | | | |
| 3135G0Q89 | FANNIE MAE 1.375% | 1.375 | 10/07/2021 | | AA+ | Aaa | 1,100,000.00 | 1,099,318.00 | 3.29 | 1,105,170.00 | 3.30 | 0.35 |
| 3135G0T78 | FANNIE MAE 2% | 2.000 | 10/05/2022 | | AA+ | Aaa | 600,000.00 | 601,716.00 | 1.80 | 615,077.68 | 1.83 | 1.33 |
| 3135G0U43 | FANNIE MAE 2.875% | 2.875 | 09/12/2023 | | AA+ | Aaa | 1,000,000.00 | 1,047,553.22 | 3.13 | 1,060,210.83 | 3.16 | 2.21 |
| 3135G0V34 | FANNIE MAE 2.5% | 2.500 | 02/05/2024 | | AA+ | Aaa | 600,000.00 | 621,262.80 | 1.86 | 635,952.08 | 1.90 | 2.59 |
| 3136G46B4 | FANNIE MAE 0.35% | 0.350 | 04/26/2024 | 10/26/2021 | AA+ | Aaa | 1,200,000.00 | 1,199,700.00 | 3.59 | 1,199,957.14 | 3.58 | 1.19 |
| 3135G0V75 | FANNIE MAE 1.75% | 1.750 | 07/02/2024 | | AA+ | Aaa | 750,000.00 | 753,426.75 | 2.25 | 782,126.52 | 2.33 | 3.00 |
| Issuer total | | | | | | | 5,250,000.00 | 5,322,976.77 | 15.92 | 5,398,494.25 | 16.10 | 1.65 |
| United States Treasury Note/Bond | | | | | | | | | | | | |
| 912828M80 | USA TREASURY 2% | 2.000 | 11/30/2022 | | AA+ | Aaa | 750,000.00 | 762,072.83 | 2.28 | 771,152.34 | 2.30 | 1.48 |
| 91282CAW1 | USA TREASURY 0.25% | 0.250 | 11/15/2023 | | AA+ | Aaa | 1,000,000.00 | 1,000,120.54 | 2.99 | 1,001,210.94 | 2.99 | 2.45 |
| 912828U57 | USA TREASURY 2.125% | 2.125 | 11/30/2023 | | AA+ | Aaa | 650,000.00 | 661,529.52 | 1.98 | 680,925.78 | 2.03 | 2.45 |
| 91282CBV2 | USA TREASURY 0.375% | 0.375 | 04/15/2024 | | AA+ | Aaa | 1,000,000.00 | 1,001,175.22 | 3.00 | 1,002,500.00 | 2.99 | 2.86 |
| 91282CCC3 | USA TREASURY 0.25% | 0.250 | 05/15/2024 | | AA+ | Aaa | 1,000,000.00 | 996,878.35 | 2.98 | 998,437.50 | 2.98 | 2.95 |
| Issuer total | | | | | | | 4,400,000.00 | 4,421,776.46 | 13.23 | 4,454,226.56 | 13.29 | 2.49 |
| Federal Home Loan Banks | | | | | | | | | | | | |
| 313373ZY1 | FEDERAL HOME LOAN | 3.625 | 06/11/2021 | | AA+ | Aaa | 1,000,000.00 | 1,024,040.00 | 3.06 | 1,001,012.74 | 2.99 | 0.03 |
| 313378JP7 | FEDERAL HOME LOAN | 2.375 | 09/10/2021 | | AA+ | Aaa | 600,000.00 | 602,430.00 | 1.80 | 603,802.58 | 1.80 | 0.28 |
| 313378WG2 | FEDERAL HOME LOAN | 2.500 | 03/11/2022 | | AA+ | Aaa | 1,000,000.00 | 1,016,330.00 | 3.04 | 1,019,046.59 | 3.04 | 0.77 |
| 3130A3KM5 | FEDERAL HOME LOAN | 2.500 | 12/09/2022 | | AA+ | Aaa | 1,000,000.00 | 1,021,240.00 | 3.06 | 1,035,959.92 | 3.09 | 1.48 |
| Issuer total | | | | | | | 3,600,000.00 | 3,664,040.00 | 10.96 | 3,659,821.83 | 10.92 | 0.68 |
| Federal Home Loan Mortgage Corp | | | | | | | | | | | | |
| 3137EADB2 | FREDDIE MAC 2.375% | 2.375 | 01/13/2022 | | AA+ | Aaa | 1,650,000.00 | 1,676,634.30 | 5.02 | 1,673,755.94 | 4.99 | 0.62 |

GASB 40 - DEPOSIT AND INVESTMENT RISK DISCLOSURE

SAN RAFAEL

As of May 31, 2021

| Cusip | Description | Coupon | Maturity date | Call date | S&P rating | Moody rating | Par value or shares | Historical cost | % Portfolio hist cost | Market value | % Portfolio mkt value | Effective dur (yrs) |
|---|-----------------------|--------|---------------|------------|------------|--------------|---------------------|---------------------|-----------------------|---------------------|-----------------------|---------------------|
| Federal Home Loan Mortgage Corp | | | | | | | | | | | | |
| 3134GW2F2 | FREDDIE MAC 0.3% | 0.300 | 05/25/2023 | 08/25/2021 | AA+ | Aaa | 1,000,000.00 | 1,000,000.00 | 2.99 | 1,000,289.00 | 2.98 | 0.61 |
| Issuer total | | | | | | | 2,650,000.00 | 2,676,634.30 | 8.01 | 2,674,044.94 | 7.98 | 0.62 |
| Federal Farm Credit Banks Funding Corp | | | | | | | | | | | | |
| 3133EMWV | FEDERAL FARM CREDIT | 0.350 | 04/22/2024 | | AA+ | Aaa | 1,000,000.00 | 1,000,000.00 | 2.99 | 1,000,028.73 | 2.98 | 2.88 |
| 3133EMYR7 | FEDERAL FARM CREDIT | 0.375 | 05/06/2024 | 05/06/2022 | AA+ | Aaa | 1,000,000.00 | 1,000,000.00 | 2.99 | 1,000,008.30 | 2.98 | 1.74 |
| Issuer total | | | | | | | 2,000,000.00 | 2,000,000.00 | 5.98 | 2,000,037.03 | 5.97 | 2.31 |
| PT. SAN ASSESS DISTRICT | | | | | | | | | | | | |
| 888599LS4 | PT. SAN ASSESS | 5.250 | 09/02/2032 | | NR | NR | 1,239,200.00 | 1,239,200.00 | 3.71 | 1,239,200.00 | 3.70 | 8.65 |
| Issuer total | | | | | | | 1,239,200.00 | 1,239,200.00 | 3.71 | 1,239,200.00 | 3.70 | 8.65 |
| JPMorgan Chase & Co | | | | | | | | | | | | |
| 46647PBB1 | JPMORGAN CHASE & CO | 3.207 | 04/01/2023 | 04/01/2022 | A- | A2 | 600,000.00 | 615,576.00 | 1.84 | 614,554.89 | 1.83 | 1.17 |
| 46647PAP1 | JPMORGAN CHASE & CO | 3.559 | 04/23/2024 | 04/23/2023 | A- | A2 | 500,000.00 | 534,240.00 | 1.60 | 529,069.53 | 1.58 | 1.84 |
| Issuer total | | | | | | | 1,100,000.00 | 1,149,816.00 | 3.44 | 1,143,624.42 | 3.41 | 1.48 |
| Caterpillar Financial Services Corp | | | | | | | | | | | | |
| 14912L5X5 | CATERPILLAR FINANCIAL | 3.750 | 11/24/2023 | | A | A2 | 1,000,000.00 | 1,086,390.00 | 3.25 | 1,086,081.28 | 3.24 | 2.39 |
| Issuer total | | | | | | | 1,000,000.00 | 1,086,390.00 | 3.25 | 1,086,081.28 | 3.24 | 2.39 |
| International Business Machines Corp | | | | | | | | | | | | |
| 459200HU8 | IBM CORP 3.625% | 3.625 | 02/12/2024 | | A- | A2 | 1,000,000.00 | 1,086,900.00 | 3.25 | 1,084,286.13 | 3.23 | 2.57 |
| Issuer total | | | | | | | 1,000,000.00 | 1,086,900.00 | 3.25 | 1,084,286.13 | 3.23 | 2.57 |
| US Bancorp | | | | | | | | | | | | |
| 91159HHV5 | US BANCORP 3.375% | 3.375 | 02/05/2024 | 01/05/2024 | A+ | A1 | 1,000,000.00 | 1,079,130.00 | 3.23 | 1,076,150.94 | 3.21 | 2.49 |
| Issuer total | | | | | | | 1,000,000.00 | 1,079,130.00 | 3.23 | 1,076,150.94 | 3.21 | 2.49 |

GASB 40 - DEPOSIT AND INVESTMENT RISK DISCLOSURE

SAN RAFAEL

As of May 31, 2021

| Cusip | Description | Coupon | Maturity date | Call date | S&P rating | Moody rating | Par value or shares | Historical cost | % Portfolio hist cost | Market value | % Portfolio mkt value | Effective dur (yrs) |
|---|----------------------|--------|---------------|------------|------------|--------------|---------------------|---------------------|-----------------------|---------------------|-----------------------|---------------------|
| Wells Fargo Bank NA | | | | | | | | | | | | |
| 94988J5R4 | WELLS FARGO BANK NA | 3.550 | 08/14/2023 | 07/14/2023 | A+ | Aa2 | 1,000,000.00 | 1,074,350.00 | 3.21 | 1,069,644.97 | 3.19 | 2.04 |
| Issuer total | | | | | | | 1,000,000.00 | 1,074,350.00 | 3.21 | 1,069,644.97 | 3.19 | 2.04 |
| Bank of America Corp | | | | | | | | | | | | |
| 06051GHC6 | BANK OF AMERICA CORP | 3.004 | 12/20/2023 | 12/20/2022 | A- | A2 | 500,000.00 | 525,795.00 | 1.57 | 520,253.78 | 1.55 | 1.50 |
| 06051GHF9 | BANK OF AMERICA CORP | 3.550 | 03/05/2024 | 03/05/2023 | A- | A2 | 500,000.00 | 535,525.00 | 1.60 | 527,383.16 | 1.57 | 1.70 |
| Issuer total | | | | | | | 1,000,000.00 | 1,061,320.00 | 3.18 | 1,047,636.94 | 3.13 | 1.60 |
| Citibank NA | | | | | | | | | | | | |
| 17325FAQ1 | CITIBANK NA 3.4% | 3.400 | 07/23/2021 | 06/23/2021 | A+ | Aa3 | 500,000.00 | 507,030.00 | 1.52 | 500,953.76 | 1.49 | 0.08 |
| 17325FAS7 | CITIBANK NA 3.65% | 3.650 | 01/23/2024 | 12/23/2023 | A+ | Aa3 | 500,000.00 | 541,470.00 | 1.62 | 541,788.35 | 1.62 | 2.45 |
| Issuer total | | | | | | | 1,000,000.00 | 1,048,500.00 | 3.14 | 1,042,742.11 | 3.11 | 1.30 |
| American Honda Finance Corp | | | | | | | | | | | | |
| 02665WDH1 | AMERICAN HONDA | 1.950 | 05/10/2023 | | A- | A3 | 1,000,000.00 | 1,031,510.00 | 3.09 | 1,032,170.92 | 3.08 | 1.91 |
| Issuer total | | | | | | | 1,000,000.00 | 1,031,510.00 | 3.09 | 1,032,170.92 | 3.08 | 1.91 |
| John Deere Capital Corp | | | | | | | | | | | | |
| 24422EVN6 | JOHN DEERE CAPITAL | 0.450 | 01/17/2024 | | A | A2 | 1,000,000.00 | 1,001,230.00 | 3.00 | 1,001,086.54 | 2.99 | 2.61 |
| Issuer total | | | | | | | 1,000,000.00 | 1,001,230.00 | 3.00 | 1,001,086.54 | 2.99 | 2.61 |
| PNC Financial Services Group Inc/The | | | | | | | | | | | | |
| 693475AV7 | PNC FINANCIAL | 3.500 | 01/23/2024 | 12/24/2023 | A- | A3 | 900,000.00 | 957,939.00 | 2.87 | 969,845.84 | 2.89 | 2.45 |
| Issuer total | | | | | | | 900,000.00 | 957,939.00 | 2.87 | 969,845.84 | 2.89 | 2.45 |
| Toyota Motor Credit Corp | | | | | | | | | | | | |
| 89236THA6 | TOYOTA MOTOR CREDIT | 1.350 | 08/25/2023 | | A+ | A1 | 700,000.00 | 714,959.00 | 2.14 | 715,099.14 | 2.13 | 2.20 |
| Issuer total | | | | | | | 700,000.00 | 714,959.00 | 2.14 | 715,099.14 | 2.13 | 2.20 |

GASB 40 - DEPOSIT AND INVESTMENT RISK DISCLOSURE

SAN RAFAEL

As of May 31, 2021

| Cusip | Description | Coupon | Maturity date | Call date | S&P rating | Moody rating | Par value or shares | Historical cost | % Portfolio hist cost | Market value | % Portfolio mkt value | Effective dur (yrs) |
|-------------------------------------|-------------------|--------|---------------|------------|------------|--------------|----------------------|----------------------|-----------------------|----------------------|-----------------------|---------------------|
| American Express Credit Corp | | | | | | | | | | | | |
| 0258M0EG0 | AMERICAN EXPRESS | 2.700 | 03/03/2022 | 01/31/2022 | A- | A2 | 700,000.00 | 714,231.00 | 2.14 | 711,838.41 | 2.12 | 1.01 |
| Issuer total | | | | | | | 700,000.00 | 714,231.00 | 2.14 | 711,838.41 | 2.12 | 1.01 |
| 3M Co | | | | | | | | | | | | |
| 88579YBB6 | 3M COMPANY 3.25% | 3.250 | 02/14/2024 | 01/14/2024 | A+ | A1 | 500,000.00 | 541,935.00 | 1.62 | 537,147.47 | 1.60 | 2.52 |
| Issuer total | | | | | | | 500,000.00 | 541,935.00 | 1.62 | 537,147.47 | 1.60 | 2.52 |
| Apple Inc | | | | | | | | | | | | |
| 037833AK6 | APPLE INC 2.4% | 2.400 | 05/03/2023 | | AA+ | Aa1 | 500,000.00 | 506,880.00 | 1.52 | 519,964.89 | 1.55 | 1.88 |
| Issuer total | | | | | | | 500,000.00 | 506,880.00 | 1.52 | 519,964.89 | 1.55 | 1.88 |
| Walmart Inc | | | | | | | | | | | | |
| 931142DH3 | WALMART INC 2.55% | 2.550 | 04/11/2023 | 01/11/2023 | AA | Aa2 | 500,000.00 | 509,155.00 | 1.52 | 519,277.62 | 1.55 | 1.59 |
| Issuer total | | | | | | | 500,000.00 | 509,155.00 | 1.52 | 519,277.62 | 1.55 | 1.59 |
| Pfizer Inc | | | | | | | | | | | | |
| 717081DZ3 | PFIZER INC 2.2% | 2.200 | 12/15/2021 | | A+ | A2 | 500,000.00 | 503,615.00 | 1.51 | 505,842.40 | 1.51 | 0.54 |
| Issuer total | | | | | | | 500,000.00 | 503,615.00 | 1.51 | 505,842.40 | 1.51 | 0.54 |
| Cash and Cash Equivalents | | | | | | | | | | | | |
| | INVESTED CASH | 0.000 | | | | | 34,219.50 | 34,219.50 | 0.00 | 34,219.50 | 0.10 | 0.00 |
| Issuer total | | | | | | | 34,219.50 | 34,219.50 | 0.00 | 34,219.50 | 0.10 | 0.00 |
| Grand total | | | | | | | 32,573,419.50 | 33,426,707.03 | 100.00 | 33,522,484.13 | 100.00 | 2.00 |

SECURITIES PURCHASED

For the period May 1, 2021 - May 31, 2021

| Cusip | Description / Broker | Trade date Settle date | Coupon | Maturity/ Call date | Par value or shares | Unit cost | Principal cost | Accrued interest |
|----------------------------------|---|---------------------------|--------|--------------------------|------------------------|-----------|-----------------------|---------------------|
| Corporate Bonds | | | | | | | | |
| 46647PBB1 | JPMORGAN CHASE & CO 3.207% WELLS FARGO SECURITIES, LLC | 05/03/2021 05/05/2021 | 3.207 | 04/01/2023 04/01/2022 | 600,000.00 | 102.60 | (615,576.00) | (1,817.30) |
| 02665WDH1 | AMERICAN HONDA FINANCE 1.95% STIFEL NICOLAUS & CO, INCORPORATED | 05/03/2021 05/05/2021 | 1.950 | 05/10/2023 | 1,000,000.00 | 103.15 | (1,031,510.00) | (9,479.17) |
| 14912L5X5 | CATERPILLAR FINANCIAL SE 3.75% CITIGROUP GLOBAL MARKETS INC. | 05/03/2021 05/05/2021 | 3.750 | 11/24/2023 | 1,000,000.00 | 108.64 | (1,086,390.00) | (16,770.83) |
| 24422EVN6 | JOHN DEERE CAPITAL CORP 0.45% MITSUBISHI UFJ SECURITIES (USA), INC | 05/03/2021 05/05/2021 | 0.450 | 01/17/2024 | 1,000,000.00 | 100.12 | (1,001,230.00) | (762.50) |
| 459200HU8 | IBM CORP 3.625% 12FEB2024 GOLDMAN, SACHS AND CO. | 05/03/2021 05/05/2021 | 3.625 | 02/12/2024 | 1,000,000.00 | 108.69 | (1,086,900.00) | (8,357.64) |
| 94988J5R4 | WELLS FARGO BANK NA 3.55% WELLS FARGO SECURITIES, LLC | 05/13/2021 05/14/2021 | 3.550 | 08/14/2023 07/14/2023 | 500,000.00 | 106.96 | (534,815.00) | (4,437.50) |
| 17325FAS7 | CITIBANK NA 3.65% 23JAN2024 MORGAN STANLEY AND CO., LLC | 05/17/2021 05/19/2021 | 3.650 | 01/23/2024 12/23/2023 | 500,000.00 | 108.29 | (541,470.00) | (5,880.56) |
| Total Corporate Bonds | | | | | 5,600,000.00 | | (5,897,891.00) | (47,505.50) |
| Government Agencies | | | | | | | | |
| 3133EMYR7 | FEDERAL FARM CREDIT BANK 0.375% MORGAN STANLEY AND CO., LLC | 05/03/2021 05/06/2021 | 0.375 | 05/06/2024 05/06/2022 | 1,000,000.00 | 100.00 | (1,000,000.00) | 0.00 |
| Total Government Agencies | | | | | 1,000,000.00 | | (1,000,000.00) | 0.00 |

SECURITIES PURCHASED

For the period May 1, 2021 - May 31, 2021

| Cusip | Description / Broker | Trade date Settle date | Coupon | Maturity/ Call date | Par value or shares | Unit cost | Principal cost | Accrued interest |
|-------------------------------|---|---------------------------|--------|------------------------|------------------------|-----------|-----------------------|---------------------|
| Government Bonds | | | | | | | | |
| 91282CBV2 | USA TREASURY 0.375% 15APR2024 WELLS FARGO BANK, N.A. | 04/30/2021 05/03/2021 | 0.375 | 04/15/2024 | 1,000,000.00 | 100.12 | (1,001,175.22) | (184.43) |
| 91282CBV2 | USA TREASURY 0.375% 15APR2024 WELLS FARGO BANK, N.A. | 04/30/2021 05/03/2021 | 0.375 | 04/15/2024 | (1,000,000.00) | 100.12 | 1,001,175.22 | 184.43 |
| 91282CCC3 | USA TREASURY 0.25% 15MAY2024 BARCLAYS CAPITAL | 05/12/2021 05/17/2021 | 0.250 | 05/15/2024 | 1,000,000.00 | 99.69 | (996,878.35) | (13.59) |
| Total Government Bonds | | | | | 1,000,000.00 | | (996,878.35) | (13.59) |
| Grand total | | | | | 7,600,000.00 | | (7,894,769.35) | (47,519.09) |

DETAIL OF RETURN AND INTEREST RECEIVED

For the period May 1, 2021 - May 31, 2021

| Cusip | Description | Accretion (amortization) | Realized gain (loss) | Change in fair value | Interest earned | Interest received |
|------------------------|---|-----------------------------|-------------------------|-------------------------|-----------------|-------------------|
| Cash | | | | | | |
| | Cash and Cash Equivalents | 0.00 | 0.00 | 0.00 | 19.66 | 19.66 |
| Total Cash | | 0.00 | 0.00 | 0.00 | 19.66 | 19.66 |
| Corporate Bonds | | | | | | |
| 88579YBB6 | 3M COMPANY 3.25% 14FEB2024 (CALLABLE 14JAN24) | (1,194.73) | 0.00 | (113.42) | 1,399.30 | 0.00 |
| 0258M0EG0 | AMERICAN EXPRESS CREDIT 2.7% 03MAR2022 (CALLABLE 31JAN22) | (1,375.66) | 0.00 | (1,173.24) | 1,627.50 | 0.00 |
| 02665WDH1 | AMERICAN HONDA FINANCE 1.95% 10MAY2023 | (1,211.92) | 0.00 | 660.92 | 1,408.33 | 9,750.00 |
| 037833AK6 | APPLE INC 2.4% 03MAY2023 | (157.92) | 0.00 | (1,131.05) | 1,033.33 | 6,000.00 |
| 06051GHC6 | BANK OF AMERICA CORP 3.004% 20DEC2023 (CALLABLE 20DEC22) | (984.54) | 0.00 | 478.78 | 1,293.39 | 0.00 |
| 06051GHF9 | BANK OF AMERICA CORP 3.55% 05MAR2024 (CALLABLE 05MAR23) | (1,123.02) | 0.00 | 714.57 | 1,528.47 | 0.00 |
| 14912L5X5 | CATERPILLAR FINANCIAL SE 3.75% 24NOV2023 | (2,623.56) | 0.00 | (308.72) | 2,708.34 | 18,750.00 |
| 17325FAQ1 | CITIBANK NA 3.4% 23JUL2021 (CALLABLE 06JUL21) | (283.09) | 0.00 | (1,225.14) | 1,463.88 | 0.00 |
| 17325FAS7 | CITIBANK NA 3.65% 23JAN2024 (CALLABLE 23DEC23) | (619.62) | 0.00 | 318.35 | 608.33 | 0.00 |
| 459200HU8 | IBM CORP 3.625% 12FEB2024 | (2,433.20) | 0.00 | (2,613.87) | 2,618.05 | 0.00 |
| 24422EVN6 | JOHN DEERE CAPITAL CORP 0.45% 17JAN2024 | (35.32) | 0.00 | (143.46) | 325.00 | 0.00 |
| 46647PBB1 | JPMORGAN CHASE & CO 3.207% 01APR2023 (CALLABLE 01APR22) | (1,325.62) | 0.00 | (1,021.11) | 1,389.70 | 0.00 |
| 46647PAP1 | JPMORGAN CHASE & CO 3.559% 23APR2024 (CALLABLE 23APR23) | (1,296.97) | 0.00 | (935.71) | 1,532.35 | 0.00 |
| 717081DZ3 | PFIZER INC 2.2% 15DEC2021 | (150.84) | 0.00 | (19.08) | 947.22 | 0.00 |
| 693475AV7 | PNC FINANCIAL SERVICES 3.5% 23JAN2024 (CALLABLE 23DEC23) | (1,530.91) | 0.00 | 97.67 | 2,712.50 | 0.00 |
| 89236THA6 | TOYOTA MOTOR CREDIT CORP 1.35% 25AUG2023 | (531.09) | 0.00 | (252.11) | 813.75 | 0.00 |
| 91159HHV5 | US BANCORP 3.375% 05FEB2024 (CALLABLE 05JAN24) | (2,457.45) | 0.00 | (2,451.64) | 2,531.25 | 0.00 |

DETAIL OF RETURN AND INTEREST RECEIVED

For the period May 1, 2021 - May 31, 2021

| Cusip | Description | Accretion (amortization) | Realized gain (loss) | Change in fair value | Interest earned | Interest received |
|----------------------------------|--|-----------------------------|-------------------------|-------------------------|------------------|-------------------|
| Corporate Bonds | | | | | | |
| 931142DH3 | WALMART INC 2.55% 11APR2023 (CALLABLE 11JAN23) | (229.83) | 0.00 | (400.25) | 1,097.91 | 0.00 |
| 94988J5R4 | WELLS FARGO BANK NA 3.55% 14AUG2023 (CALLABLE 14JUL23) | (2,128.05) | 0.00 | (275.03) | 2,366.67 | 0.00 |
| Total Corporate Bonds | | (21,693.34) | 0.00 | (9,793.54) | 29,405.27 | 34,500.00 |
| Government Agencies | | | | | | |
| 3136G46B4 | FANNIE MAE 0.35% 26APR2024 (CALLABLE 26OCT21) | 6.92 | 0.00 | 1,253.93 | 361.66 | 0.00 |
| 3135G0Q89 | FANNIE MAE 1.375% 07OCT2021 | 34.21 | 0.00 | (1,127.28) | 1,302.43 | 0.00 |
| 3135G0V75 | FANNIE MAE 1.75% 02JUL2024 | (61.23) | 0.00 | (972.86) | 1,130.21 | 0.00 |
| 3135G0T78 | FANNIE MAE 2% 05OCT2022 | (44.12) | 0.00 | (1,057.02) | 1,033.34 | 0.00 |
| 3135G0V34 | FANNIE MAE 2.5% 05FEB2024 | (412.87) | 0.00 | (419.83) | 1,291.66 | 0.00 |
| 3135G0U43 | FANNIE MAE 2.875% 12SEP2023 | (998.31) | 0.00 | (2,597.38) | 2,475.70 | 0.00 |
| 3133EMWV0 | FEDERAL FARM CREDIT BANK 0.35% 22APR2024 | 0.00 | 0.00 | 313.92 | 272.23 | 0.00 |
| 3133EMYR7 | FEDERAL FARM CREDIT BANK 0.375% 06MAY2024 (CALLABLE 06MAY22) | 0.00 | 0.00 | 8.30 | 260.42 | 0.00 |
| 313378JP7 | FEDERAL HOME LOAN BANK 2.375% 10SEP2021 | (87.20) | 0.00 | (1,035.55) | 1,227.08 | 0.00 |
| 3130A3KM5 | FEDERAL HOME LOAN BANK 2.5% 09DEC2022 | (514.28) | 0.00 | (1,188.61) | 2,152.77 | 0.00 |
| 313378WG2 | FEDERAL HOME LOAN BANK 2.5% 11MAR2022 | (495.35) | 0.00 | (1,774.99) | 2,152.78 | 0.00 |
| 313373ZY1 | FEDERAL HOME LOAN BANK 3.625% 11JUN2021 | (884.90) | 0.00 | (2,680.16) | 3,121.53 | 0.00 |
| 3134GW2F2 | FREDDIE MAC 0.3% 25MAY2023 (CALLABLE 25AUG21) | 0.00 | 0.00 | (27.31) | 258.33 | 0.00 |
| 3137EADB2 | FREDDIE MAC 2.375% 13JAN2022 | (937.37) | 0.00 | (2,977.23) | 3,374.48 | 0.00 |
| Total Government Agencies | | (4,394.50) | 0.00 | (14,282.07) | 20,414.62 | 0.00 |

DETAIL OF RETURN AND INTEREST RECEIVED

For the period May 1, 2021 - May 31, 2021

| Cusip | Description | Accretion (amortization) | Realized gain (loss) | Change in fair value | Interest earned | Interest received |
|---|---|-----------------------------|-------------------------|-------------------------|------------------|-------------------|
| Government Bonds | | | | | | |
| 91282CCC3 | USA TREASURY 0.25% 15MAY2024 | 53.97 | 0.00 | 1,559.15 | 95.11 | 0.00 |
| 91282CAW1 | USA TREASURY 0.25% 15NOV2023 | (4.02) | 0.00 | 1,132.82 | 191.57 | 1,250.00 |
| 91282CBV2 | USA TREASURY 0.375% 15APR2024 | (33.70) | 0.00 | 1,250.00 | 286.88 | 0.00 |
| 912828M80 | USA TREASURY 2% 30NOV2022 | (360.56) | 0.00 | (996.10) | 1,277.47 | 0.00 |
| 912828U57 | USA TREASURY 2.125% 30NOV2023 | (239.23) | 0.00 | (304.69) | 1,176.34 | 0.00 |
| Total Government Bonds | | (583.54) | 0.00 | 2,641.18 | 3,027.37 | 1,250.00 |
| Municipal/Provincial Bonds | | | | | | |
| 888599LS4 | PT. SAN ASSESS DISTRICT 5.25% 144A 02SEP2032 SANRAF\$01 | 0.00 | 0.00 | 0.00 | 5,602.21 | 0.00 |
| Total Municipal/Provincial Bonds | | 0.00 | 0.00 | 0.00 | 5,602.21 | 0.00 |
| Grand total | | (26,671.38) | 0.00 | (21,434.43) | 58,469.13 | 35,769.66 |

TRANSACTION REPORT

For the period May 1, 2021 - May 31, 2021

| Trade date Settle date | Cusip | Transaction | Sec type | Description | Maturity | Par value or shares | Realized gain(loss) | Principal | Interest | Transaction total |
|---------------------------|-----------|-------------|---------------------------|-----------------------------|------------|------------------------|------------------------|----------------|-------------|-------------------|
| 04/30/2021 05/03/2021 | 91282CBV2 | Bought | Government Bonds | USA TREASURY 0.375% | 04/15/2024 | 1,000,000.00 | 0.00 | (1,001,175.22) | (184.43) | (1,001,359.65) |
| 04/30/2021 05/03/2021 | 91282CBV2 | Bought | Government Bonds | USA TREASURY 0.375% | 04/15/2024 | (1,000,000.00) | 0.00 | 1,001,175.22 | 184.43 | 1,001,359.65 |
| 05/03/2021 05/05/2021 | 02665WDH1 | Bought | Corporate Bonds | AMERICAN HONDA FINANCE | 05/10/2023 | 1,000,000.00 | 0.00 | (1,031,510.00) | (9,479.17) | (1,040,989.17) |
| 05/03/2021 05/03/2021 | 037833AK6 | Income | Corporate Bonds | APPLE INC 2.4% 03MAY2023 | 05/03/2023 | 500,000.00 | 0.00 | 0.00 | 6,000.00 | 6,000.00 |
| 05/03/2021 05/05/2021 | 14912L5X5 | Bought | Corporate Bonds | CATERPILLAR FINANCIAL SE | 11/24/2023 | 1,000,000.00 | 0.00 | (1,086,390.00) | (16,770.83) | (1,103,160.83) |
| 05/03/2021 05/05/2021 | 24422EVN6 | Bought | Corporate Bonds | JOHN DEERE CAPITAL CORP | 01/17/2024 | 1,000,000.00 | 0.00 | (1,001,230.00) | (762.50) | (1,001,992.50) |
| 05/03/2021 05/06/2021 | 3133EMYR7 | Bought | Government Agencies | FEDERAL FARM CREDIT BANK | 05/06/2024 | 1,000,000.00 | 0.00 | (1,000,000.00) | 0.00 | (1,000,000.00) |
| 05/03/2021 05/05/2021 | 459200HU8 | Bought | Corporate Bonds | IBM CORP 3.625% 12FEB2024 | 02/12/2024 | 1,000,000.00 | 0.00 | (1,086,900.00) | (8,357.64) | (1,095,257.64) |
| 05/03/2021 05/05/2021 | 46647PBB1 | Bought | Corporate Bonds | JPMORGAN CHASE & CO | 04/01/2023 | 600,000.00 | 0.00 | (615,576.00) | (1,817.30) | (617,393.30) |
| 05/10/2021 05/10/2021 | 02665WDH1 | Income | Corporate Bonds | AMERICAN HONDA FINANCE | 05/10/2023 | 1,000,000.00 | 0.00 | 0.00 | 9,750.00 | 9,750.00 |
| 05/12/2021 05/17/2021 | 91282CCC3 | Bought | Government Bonds | USA TREASURY 0.25% | 05/15/2024 | 1,000,000.00 | 0.00 | (996,878.35) | (13.59) | (996,891.94) |
| 05/13/2021 05/14/2021 | 94988J5R4 | Bought | Corporate Bonds | WELLS FARGO BANK NA 3.55% | 08/14/2023 | 500,000.00 | 0.00 | (534,815.00) | (4,437.50) | (539,252.50) |
| 05/15/2021 05/15/2021 | 91282CAW1 | Income | Government Bonds | USA TREASURY 0.25% | 11/15/2023 | 1,000,000.00 | 0.00 | 0.00 | 1,250.00 | 1,250.00 |
| 05/17/2021 05/19/2021 | 17325FAS7 | Bought | Corporate Bonds | CITIBANK NA 3.65% 23JAN2024 | 01/23/2024 | 500,000.00 | 0.00 | (541,470.00) | (5,880.56) | (547,350.56) |
| 05/24/2021 05/24/2021 | 14912L5X5 | Income | Corporate Bonds | CATERPILLAR FINANCIAL SE | 11/24/2023 | 1,000,000.00 | 0.00 | 0.00 | 18,750.00 | 18,750.00 |
| 05/31/2021 | | Income | Cash and Cash Equivalents | Cash | | 0.00 | 0.00 | 0.00 | 19.66 | 19.66 |

ADDITIONAL INFORMATION

As of May 31, 2021

Past performance is not a guide to future performance. The value of investments and any income from them will fluctuate and is not guaranteed (this may partly be due to exchange rate changes) and investors may not get back the amount invested. Transactions in foreign securities may be executed and settled in local markets. Performance comparisons will be affected by changes in interest rates. Investment returns fluctuate due to changes in market conditions. Investment involves risk, including the possible loss of principal. No assurance can be given that the performance objectives of a given strategy will be achieved. The information contained herein is for your reference only and is being provided in response to your specific request and has been obtained from sources believed to be reliable; however, no representation is made regarding its accuracy or completeness. This document must not be used for the purpose of an offer or solicitation in any jurisdiction or in any circumstances in which such offer or solicitation is unlawful or otherwise not permitted. This document should not be duplicated, amended, or forwarded to a third party without consent from Insight. This is a marketing document intended for professional clients only and should not be made available to or relied upon by retail clients.

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Where indicated, performance numbers used in the analysis are gross returns. The performance reflects the reinvestment of all dividends and income. INA charges management fees on all portfolios managed and these fees will reduce the returns on the portfolios. For example, assume that \$30 million is invested in an account with INA, and this account achieves a 5.0% annual return compounded monthly, gross of fees, for a period of five years. At the end of five years that account would have grown to \$38,500,760 before the deduction of management fees. Assuming management fees of 0.25% per year are deducted monthly from the account, the value at the end of the five year period would be \$38,022,447. Actual fees for new accounts are dependent on size and subject to negotiation. INA's investment advisory fees are discussed in Part 2A of its Form ADV.

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For trading activity the Clearing broker will be reflected. In certain cases the Clearing broker will differ from the Executing broker.

In calculating ratings distributions and weighted average portfolio quality, Insight assigns U.S Treasury and U.S agency securities a quality rating based on the methodology used within the respective benchmark index. When Moody's, S&P and Fitch rate a security, Bank of America and Merrill Lynch indexes assign a simple weighted average statistic while Barclays indexes assign the median statistic. Insight assigns all other securities the lower of Moody's and S&P ratings.

Information about the indices shown here is provided to allow for comparison of the performance of the strategy to that of certain well-known and widely recognized indices. There is no representation that such index is an appropriate benchmark for such comparison. You cannot invest directly in an index and the indices represented do not take into account trading commissions and/or other brokerage or custodial costs. The volatility of the indices may be materially different from that of the strategy. In addition, the strategy's holdings may differ substantially from the securities that comprise the indices shown.

The ICE BofA 3 Month US T-Bill index is an unmanaged market index of U.S. Treasury securities maturing in 90 days that assumes reinvestment of all income.

The ICE BofA 6 Month US T-Bill index measures the performance of Treasury bills with time to maturity of less than 6 months.

The ICE BofA 1-Year US Treasury Index is a one-security index comprised of the most recently issued 1-year US Treasury note. The index is rebalanced monthly. In order to qualify for inclusion, a 1-year note must be auctioned on or before the third business day before the last business day of the month.

The ICE BofA 3-Year US Treasury Index is a one-security index comprised of the most recently issued 3-year US Treasury note. The index is rebalanced monthly. In order to qualify for inclusion, a 3-year note must be auctioned on or before the third business day before the last business day of the month.

The ICE BofA 5-Year US Treasury Index is a one-security index comprised of the most recently issued 5-year US Treasury note. The index is rebalanced monthly. In order to qualify for inclusion, a 5-year note must be auctioned on or before the third business day before the last business day of the month.

The ICE BofA 1-3 US Year Treasury Index is an unmanaged index that tracks the performance of the direct sovereign debt of the U.S. Government having a maturity of at least one year and less than three years.

The ICE BofA 1-5 US Year Treasury Index is an unmanaged index that tracks the performance of the direct sovereign debt of the U.S. Government having a maturity of at least one year and less than five years.

ADDITIONAL INFORMATION

As of May 31, 2021

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SAN RAFAEL

June 2021

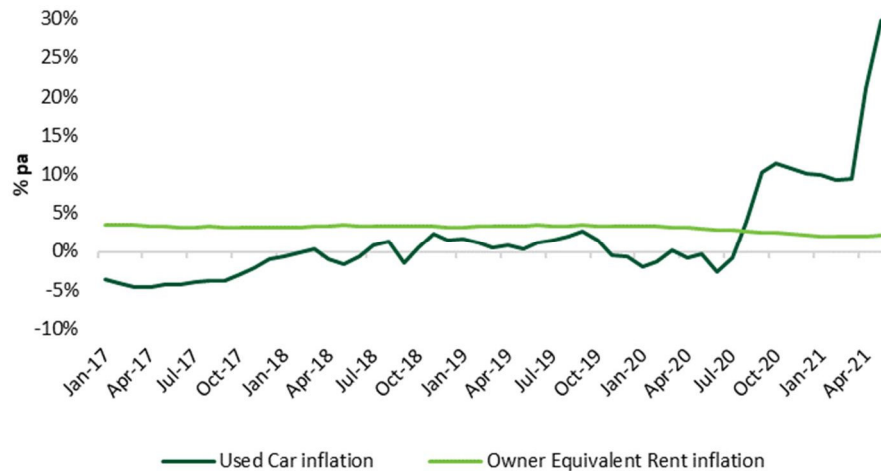


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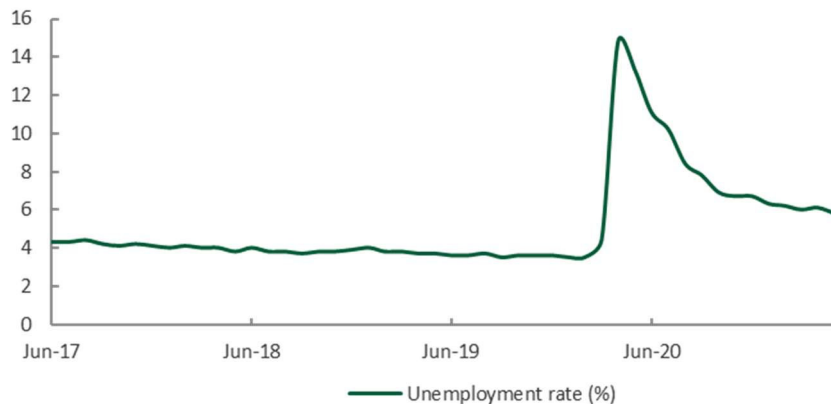
As of June 30, 2021

Chart 1: CPI rises but is driven by ‘transitory’ categories



Source: Federal Reserve, June 30, 2021.

Chart 2: Unemployment edges lower



Source: Federal Reserve, June 30, 2021.

Economic Indicators and Monetary Policy

Headline CPI rose 0.6% month-on-month to hit 5% year-on-year, the fastest since 2008. Core CPI also substantially beat expectations at 3.8%, the fastest since 1992. However, it was largely driven by ‘transitory’ inflation categories. Chiefly, used car prices surged, rising 7.3% (up nearly 30% from last year – see Chart 1). Car rental prices rose 12% and have risen 45% in just the past three months. Elsewhere, airfare and apparel prices also rose significantly, benefitting from the continued economic reopening.

The Fed released its latest ‘dot plot’ projections of future interest rate policy. As widely expected, the committee’s median estimate continued to reflect no rate hike in 2021 or 2022. However, its estimate of two rate hikes in 2023 was taken as a hawkish surprise by markets. There was a wide range of views on the committee with five doves predicting no hikes in 2023, and two hawks predicting six hikes.

As we expected, the Fed avoided any direct ‘taper talk’. Although, during the press conference, Chair Powell noted the committee was at the ‘talking about talking about it’ stage, discussing the framework around a future taper but with no formal guidance as to when to pull the trigger. The Fed also revealed its quarterly economic forecasts. It slightly updated its median PCE estimate to just above 2% in 2022 from 2% last quarter.

Payrolls data fell below expectations at 559,000, versus the 800,000 expected. The leisure and hospitality sector added 292K jobs, close to the trend over the last three months. The participation rate fell as 160,000 workers left the labor force. The net effect was a drop in the unemployment rate from 6.1% from 5.8%. Notably Cleveland Fed President Mester characterized it as “solid” but falling short of “substantial further progress” adding we are “not anywhere near a wage-price spiral”.

The pace of US reopening continued with New York state, the hardest hit at the start of the pandemic, fully reopening.

Interest Rate Summary

At the end of June, the 3-month US Treasury bill yielded 0.05%, the 6-month US Treasury bill yielded 0.06%, the 2-year US Treasury note yielded 0.25%, the 5-year US Treasury note yielded 0.89% and the 10-year US Treasury note yielded 1.5%.

ACTIVITY AND PERFORMANCE SUMMARY

For the period June 1, 2021 - June 30, 2021

| <u>Amortized Cost Basis Activity Summary</u> | | |
|--|-----------|---------------|
| Opening balance | | 33,240,761.44 |
| Income received | 59,535.57 | |
| Total receipts | | 59,535.57 |
| Expenses paid | (201.78) | |
| Total disbursements | | (201.78) |
| Interportfolio transfers | 0.00 | |
| Total Interportfolio transfers | | 0.00 |
| Realized gain (loss) | | 0.00 |
| Change in accruals from security movement | | 0.00 |
| Total amortization expense | | (28,573.48) |
| Total OID/MKT accretion income | | 126.82 |
| Return of capital | | 0.00 |
| Closing balance | | 33,271,648.57 |
| Ending fair value | | 33,478,588.38 |
| Unrealized gain (loss) | | 206,939.81 |

| <u>Detail of Amortized Cost Basis Return</u> | | | | |
|--|------------------|--------------------------|----------------------|------------------|
| | Interest earned | Accretion (amortization) | Realized gain (loss) | Total income |
| Cash and Cash Equivalents | 10.98 | 0.00 | 0.00 | 10.98 |
| Corporate Bonds | 30,945.30 | (24,016.66) | 0.00 | 6,928.64 |
| Government Agencies | 17,338.15 | (3,898.25) | 0.00 | 13,439.90 |
| Government Bonds | 3,076.66 | (531.75) | 0.00 | 2,544.91 |
| Municipal/Provincial Bonds | 5,240.79 | 0.00 | 0.00 | 5,240.79 |
| Total | 56,611.88 | (28,446.66) | 0.00 | 28,165.22 |

| <u>Comparative Rates of Return (%)</u> | | | |
|--|-------------------------|----------------------|-------------|
| | * Twelve month trailing | * Six month trailing | * One month |
| Fed Funds | 0.08 | 0.04 | 0.01 |
| Overnight Repo | 0.07 | 0.02 | 0.00 |
| Merrill Lynch 3m US Treas Bill | 0.05 | 0.01 | 0.00 |
| Merrill Lynch 6m US Treas Bill | 0.06 | 0.02 | 0.00 |
| ML 1 Year US Treasury Note | 0.10 | 0.04 | 0.01 |
| ML 2 Year US Treasury Note | 0.15 | 0.08 | 0.02 |
| ML 5 Year US Treasury Note | 0.52 | 0.36 | 0.07 |

* rates reflected are cumulative

| <u>Summary of Amortized Cost Basis Return for the Period</u> | |
|--|-----------------|
| | Total portfolio |
| Interest earned | 56,611.88 |
| Accretion (amortization) | (28,446.66) |
| Realized gain (loss) on sales | 0.00 |
| Total income on portfolio | 28,165.22 |
| Average daily amortized cost | 33,267,454.39 |
| Period return (%) | 0.08 |
| YTD return (%) | 0.83 |
| Weighted average final maturity in days | 872 |

ACTIVITY AND PERFORMANCE SUMMARY

For the period June 1, 2021 - June 30, 2021

| <u>Fair Value Basis Activity Summary</u> | | |
|--|-----------|---------------|
| Opening balance | | 33,522,484.13 |
| Income received | 59,535.57 | |
| Total receipts | | 59,535.57 |
| Expenses paid | (201.78) | |
| Total disbursements | | (201.78) |
| Interportfolio transfers | 0.00 | |
| Total Interportfolio transfers | | 0.00 |
| Unrealized gain (loss) on security movements | | 0.00 |
| Change in accruals from security movement | | 0.00 |
| Return of capital | | 0.00 |
| Change in fair value for the period | | (103,229.54) |
| Ending fair value | | 33,478,588.38 |

| <u>Detail of Fair Value Basis Return</u> | | | |
|--|------------------|----------------------|--------------------|
| | Interest earned | Change in fair value | Total income |
| Cash and Cash Equivalents | 10.98 | 0.00 | 10.98 |
| Corporate Bonds | 30,945.30 | (51,629.11) | (20,683.81) |
| Government Agencies | 17,338.15 | (36,555.51) | (19,217.36) |
| Government Bonds | 3,076.66 | (15,044.92) | (11,968.26) |
| Municipal/Provincial Bonds | 5,240.79 | 0.00 | 5,240.79 |
| Total | 56,611.88 | (103,229.54) | (46,617.66) |

| <u>Comparative Rates of Return (%)</u> | | | |
|--|-------------------------|----------------------|-------------|
| | * Twelve month trailing | * Six month trailing | * One month |
| Fed Funds | 0.08 | 0.04 | 0.01 |
| Overnight Repo | 0.07 | 0.02 | 0.00 |
| ICE Bofa 3 Months US T-BILL | 0.09 | 0.02 | 0.00 |
| ICE Bofa 6m US Treas Bill | 0.17 | 0.05 | (0.01) |
| ICE Bofa 1 Yr US Treasury Note | 0.22 | 0.09 | (0.01) |
| ICE BofA US Treasury 1-3 | 0.07 | (0.08) | (0.15) |
| ICE BofA US Treasury 1-5 | (0.27) | (0.42) | (0.22) |

* rates reflected are cumulative

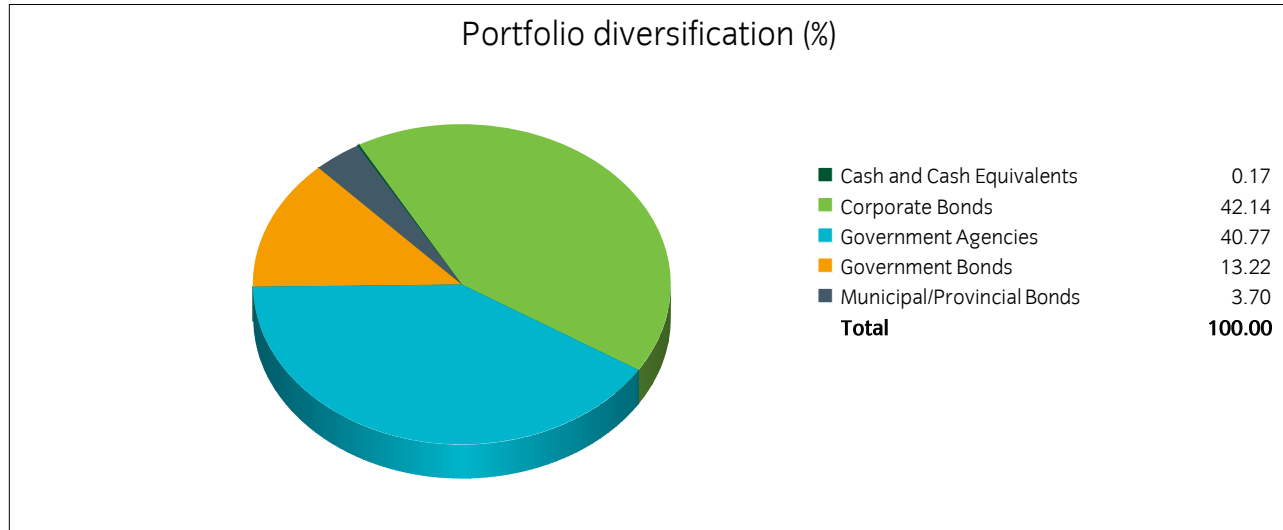
| <u>Summary of Fair Value Basis Return for the Period</u> | |
|--|-----------------|
| | Total portfolio |
| Interest earned | 56,611.88 |
| Change in fair value | (103,229.54) |
| Total income on portfolio | (46,617.66) |
| Average daily total value * | 33,689,327.29 |
| Period return (%) | (0.14) |
| YTD return (%) | 0.08 |
| Weighted average final maturity in days | 872 |

* Total value equals market value and accrued interest

RECAP OF SECURITIES HELD

As of June 30, 2021

| | Historical cost | Amortized cost | Fair value | Unrealized gain (loss) | Weighted average final maturity (days) | Percent of portfolio | Weighted average effective duration (years) |
|----------------------------|----------------------|----------------------|----------------------|------------------------|--|----------------------|---|
| Cash and Cash Equivalents | 56,088.29 | 56,088.29 | 56,088.29 | 0.00 | 1 | 0.17 | 0.00 |
| Corporate Bonds | 14,098,295.00 | 14,004,051.12 | 14,048,275.91 | 44,224.79 | 806 | 42.14 | 1.94 |
| Government Agencies | 13,639,611.07 | 13,561,231.02 | 13,695,842.54 | 134,611.52 | 648 | 40.77 | 1.39 |
| Government Bonds | 4,421,776.46 | 4,411,078.14 | 4,439,181.64 | 28,103.50 | 885 | 13.22 | 2.40 |
| Municipal/Provincial Bonds | 1,239,200.00 | 1,239,200.00 | 1,239,200.00 | 0.00 | 4,082 | 3.70 | 8.53 |
| Total | 33,454,970.82 | 33,271,648.57 | 33,478,588.38 | 206,939.81 | 872 | 100.00 | 2.02 |

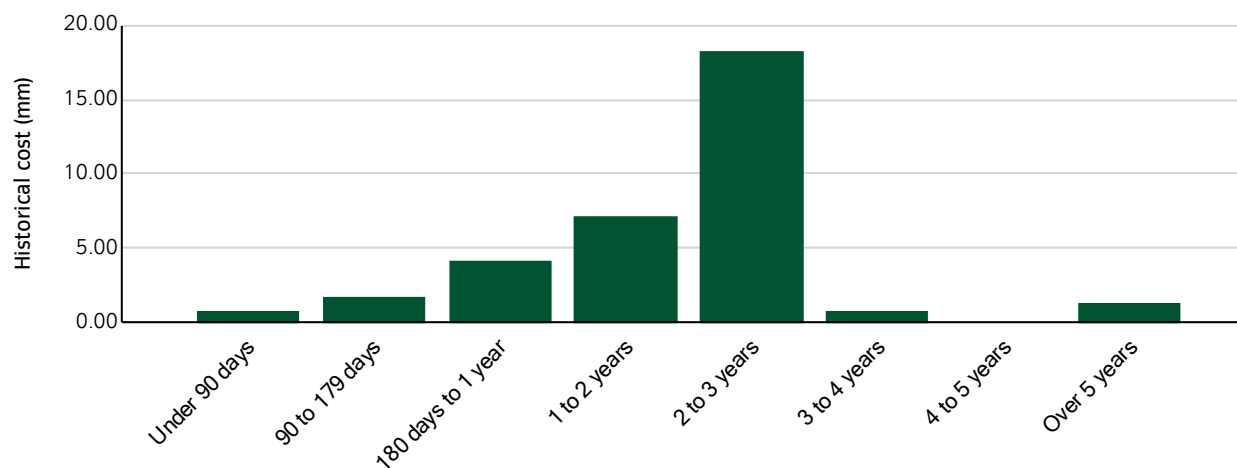


MATURITY DISTRIBUTION OF SECURITIES HELD

As of June 30, 2021

| Maturity | Historic cost | Percent |
|--------------------|----------------------|---------------|
| Under 90 days | 658,518.29 | 1.97 |
| 90 to 179 days | 1,602,933.00 | 4.79 |
| 180 days to 1 year | 4,022,771.30 | 12.02 |
| 1 to 2 years | 7,028,133.83 | 21.01 |
| 2 to 3 years | 18,149,987.65 | 54.25 |
| 3 to 4 years | 753,426.75 | 2.25 |
| 4 to 5 years | 0.00 | 0.00 |
| Over 5 years | 1,239,200.00 | 3.70 |
| | 33,454,970.82 | 100.00 |

Maturity distribution



SECURITIES HELD

SAN RAFAEL

As of June 30, 2021

| Cusip | Description | Coupon | Maturity/ Call date | Par value or shares | Historical cost | Amortized cost | Fair value | Unrealized gain (loss) | Total accrued interest | % Port cost |
|--|--|--------|--------------------------|------------------------|------------------|------------------|------------------|------------------------------|------------------------------|-------------------|
| Cash and Cash Equivalents | | | | | | | | | | |
| | Cash and Cash Equivalents | 0.000 | | 56,088.29 | 56,088.29 | 56,088.29 | 56,088.29 | 0.00 | 0.00 | 0.17 |
| Total Cash and Cash Equivalents | | | | 56,088.29 | 56,088.29 | 56,088.29 | 56,088.29 | 0.00 | 0.00 | 0.17 |
| Corporate Bonds | | | | | | | | | | |
| 717081DZ3 | PFIZER INC 2.2% 15DEC2021 | 2.200 | 12/15/2021 | 500,000.00 | 503,615.00 | 500,829.59 | 504,470.31 | 3,640.72 | 458.33 | 1.51 |
| 0258M0EG0 | AMERICAN EXPRESS CREDIT 2.7% 03MAR2022 (CALLABLE 31JAN22) | 2.700 | 03/03/2022 01/31/2022 | 700,000.00 | 714,231.00 | 709,914.26 | 710,203.25 | 288.99 | 6,142.50 | 2.13 |
| 46647PBB1 | JPMORGAN CHASE & CO 3.207% 01APR2023 (CALLABLE 01APR22) | 3.207 | 04/01/2023 04/01/2022 | 600,000.00 | 615,576.00 | 612,830.08 | 613,022.96 | 192.88 | 4,757.05 | 1.84 |
| 931142DH3 | WALMART INC 2.55% 11APR2023 (CALLABLE 11JAN23) | 2.550 | 04/11/2023 01/11/2023 | 500,000.00 | 509,155.00 | 504,221.26 | 518,465.37 | 14,244.11 | 2,797.92 | 1.52 |
| 037833AK6 | APPLE INC 2.4% 03MAY2023 | 2.400 | 05/03/2023 | 500,000.00 | 506,880.00 | 503,490.01 | 518,940.00 | 15,449.99 | 1,900.00 | 1.52 |
| 02665WDH1 | AMERICAN HONDA FINANCE 1.95% 10MAY2023 | 1.950 | 05/10/2023 | 1,000,000.00 | 1,031,510.00 | 1,028,999.59 | 1,029,992.23 | 992.64 | 2,708.33 | 3.08 |
| 94988J5R4 | WELLS FARGO BANK NA 3.55% 14AUG2023 (CALLABLE 14JUL23) | 3.550 | 08/14/2023 07/14/2023 | 1,000,000.00 | 1,074,350.00 | 1,065,137.40 | 1,064,605.34 | (532.06) | 13,411.11 | 3.21 |
| 89236THA6 | TOYOTA MOTOR CREDIT CORP 1.35% 25AUG2023 | 1.350 | 08/25/2023 | 700,000.00 | 714,959.00 | 713,719.79 | 713,867.61 | 147.82 | 3,281.25 | 2.14 |
| 14912L5X5 | CATERPILLAR FINANCIAL SE 3.75% 24NOV2023 | 3.750 | 11/24/2023 | 1,000,000.00 | 1,086,390.00 | 1,080,955.49 | 1,079,722.00 | (1,233.49) | 3,750.00 | 3.25 |
| 06051GHC6 | BANK OF AMERICA CORP 3.004% 20DEC2023 (CALLABLE 20DEC22) | 3.004 | 12/20/2023 12/20/2022 | 500,000.00 | 525,795.00 | 517,393.58 | 518,174.06 | 780.48 | 417.22 | 1.57 |

SECURITIES HELD

SAN RAFAEL

As of June 30, 2021

| Cusip | Description | Coupon | Maturity/ Call date | Par value or shares | Historical cost | Amortized cost | Fair value | Unrealized gain (loss) | Total accrued interest | % Port cost |
|------------------------------|--|--------|--------------------------|------------------------|----------------------|----------------------|----------------------|------------------------------|------------------------------|-------------------|
| Corporate Bonds | | | | | | | | | | |
| 24422EVN6 | JOHN DEERE CAPITAL CORP 0.45% 17JAN2024 | 0.450 | 01/17/2024 | 1,000,000.00 | 1,001,230.00 | 1,001,156.83 | 998,883.24 | (2,273.59) | 1,450.00 | 2.99 |
| 17325FAS7 | CITIBANK NA 3.65% 23JAN2024 (CALLABLE 23DEC23) | 3.650 | 01/23/2024 12/23/2023 | 500,000.00 | 541,470.00 | 539,522.64 | 537,979.47 | (1,543.17) | 7,959.03 | 1.62 |
| 693475AV7 | PNC FINANCIAL SERVICES 3.5% 23JAN2024 (CALLABLE 23DEC23) | 3.500 | 01/23/2024 12/24/2023 | 900,000.00 | 957,939.00 | 945,570.09 | 966,092.65 | 20,522.56 | 13,737.50 | 2.86 |
| 91159HHV5 | US BANCORP 3.375% 05FEB2024 (CALLABLE 05JAN24) | 3.375 | 02/05/2024 01/05/2024 | 1,000,000.00 | 1,079,130.00 | 1,074,133.18 | 1,070,976.45 | (3,156.73) | 13,593.75 | 3.23 |
| 459200HU8 | IBM CORP 3.625% 12FEB2024 | 3.625 | 02/12/2024 | 1,000,000.00 | 1,086,900.00 | 1,081,859.80 | 1,077,371.40 | (4,488.40) | 13,895.83 | 3.25 |
| 88579YBB6 | 3M COMPANY 3.25% 14FEB2024 (CALLABLE 14JAN24) | 3.250 | 02/14/2024 01/14/2024 | 500,000.00 | 541,935.00 | 536,399.42 | 535,521.29 | (878.13) | 6,138.89 | 1.62 |
| 713448CM8 | PEPSICO INC 3.6% 01MAR2024 (CALLABLE 01DEC23) | 3.600 | 03/01/2024 12/01/2023 | 500,000.00 | 537,465.00 | 537,039.74 | 537,420.56 | 380.82 | 5,950.00 | 1.61 |
| 06051GHF9 | BANK OF AMERICA CORP 3.55% 05MAR2024 (CALLABLE 05MAR23) | 3.550 | 03/05/2024 03/05/2023 | 500,000.00 | 535,525.00 | 522,647.66 | 525,338.35 | 2,690.69 | 5,670.14 | 1.60 |
| 46647PAP1 | JPMORGAN CHASE & CO 3.559% 23APR2024 (CALLABLE 23APR23) | 3.559 | 04/23/2024 04/23/2023 | 500,000.00 | 534,240.00 | 528,230.71 | 527,229.37 | (1,001.34) | 3,311.85 | 1.60 |
| Total Corporate Bonds | | | | 13,400,000.00 | 14,098,295.00 | 14,004,051.12 | 14,048,275.91 | 44,224.79 | 111,330.70 | 42.14 |
| Government Agencies | | | | | | | | | | |
| 313378JP7 | FEDERAL HOME LOAN BANK 2.375% 10SEP2021 | 2.375 | 09/10/2021 | 600,000.00 | 602,430.00 | 600,203.47 | 602,645.09 | 2,441.62 | 4,354.17 | 1.80 |
| 3135G0Q89 | FANNIE MAE 1.375% 07OCT2021 | 1.375 | 10/07/2021 | 1,100,000.00 | 1,099,318.00 | 1,099,889.37 | 1,103,856.03 | 3,966.66 | 3,487.15 | 3.29 |

SECURITIES HELD

As of June 30, 2021

| Cusip | Description | Coupon | Maturity/ Call date | Par value or shares | Historical cost | Amortized cost | Fair value | Unrealized gain (loss) | Total accrued interest | % Port cost |
|----------------------------|---|--------|--------------------------|------------------------|-----------------|----------------|--------------|------------------------------|------------------------------|-------------------|
| Government Agencies | | | | | | | | | | |
| 3137EADB2 | FREDDIE MAC 2.375% 13JAN2022 | 2.375 | 01/13/2022 | 1,650,000.00 | 1,676,634.30 | 1,656,238.37 | 1,670,196.00 | 13,957.63 | 18,178.65 | 5.01 |
| 313378WG2 | FEDERAL HOME LOAN BANK 2.5% 11MAR2022 | 2.500 | 03/11/2022 | 1,000,000.00 | 1,016,330.00 | 1,004,144.42 | 1,016,781.00 | 12,636.58 | 7,569.44 | 3.04 |
| 3135G0T78 | FANNIE MAE 2% 05OCT2022 | 2.000 | 10/05/2022 | 600,000.00 | 601,716.00 | 600,669.05 | 613,813.66 | 13,144.61 | 2,833.33 | 1.80 |
| 3130A3KM5 | FEDERAL HOME LOAN BANK 2.5% 09DEC2022 | 2.500 | 12/09/2022 | 1,000,000.00 | 1,021,240.00 | 1,008,897.14 | 1,033,319.67 | 24,422.53 | 1,458.33 | 3.05 |
| 3134GW2F2 | FREDDIE MAC 0.3% 25MAY2023 (CALLABLE 25AUG21) | 0.300 | 05/25/2023 08/25/2021 | 1,000,000.00 | 1,000,000.00 | 1,000,000.00 | 998,144.19 | (1,855.81) | 1,041.67 | 2.99 |
| 3135G0U43 | FANNIE MAE 2.875% 12SEP2023 | 2.875 | 09/12/2023 | 1,000,000.00 | 1,047,553.22 | 1,026,355.60 | 1,056,998.72 | 30,643.12 | 8,625.00 | 3.13 |
| 3135G0V34 | FANNIE MAE 2.5% 05FEB2024 | 2.500 | 02/05/2024 | 600,000.00 | 621,262.80 | 612,867.78 | 632,885.80 | 20,018.02 | 6,041.67 | 1.86 |
| 3133EMWV0 | FEDERAL FARM CREDIT BANK 0.35% 22APR2024 | 0.350 | 04/22/2024 | 1,000,000.00 | 1,000,000.00 | 1,000,000.00 | 997,498.74 | (2,501.26) | 661.11 | 2.99 |
| 3130AMQQ8 | FEDERAL HOME LOAN BANK 0.35% 23APR2024 (CALLABLE 23DEC21) | 0.350 | 04/23/2024 12/23/2021 | 1,000,000.00 | 1,000,000.00 | 1,000,000.00 | 998,312.35 | (1,687.65) | 68.06 | 2.99 |
| 3136G46B4 | FANNIE MAE 0.35% 26APR2024 (CALLABLE 26OCT21) | 0.350 | 04/26/2024 10/26/2021 | 1,200,000.00 | 1,199,700.00 | 1,199,757.52 | 1,195,521.07 | (4,236.45) | 746.67 | 3.59 |
| 3133EMYR7 | FEDERAL FARM CREDIT BANK 0.375% 06MAY2024 (CALLABLE 06MAY22) | 0.375 | 05/06/2024 05/06/2022 | 1,000,000.00 | 1,000,000.00 | 1,000,000.00 | 996,143.97 | (3,856.03) | 562.50 | 2.99 |

SECURITIES HELD

SAN RAFAEL

As of June 30, 2021

| Cusip | Description | Coupon | Maturity/ Call date | Par value or shares | Historical cost | Amortized cost | Fair value | Unrealized gain (loss) | Total accrued interest | % Port cost |
|---|--|--------|------------------------|------------------------|----------------------|----------------------|----------------------|------------------------------|------------------------------|-------------------|
| Government Agencies | | | | | | | | | | |
| 3135GOV75 | FANNIE MAE 1.75% 02JUL2024 | 1.750 | 07/02/2024 | 750,000.00 | 753,426.75 | 752,208.30 | 779,726.25 | 27,517.95 | 6,489.58 | 2.25 |
| Total Government Agencies | | | | 13,500,000.00 | 13,639,611.07 | 13,561,231.02 | 13,695,842.54 | 134,611.52 | 62,117.33 | 40.77 |
| Government Bonds | | | | | | | | | | |
| 912828M80 | USA TREASURY 2% 30NOV2022 | 2.000 | 11/30/2022 | 750,000.00 | 762,072.83 | 756,024.78 | 769,394.54 | 13,369.76 | 1,229.51 | 2.28 |
| 91282CAW1 | USA TREASURY 0.25% 15NOV2023 | 0.250 | 11/15/2023 | 1,000,000.00 | 1,000,120.54 | 1,000,112.63 | 998,320.31 | (1,792.32) | 312.50 | 2.99 |
| 912828U57 | USA TREASURY 2.125% 30NOV2023 | 2.125 | 11/30/2023 | 650,000.00 | 661,529.52 | 656,814.30 | 678,107.42 | 21,293.12 | 1,132.17 | 1.98 |
| 91282CBV2 | USA TREASURY 0.375% 15APR2024 | 0.375 | 04/15/2024 | 1,000,000.00 | 1,001,175.22 | 1,001,108.90 | 998,828.12 | (2,280.78) | 778.69 | 2.99 |
| 91282CCC3 | USA TREASURY 0.25% 15MAY2024 | 0.250 | 05/15/2024 | 1,000,000.00 | 996,878.35 | 997,017.53 | 994,531.25 | (2,486.28) | 312.50 | 2.98 |
| Total Government Bonds | | | | 4,400,000.00 | 4,421,776.46 | 4,411,078.14 | 4,439,181.64 | 28,103.50 | 3,765.37 | 13.22 |
| Municipal/Provincial Bonds | | | | | | | | | | |
| 888599LS4 | PT. SAN ASSESS DISTRICT 5.25% 144A 02SEP2032 SANRAF\$01 | 5.250 | 09/02/2032 | 1,239,200.00 | 1,239,200.00 | 1,239,200.00 | 1,239,200.00 | 0.00 | 21,324.57 | 3.70 |
| Total Municipal/Provincial Bonds | | | | 1,239,200.00 | 1,239,200.00 | 1,239,200.00 | 1,239,200.00 | 0.00 | 21,324.57 | 3.70 |
| Grand total | | | | 32,595,288.29 | 33,454,970.82 | 33,271,648.57 | 33,478,588.38 | 206,939.81 | 198,537.97 | 100.00 |

GASB 40 - DEPOSIT AND INVESTMENT RISK DISCLOSURE

SAN RAFAEL

As of June 30, 2021

| Cusip | Description | Coupon | Maturity date | Call date | S&P rating | Moody rating | Par value or shares | Historical cost | % Portfolio hist cost | Market value | % Portfolio mkt value | Effective dur (yrs) |
|--|---------------------|--------|---------------|------------|------------|--------------|---------------------|---------------------|-----------------------|---------------------|-----------------------|---------------------|
| Federal National Mortgage Association | | | | | | | | | | | | |
| 3135G0Q89 | FANNIE MAE 1.375% | 1.375 | 10/07/2021 | | AA+ | Aaa | 1,100,000.00 | 1,099,318.00 | 3.29 | 1,103,856.03 | 3.30 | 0.27 |
| 3135G0T78 | FANNIE MAE 2% | 2.000 | 10/05/2022 | | AA+ | Aaa | 600,000.00 | 601,716.00 | 1.80 | 613,813.66 | 1.83 | 1.25 |
| 3135G0U43 | FANNIE MAE 2.875% | 2.875 | 09/12/2023 | | AA+ | Aaa | 1,000,000.00 | 1,047,553.22 | 3.13 | 1,056,998.72 | 3.16 | 2.13 |
| 3135G0V34 | FANNIE MAE 2.5% | 2.500 | 02/05/2024 | | AA+ | Aaa | 600,000.00 | 621,262.80 | 1.86 | 632,885.80 | 1.89 | 2.51 |
| 3136G46B4 | FANNIE MAE 0.35% | 0.350 | 04/26/2024 | 10/26/2021 | AA+ | Aaa | 1,200,000.00 | 1,199,700.00 | 3.59 | 1,195,521.07 | 3.57 | 1.42 |
| 3135G0V75 | FANNIE MAE 1.75% | 1.750 | 07/02/2024 | | AA+ | Aaa | 750,000.00 | 753,426.75 | 2.25 | 779,726.25 | 2.33 | 2.92 |
| Issuer total | | | | | | | 5,250,000.00 | 5,322,976.77 | 15.91 | 5,382,801.53 | 16.08 | 1.64 |
| United States Treasury Note/Bond | | | | | | | | | | | | |
| 912828M80 | USA TREASURY 2% | 2.000 | 11/30/2022 | | AA+ | Aaa | 750,000.00 | 762,072.83 | 2.28 | 769,394.54 | 2.30 | 1.40 |
| 91282CAW1 | USA TREASURY 0.25% | 0.250 | 11/15/2023 | | AA+ | Aaa | 1,000,000.00 | 1,000,120.54 | 2.99 | 998,320.31 | 2.98 | 2.37 |
| 912828U57 | USA TREASURY 2.125% | 2.125 | 11/30/2023 | | AA+ | Aaa | 650,000.00 | 661,529.52 | 1.98 | 678,107.42 | 2.03 | 2.36 |
| 91282CBV2 | USA TREASURY 0.375% | 0.375 | 04/15/2024 | | AA+ | Aaa | 1,000,000.00 | 1,001,175.22 | 2.99 | 998,828.12 | 2.98 | 2.78 |
| 91282CCC3 | USA TREASURY 0.25% | 0.250 | 05/15/2024 | | AA+ | Aaa | 1,000,000.00 | 996,878.35 | 2.98 | 994,531.25 | 2.97 | 2.86 |
| Issuer total | | | | | | | 4,400,000.00 | 4,421,776.46 | 13.22 | 4,439,181.64 | 13.26 | 2.40 |
| Federal Home Loan Banks | | | | | | | | | | | | |
| 313378JP7 | FEDERAL HOME LOAN | 2.375 | 09/10/2021 | | AA+ | Aaa | 600,000.00 | 602,430.00 | 1.80 | 602,645.09 | 1.80 | 0.20 |
| 313378WG2 | FEDERAL HOME LOAN | 2.500 | 03/11/2022 | | AA+ | Aaa | 1,000,000.00 | 1,016,330.00 | 3.04 | 1,016,781.00 | 3.04 | 0.69 |
| 3130A3KM5 | FEDERAL HOME LOAN | 2.500 | 12/09/2022 | | AA+ | Aaa | 1,000,000.00 | 1,021,240.00 | 3.05 | 1,033,319.67 | 3.09 | 1.42 |
| 3130AMQQ | FEDERAL HOME LOAN | 0.350 | 04/23/2024 | 12/23/2021 | AA+ | Aaa | 1,000,000.00 | 1,000,000.00 | 2.99 | 998,312.35 | 2.98 | 1.48 |
| Issuer total | | | | | | | 3,600,000.00 | 3,640,000.00 | 10.88 | 3,651,058.11 | 10.91 | 1.03 |
| Federal Home Loan Mortgage Corp | | | | | | | | | | | | |
| 3137EADB2 | FREDDIE MAC 2.375% | 2.375 | 01/13/2022 | | AA+ | Aaa | 1,650,000.00 | 1,676,634.30 | 5.01 | 1,670,196.00 | 4.99 | 0.53 |

GASB 40 - DEPOSIT AND INVESTMENT RISK DISCLOSURE

SAN RAFAEL

As of June 30, 2021

| Cusip | Description | Coupon | Maturity date | Call date | S&P rating | Moody rating | Par value or shares | Historical cost | % Portfolio hist cost | Market value | % Portfolio mkt value | Effective dur (yrs) |
|---|-----------------------|--------|---------------|------------|------------|--------------|---------------------|---------------------|-----------------------|---------------------|-----------------------|---------------------|
| Federal Home Loan Mortgage Corp | | | | | | | | | | | | |
| 3134GW2F2 | FREDDIE MAC 0.3% | 0.300 | 05/25/2023 | 08/25/2021 | AA+ | Aaa | 1,000,000.00 | 1,000,000.00 | 2.99 | 998,144.19 | 2.98 | 0.88 |
| Issuer total | | | | | | | 2,650,000.00 | 2,676,634.30 | 8.00 | 2,668,340.19 | 7.97 | 0.66 |
| Federal Farm Credit Banks Funding Corp | | | | | | | | | | | | |
| 3133EMWV | FEDERAL FARM CREDIT | 0.350 | 04/22/2024 | | AA+ | Aaa | 1,000,000.00 | 1,000,000.00 | 2.99 | 997,498.74 | 2.98 | 2.80 |
| 3133EMYR7 | FEDERAL FARM CREDIT | 0.375 | 05/06/2024 | 05/06/2022 | AA+ | Aaa | 1,000,000.00 | 1,000,000.00 | 2.99 | 996,143.97 | 2.98 | 1.96 |
| Issuer total | | | | | | | 2,000,000.00 | 2,000,000.00 | 5.98 | 1,993,642.71 | 5.95 | 2.38 |
| PT. SAN ASSESS DISTRICT | | | | | | | | | | | | |
| 888599LS4 | PT. SAN ASSESS | 5.250 | 09/02/2032 | | NR | NR | 1,239,200.00 | 1,239,200.00 | 3.70 | 1,239,200.00 | 3.70 | 8.53 |
| Issuer total | | | | | | | 1,239,200.00 | 1,239,200.00 | 3.70 | 1,239,200.00 | 3.70 | 8.53 |
| JPMorgan Chase & Co | | | | | | | | | | | | |
| 46647PBB1 | JPMORGAN CHASE & CO | 3.207 | 04/01/2023 | 04/01/2022 | A- | A2 | 600,000.00 | 615,576.00 | 1.84 | 613,022.96 | 1.83 | 0.75 |
| 46647PAP1 | JPMORGAN CHASE & CO | 3.559 | 04/23/2024 | 04/23/2023 | A- | A2 | 500,000.00 | 534,240.00 | 1.60 | 527,229.37 | 1.57 | 1.75 |
| Issuer total | | | | | | | 1,100,000.00 | 1,149,816.00 | 3.44 | 1,140,252.33 | 3.41 | 1.21 |
| Caterpillar Financial Services Corp | | | | | | | | | | | | |
| 14912L5X5 | CATERPILLAR FINANCIAL | 3.750 | 11/24/2023 | | A | A2 | 1,000,000.00 | 1,086,390.00 | 3.25 | 1,079,722.00 | 3.23 | 2.31 |
| Issuer total | | | | | | | 1,000,000.00 | 1,086,390.00 | 3.25 | 1,079,722.00 | 3.23 | 2.31 |
| International Business Machines Corp | | | | | | | | | | | | |
| 459200HU8 | IBM CORP 3.625% | 3.625 | 02/12/2024 | | A- | A2 | 1,000,000.00 | 1,086,900.00 | 3.25 | 1,077,371.40 | 3.22 | 2.49 |
| Issuer total | | | | | | | 1,000,000.00 | 1,086,900.00 | 3.25 | 1,077,371.40 | 3.22 | 2.49 |
| US Bancorp | | | | | | | | | | | | |
| 91159HHV5 | US BANCORP 3.375% | 3.375 | 02/05/2024 | 01/05/2024 | A+ | A1 | 1,000,000.00 | 1,079,130.00 | 3.23 | 1,070,976.45 | 3.20 | 2.41 |
| Issuer total | | | | | | | 1,000,000.00 | 1,079,130.00 | 3.23 | 1,070,976.45 | 3.20 | 2.41 |

GASB 40 - DEPOSIT AND INVESTMENT RISK DISCLOSURE

SAN RAFAEL

As of June 30, 2021

| Cusip | Description | Coupon | Maturity date | Call date | S&P rating | Moody rating | Par value or shares | Historical cost | % Portfolio hist cost | Market value | % Portfolio mkt value | Effective dur (yrs) |
|---|----------------------|--------|---------------|------------|------------|--------------|---------------------|---------------------|-----------------------|---------------------|-----------------------|---------------------|
| Wells Fargo Bank NA | | | | | | | | | | | | |
| 94988J5R4 | WELLS FARGO BANK NA | 3.550 | 08/14/2023 | 07/14/2023 | A+ | Aa2 | 1,000,000.00 | 1,074,350.00 | 3.21 | 1,064,605.34 | 3.18 | 1.96 |
| Issuer total | | | | | | | 1,000,000.00 | 1,074,350.00 | 3.21 | 1,064,605.34 | 3.18 | 1.96 |
| Bank of America Corp | | | | | | | | | | | | |
| 06051GHC6 | BANK OF AMERICA CORP | 3.004 | 12/20/2023 | 12/20/2022 | A- | A2 | 500,000.00 | 525,795.00 | 1.57 | 518,174.06 | 1.55 | 1.45 |
| 06051GHF9 | BANK OF AMERICA CORP | 3.550 | 03/05/2024 | 03/05/2023 | A- | A2 | 500,000.00 | 535,525.00 | 1.60 | 525,338.35 | 1.57 | 1.62 |
| Issuer total | | | | | | | 1,000,000.00 | 1,061,320.00 | 3.17 | 1,043,512.41 | 3.12 | 1.54 |
| American Honda Finance Corp | | | | | | | | | | | | |
| 02665WDH1 | AMERICAN HONDA | 1.950 | 05/10/2023 | | A- | A3 | 1,000,000.00 | 1,031,510.00 | 3.08 | 1,029,992.23 | 3.08 | 1.82 |
| Issuer total | | | | | | | 1,000,000.00 | 1,031,510.00 | 3.08 | 1,029,992.23 | 3.08 | 1.82 |
| John Deere Capital Corp | | | | | | | | | | | | |
| 24422EVN6 | JOHN DEERE CAPITAL | 0.450 | 01/17/2024 | | A | A2 | 1,000,000.00 | 1,001,230.00 | 2.99 | 998,883.24 | 2.98 | 2.53 |
| Issuer total | | | | | | | 1,000,000.00 | 1,001,230.00 | 2.99 | 998,883.24 | 2.98 | 2.53 |
| PNC Financial Services Group Inc/The | | | | | | | | | | | | |
| 693475AV7 | PNC FINANCIAL | 3.500 | 01/23/2024 | 12/24/2023 | A- | A3 | 900,000.00 | 957,939.00 | 2.86 | 966,092.65 | 2.89 | 2.37 |
| Issuer total | | | | | | | 900,000.00 | 957,939.00 | 2.86 | 966,092.65 | 2.89 | 2.37 |
| Toyota Motor Credit Corp | | | | | | | | | | | | |
| 89236THA6 | TOYOTA MOTOR CREDIT | 1.350 | 08/25/2023 | | A+ | A1 | 700,000.00 | 714,959.00 | 2.14 | 713,867.61 | 2.13 | 2.12 |
| Issuer total | | | | | | | 700,000.00 | 714,959.00 | 2.14 | 713,867.61 | 2.13 | 2.12 |
| American Express Credit Corp | | | | | | | | | | | | |
| 0258M0EG0 | AMERICAN EXPRESS | 2.700 | 03/03/2022 | 01/31/2022 | A- | A2 | 700,000.00 | 714,231.00 | 2.13 | 710,203.25 | 2.12 | 0.58 |
| Issuer total | | | | | | | 700,000.00 | 714,231.00 | 2.13 | 710,203.25 | 2.12 | 0.58 |

GASB 40 - DEPOSIT AND INVESTMENT RISK DISCLOSURE

SAN RAFAEL

As of June 30, 2021

| Cusip | Description | Coupon | Maturity date | Call date | S&P rating | Moody rating | Par value or shares | Historical cost | % Portfolio hist cost | Market value | % Portfolio mkt value | Effective dur (yrs) |
|---------------------------------|-------------------|--------|---------------|------------|------------|--------------|----------------------|----------------------|-----------------------|----------------------|-----------------------|---------------------|
| Citibank NA | | | | | | | | | | | | |
| 17325FAS7 | CITIBANK NA 3.65% | 3.650 | 01/23/2024 | 12/23/2023 | A+ | Aa3 | 500,000.00 | 541,470.00 | 1.62 | 537,979.47 | 1.61 | 2.36 |
| Issuer total | | | | | | | 500,000.00 | 541,470.00 | 1.62 | 537,979.47 | 1.61 | 2.36 |
| PepsiCo Inc | | | | | | | | | | | | |
| 713448CM8 | PEPSICO INC 3.6% | 3.600 | 03/01/2024 | 12/01/2023 | A+ | A1 | 500,000.00 | 537,465.00 | 1.61 | 537,420.56 | 1.61 | 2.33 |
| Issuer total | | | | | | | 500,000.00 | 537,465.00 | 1.61 | 537,420.56 | 1.61 | 2.33 |
| 3M Co | | | | | | | | | | | | |
| 88579YBB6 | 3M COMPANY 3.25% | 3.250 | 02/14/2024 | 01/14/2024 | A+ | A1 | 500,000.00 | 541,935.00 | 1.62 | 535,521.29 | 1.60 | 2.44 |
| Issuer total | | | | | | | 500,000.00 | 541,935.00 | 1.62 | 535,521.29 | 1.60 | 2.44 |
| Apple Inc | | | | | | | | | | | | |
| 037833AK6 | APPLE INC 2.4% | 2.400 | 05/03/2023 | | AA+ | Aa1 | 500,000.00 | 506,880.00 | 1.52 | 518,940.00 | 1.55 | 1.80 |
| Issuer total | | | | | | | 500,000.00 | 506,880.00 | 1.52 | 518,940.00 | 1.55 | 1.80 |
| Walmart Inc | | | | | | | | | | | | |
| 931142DH3 | WALMART INC 2.55% | 2.550 | 04/11/2023 | 01/11/2023 | AA | Aa2 | 500,000.00 | 509,155.00 | 1.52 | 518,465.37 | 1.55 | 1.51 |
| Issuer total | | | | | | | 500,000.00 | 509,155.00 | 1.52 | 518,465.37 | 1.55 | 1.51 |
| Pfizer Inc | | | | | | | | | | | | |
| 717081DZ3 | PFIZER INC 2.2% | 2.200 | 12/15/2021 | | A+ | A2 | 500,000.00 | 503,615.00 | 1.51 | 504,470.31 | 1.51 | 0.46 |
| Issuer total | | | | | | | 500,000.00 | 503,615.00 | 1.51 | 504,470.31 | 1.51 | 0.46 |
| Cash and Cash Equivalent | | | | | | | | | | | | |
| | INVESTED CASH | 0.000 | | | | | 56,088.29 | 56,088.29 | 0.00 | 56,088.29 | 0.17 | 0.00 |
| Issuer total | | | | | | | 56,088.29 | 56,088.29 | 0.00 | 56,088.29 | 0.17 | 0.00 |
| Grand total | | | | | | | 32,595,288.29 | 33,454,970.82 | 100.00 | 33,478,588.38 | 100.00 | 2.02 |

SECURITIES PURCHASED

For the period June 1, 2021 - June 30, 2021

| Cusip | Description / Broker | Trade date Settle date | Coupon | Maturity/ Call date | Par value or shares | Unit cost | Principal cost | Accrued interest |
|----------------------------------|--|---------------------------|--------|--------------------------|------------------------|-----------|-----------------------|---------------------|
| Corporate Bonds | | | | | | | | |
| 713448CM8 | PEPSICO INC 3.6% 01 MAR2024 CITIGROUP GLOBAL MARKETS INC. | 06/21/2021 06/23/2021 | 3.600 | 03/01/2024 12/01/2023 | 500,000.00 | 107.49 | (537,465.00) | (5,600.00) |
| Total Corporate Bonds | | | | | 500,000.00 | | (537,465.00) | (5,600.00) |
| Government Agencies | | | | | | | | |
| 3130AMQQ8 | FEDERAL HOME LOAN BANK 0.35% WELLS FARGO SECURITIES, LLC | 06/09/2021 06/23/2021 | 0.350 | 04/23/2024 12/23/2021 | 1,000,000.00 | 100.00 | (1,000,000.00) | 0.00 |
| Total Government Agencies | | | | | 1,000,000.00 | | (1,000,000.00) | 0.00 |
| Grand total | | | | | 1,500,000.00 | | (1,537,465.00) | (5,600.00) |

SECURITIES SOLD AND MATURED

For the period June 1, 2021 - June 30, 2021

| Cusip | Description / Broker | Trade date Settle date | Coupon | Maturity/ Call date | Par value or shares | Historical cost | Amortized cost at sale or maturity | Price | Fair value at sale or maturity | Realized gain (loss) | Accrued interest sold |
|------------------------------------|--|---------------------------|--------|------------------------|------------------------|---------------------|--|-------|--------------------------------------|----------------------------|-----------------------------|
| Corporate Bonds | | | | | | | | | | | |
| 17325FAQ1 | CITIBANK NA 3.4% 23JUL2021 (CALLABLE 23JUN21) | 06/23/2021 06/23/2021 | 3.400 | | (500,000.00) | 507,030.00 | 500,000.00 | 0.00 | 500,000.00 | 0.00 | 0.00 |
| Total (Corporate Bonds) | | | | | (500,000.00) | 507,030.00 | 500,000.00 | | 500,000.00 | 0.00 | 0.00 |
| Government Agencies | | | | | | | | | | | |
| 313373ZY1 | FHLB BD 3.625 06-11-2021 | 06/11/2021 06/11/2021 | 3.625 | | (1,000,000.00) | 1,024,040.00 | 1,000,000.00 | 0.00 | 1,000,000.00 | 0.00 | 0.00 |
| Total (Government Agencies) | | | | | (1,000,000.00) | 1,024,040.00 | 1,000,000.00 | | 1,000,000.00 | 0.00 | 0.00 |
| Grand total | | | | | (1,500,000.00) | 1,531,070.00 | 1,500,000.00 | | 1,500,000.00 | 0.00 | 0.00 |

DETAIL OF RETURN AND INTEREST RECEIVED

For the period June 1, 2021 - June 30, 2021

| Cusip | Description | Accretion (amortization) | Realized gain (loss) | Change in fair value | Interest earned | Interest received |
|------------------------|---|-----------------------------|-------------------------|-------------------------|-----------------|-------------------|
| Cash | | | | | | |
| | Cash and Cash Equivalents | 0.00 | 0.00 | 0.00 | 10.98 | 10.98 |
| Total Cash | | 0.00 | 0.00 | 0.00 | 10.98 | 10.98 |
| Corporate Bonds | | | | | | |
| 88579YBB6 | 3M COMPANY 3.25% 14FEB2024 (CALLABLE 14JAN24) | (1,194.73) | 0.00 | (1,626.18) | 1,309.03 | 0.00 |
| 0258M0EG0 | AMERICAN EXPRESS CREDIT 2.7% 03MAR2022 (CALLABLE 31JAN22) | (1,470.54) | 0.00 | (1,635.16) | 1,522.50 | 0.00 |
| 02665WDH1 | AMERICAN HONDA FINANCE 1.95% 10MAY2023 | (1,298.49) | 0.00 | (2,178.69) | 1,570.83 | 0.00 |
| 037833AK6 | APPLE INC 2.4% 03MAY2023 | (157.92) | 0.00 | (1,024.89) | 966.67 | 0.00 |
| 06051GHC6 | BANK OF AMERICA CORP 3.004% 20DEC2023 (CALLABLE 20DEC22) | (984.54) | 0.00 | (2,079.72) | 1,209.94 | 7,510.00 |
| 06051GHF9 | BANK OF AMERICA CORP 3.55% 05MAR2024 (CALLABLE 05MAR23) | (1,123.02) | 0.00 | (2,044.81) | 1,429.86 | 0.00 |
| 14912L5X5 | CATERPILLAR FINANCIAL SE 3.75% 24NOV2023 | (2,810.95) | 0.00 | (6,359.28) | 3,020.83 | 0.00 |
| 17325FAQ1 | CITIBANK NA 3.4% 23JUL2021 (CALLABLE 23JUN21) | (217.03) | 0.00 | (953.76) | 1,038.90 | 7,083.34 |
| 17325FAS7 | CITIBANK NA 3.65% 23JAN2024 (CALLABLE 23DEC23) | (1,327.74) | 0.00 | (3,808.88) | 1,470.14 | 0.00 |
| 459200HU8 | IBM CORP 3.625% 12FEB2024 | (2,607.00) | 0.00 | (6,914.73) | 2,920.14 | 0.00 |
| 24422EVN6 | JOHN DEERE CAPITAL CORP 0.45% 17JAN2024 | (37.85) | 0.00 | (2,203.30) | 362.50 | 0.00 |
| 46647PBB1 | JPMORGAN CHASE & CO 3.207% 01APR2023 (CALLABLE 01APR22) | (1,420.30) | 0.00 | (1,531.93) | 1,550.05 | 0.00 |
| 46647PAP1 | JPMORGAN CHASE & CO 3.559% 23APR2024 (CALLABLE 23APR23) | (1,296.97) | 0.00 | (1,840.16) | 1,433.49 | 0.00 |
| 713448CM8 | PEPSICO INC 3.6% 01MAR2024 (CALLABLE 01DEC23) | (425.26) | 0.00 | (44.44) | 350.00 | 0.00 |
| 717081DZ3 | PFIZER INC 2.2% 15DEC2021 | (150.83) | 0.00 | (1,372.09) | 886.11 | 5,500.00 |
| 693475AV7 | PNC FINANCIAL SERVICES 3.5% 23JAN2024 (CALLABLE 23DEC23) | (1,530.91) | 0.00 | (3,753.19) | 2,537.50 | 0.00 |
| 89236THA6 | TOYOTA MOTOR CREDIT CORP 1.35% 25AUG2023 | (531.09) | 0.00 | (1,231.53) | 761.25 | 0.00 |

DETAIL OF RETURN AND INTEREST RECEIVED

For the period June 1, 2021 - June 30, 2021

| Cusip | Description | Accretion (amortization) | Realized gain (loss) | Change in fair value | Interest earned | Interest received |
|------------------------------|--|-----------------------------|-------------------------|-------------------------|------------------|-------------------|
| Corporate Bonds | | | | | | |
| 91159HHV5 | US BANCORP 3.375% 05FEB2024 (CALLABLE 05JAN24) | (2,539.37) | 0.00 | (5,174.49) | 2,718.75 | 0.00 |
| 931142DH3 | WALMART INC 2.55% 11APR2023 (CALLABLE 11JAN23) | (229.83) | 0.00 | (812.25) | 1,027.09 | 0.00 |
| 94988J5R4 | WELLS FARGO BANK NA 3.55% 14AUG2023 (CALLABLE 14JUL23) | (2,662.29) | 0.00 | (5,039.63) | 2,859.72 | 0.00 |
| Total Corporate Bonds | | (24,016.66) | 0.00 | (51,629.11) | 30,945.30 | 20,093.34 |
| Government Agencies | | | | | | |
| 3136G46B4 | FANNIE MAE 0.35% 26APR2024 (CALLABLE 26OCT21) | 7.40 | 0.00 | (4,436.07) | 338.34 | 0.00 |
| 3135G0Q89 | FANNIE MAE 1.375% 07OCT2021 | 34.21 | 0.00 | (1,313.97) | 1,218.40 | 0.00 |
| 3135G0V75 | FANNIE MAE 1.75% 02JUL2024 | (61.23) | 0.00 | (2,400.27) | 1,057.29 | 0.00 |
| 3135G0T78 | FANNIE MAE 2% 05OCT2022 | (44.11) | 0.00 | (1,264.02) | 966.66 | 0.00 |
| 3135G0V34 | FANNIE MAE 2.5% 05FEB2024 | (412.87) | 0.00 | (3,066.28) | 1,208.34 | 0.00 |
| 3135G0U43 | FANNIE MAE 2.875% 12SEP2023 | (998.32) | 0.00 | (3,212.11) | 2,315.97 | 0.00 |
| 3133EMWV0 | FEDERAL FARM CREDIT BANK 0.35% 22APR2024 | 0.00 | 0.00 | (2,529.99) | 281.94 | 0.00 |
| 3133EMYR7 | FEDERAL FARM CREDIT BANK 0.375% 06MAY2024 (CALLABLE 06MAY22) | 0.00 | 0.00 | (3,864.33) | 302.08 | 0.00 |
| 3130AMQQ8 | FEDERAL HOME LOAN BANK 0.35% 23APR2024 (CALLABLE 23DEC21) | 0.00 | 0.00 | (1,687.65) | 68.06 | 0.00 |
| 313378JP7 | FEDERAL HOME LOAN BANK 2.375% 10SEP2021 | (87.20) | 0.00 | (1,157.49) | 1,147.92 | 0.00 |
| 3130A3KM5 | FEDERAL HOME LOAN BANK 2.5% 09DEC2022 | (514.29) | 0.00 | (2,640.25) | 2,013.89 | 12,500.00 |
| 313378WG2 | FEDERAL HOME LOAN BANK 2.5% 11MAR2022 | (495.35) | 0.00 | (2,265.59) | 2,013.88 | 0.00 |
| 313373ZY1 | FHLB BD 3.625 06-11-2021 | (324.47) | 0.00 | (1,012.74) | 1,006.94 | 18,125.00 |
| 3134GW2F2 | FREDDIE MAC 0.3% 25MAY2023 (CALLABLE 25AUG21) | 0.00 | 0.00 | (2,144.81) | 241.67 | 0.00 |

DETAIL OF RETURN AND INTEREST RECEIVED

For the period June 1, 2021 - June 30, 2021

| Cusip | Description | Accretion (amortization) | Realized gain (loss) | Change in fair value | Interest earned | Interest received |
|---|---|-----------------------------|-------------------------|-------------------------|------------------|-------------------|
| Government Agencies | | | | | | |
| 3137EADB2 | FREDDIE MAC 2.375% 13JAN2022 | (1,002.02) | 0.00 | (3,559.94) | 3,156.77 | 0.00 |
| Total Government Agencies | | (3,898.25) | 0.00 | (36,555.51) | 17,338.15 | 30,625.00 |
| Government Bonds | | | | | | |
| 91282CCC3 | USA TREASURY 0.25% 15MAY2024 | 85.21 | 0.00 | (3,906.25) | 203.80 | 0.00 |
| 91282CAW1 | USA TREASURY 0.25% 15NOV2023 | (3.89) | 0.00 | (2,890.63) | 203.80 | 0.00 |
| 91282CBV2 | USA TREASURY 0.375% 15APR2024 | (32.62) | 0.00 | (3,671.88) | 307.38 | 0.00 |
| 912828M80 | USA TREASURY 2% 30NOV2022 | (348.93) | 0.00 | (1,757.80) | 1,229.51 | 7,500.00 |
| 912828U57 | USA TREASURY 2.125% 30NOV2023 | (231.52) | 0.00 | (2,818.36) | 1,132.17 | 6,906.25 |
| Total Government Bonds | | (531.75) | 0.00 | (15,044.92) | 3,076.66 | 14,406.25 |
| Municipal/Provincial Bonds | | | | | | |
| 888599LS4 | PT. SAN ASSESS DISTRICT 5.25% 144A 02SEP2032 SANRAF\$01 | 0.00 | 0.00 | 0.00 | 5,240.79 | 0.00 |
| Total Municipal/Provincial Bonds | | 0.00 | 0.00 | 0.00 | 5,240.79 | 0.00 |
| Grand total | | (28,446.66) | 0.00 | (103,229.54) | 56,611.88 | 65,135.57 |

TRANSACTION REPORT

For the period June 1, 2021 - June 30, 2021

| Trade date Settle date | Cusip | Transaction | Sec type | Description | Maturity | Par value or shares | Realized gain(loss) | Principal | Interest | Transaction total |
|---------------------------|-----------|----------------|--------------------------|----------------------------|------------|------------------------|------------------------|----------------|------------|-------------------|
| 05/31/2021 05/31/2021 | 912828M80 | Income | Government Bonds | USA TREASURY 2% 30NOV2022 | 11/30/2022 | 750,000.00 | 0.00 | 0.00 | 7,500.00 | 7,500.00 |
| 05/31/2021 05/31/2021 | 912828U57 | Income | Government Bonds | USA TREASURY 2.125% | 11/30/2023 | 650,000.00 | 0.00 | 0.00 | 6,906.25 | 6,906.25 |
| 06/09/2021 06/09/2021 | 3130A3KM5 | Income | Government Agencies | FEDERAL HOME LOAN BANK | 12/09/2022 | 1,000,000.00 | 0.00 | 0.00 | 12,500.00 | 12,500.00 |
| 06/09/2021 06/23/2021 | 3130AMQQ8 | Bought | Government Agencies | FEDERAL HOME LOAN BANK | 04/23/2024 | 1,000,000.00 | 0.00 | (1,000,000.00) | 0.00 | (1,000,000.00) |
| 06/11/2021 06/11/2021 | 313373ZY1 | Income | Government Agencies | FHLB BD 3.625 06-11-2021 | 06/11/2021 | 1,000,000.00 | 0.00 | 0.00 | 18,125.00 | 18,125.00 |
| 06/11/2021 06/11/2021 | 313373ZY1 | Capital Change | Government Agencies | FHLB BD 3.625 06-11-2021 | 06/11/2021 | (1,000,000.00) | 0.00 | 1,000,000.00 | 0.00 | 1,000,000.00 |
| 06/15/2021 06/15/2021 | 717081DZ3 | Income | Corporate Bonds | PFIZER INC 2.2% 15DEC2021 | 12/15/2021 | 500,000.00 | 0.00 | 0.00 | 5,500.00 | 5,500.00 |
| 06/20/2021 06/20/2021 | 06051GHC6 | Income | Corporate Bonds | BANK OF AMERICA CORP | 12/20/2023 | 500,000.00 | 0.00 | 0.00 | 7,510.00 | 7,510.00 |
| 06/21/2021 06/23/2021 | 713448CM8 | Bought | Corporate Bonds | PEPSICO INC 3.6% 01MAR2024 | 03/01/2024 | 500,000.00 | 0.00 | (537,465.00) | (5,600.00) | (543,065.00) |
| 06/23/2021 06/23/2021 | 17325FAQ1 | Income | Corporate Bonds | CITIBANK NA 3.4% 23JUL2021 | 07/23/2021 | 500,000.00 | 0.00 | 0.00 | 7,083.34 | 7,083.34 |
| 06/23/2021 06/23/2021 | 17325FAQ1 | Capital Change | Corporate Bonds | CITIBANK NA 3.4% 23JUL2021 | 07/23/2021 | (500,000.00) | 0.00 | 500,000.00 | 0.00 | 500,000.00 |
| 06/30/2021 | | Income | Cash and Cash Equivalent | Cash | | 0.00 | 0.00 | 0.00 | 10.98 | 10.98 |

ADDITIONAL INFORMATION

As of June 30, 2021

Past performance is not a guide to future performance. The value of investments and any income from them will fluctuate and is not guaranteed (this may partly be due to exchange rate changes) and investors may not get back the amount invested. Transactions in foreign securities may be executed and settled in local markets. Performance comparisons will be affected by changes in interest rates. Investment returns fluctuate due to changes in market conditions. Investment involves risk, including the possible loss of principal. No assurance can be given that the performance objectives of a given strategy will be achieved. The information contained herein is for your reference only and is being provided in response to your specific request and has been obtained from sources believed to be reliable; however, no representation is made regarding its accuracy or completeness. This document must not be used for the purpose of an offer or solicitation in any jurisdiction or in any circumstances in which such offer or solicitation is unlawful or otherwise not permitted. This document should not be duplicated, amended, or forwarded to a third party without consent from Insight. This is a marketing document intended for professional clients only and should not be made available to or relied upon by retail clients.

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Where indicated, performance numbers used in the analysis are gross returns. The performance reflects the reinvestment of all dividends and income. INA charges management fees on all portfolios managed and these fees will reduce the returns on the portfolios. For example, assume that \$30 million is invested in an account with INA, and this account achieves a 5.0% annual return compounded monthly, gross of fees, for a period of five years. At the end of five years that account would have grown to \$38,500,760 before the deduction of management fees. Assuming management fees of 0.25% per year are deducted monthly from the account, the value at the end of the five year period would be \$38,022,447. Actual fees for new accounts are dependent on size and subject to negotiation. INA's investment advisory fees are discussed in Part 2A of its Form ADV.

Unless otherwise stated, the source of information is Insight. Any forecasts or opinions are Insight's own at the date of this document (or as otherwise specified) and may change. Material in this publication is for general information only and is not advice, investment advice, or the recommendation of any purchase or sale of any security. Insight makes no implied or expressed recommendations concerning the manner in which an account should or would be handled, as appropriate investment strategies depend upon specific investment guidelines and objectives and should not be construed to be an assurance that any particular security in a strategy will remain in any fund, account, or strategy, or that a previously held security will not be repurchased. It should not be assumed that any of the security transactions or holdings referenced herein have been or will prove to be profitable or that future investment decisions will be profitable or will equal or exceed the past investment performance of the securities listed.

Please compare the information provided in this statement to the information provided in the statement received from your Custodian.

For trading activity the Clearing broker will be reflected. In certain cases the Clearing broker will differ from the Executing broker.

In calculating ratings distributions and weighted average portfolio quality, Insight assigns U.S Treasury and U.S agency securities a quality rating based on the methodology used within the respective benchmark index. When Moody's, S&P and Fitch rate a security, Bank of America and Merrill Lynch indexes assign a simple weighted average statistic while Barclays indexes assign the median statistic. Insight assigns all other securities the lower of Moody's and S&P ratings.

Information about the indices shown here is provided to allow for comparison of the performance of the strategy to that of certain well-known and widely recognized indices. There is no representation that such index is an appropriate benchmark for such comparison. You cannot invest directly in an index and the indices represented do not take into account trading commissions and/or other brokerage or custodial costs. The volatility of the indices may be materially different from that of the strategy. In addition, the strategy's holdings may differ substantially from the securities that comprise the indices shown.

The ICE BofA 3 Month US T-Bill index is an unmanaged market index of U.S. Treasury securities maturing in 90 days that assumes reinvestment of all income.

The ICE BofA 6 Month US T-Bill index measures the performance of Treasury bills with time to maturity of less than 6 months.

The ICE BofA 1-Year US Treasury Index is a one-security index comprised of the most recently issued 1-year US Treasury note. The index is rebalanced monthly. In order to qualify for inclusion, a 1-year note must be auctioned on or before the third business day before the last business day of the month.

The ICE BofA 3-Year US Treasury Index is a one-security index comprised of the most recently issued 3-year US Treasury note. The index is rebalanced monthly. In order to qualify for inclusion, a 3-year note must be auctioned on or before the third business day before the last business day of the month.

The ICE BofA 5-Year US Treasury Index is a one-security index comprised of the most recently issued 5-year US Treasury note. The index is rebalanced monthly. In order to qualify for inclusion, a 5-year note must be auctioned on or before the third business day before the last business day of the month.

The ICE BofA 1-3 US Year Treasury Index is an unmanaged index that tracks the performance of the direct sovereign debt of the U.S. Government having a maturity of at least one year and less than three years.

The ICE BofA 1-5 US Year Treasury Index is an unmanaged index that tracks the performance of the direct sovereign debt of the U.S. Government having a maturity of at least one year and less than five years.

ADDITIONAL INFORMATION

As of June 30, 2021

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SAN RAFAEL CITY COUNCIL AGENDA REPORT

Department: CITY ATTORNEY

Prepared by: Lisa Goldfien,
Assistant City Attorney

City Manager Approval: _____

TOPIC: 2021-2022 CITY COUNCIL REDISTRICTING PROCESS

SUBJECT: INFORMATIONAL REPORT ON UPCOMING CITY COUNCIL REDISTRICTING PROCESS FOLLOWING RELEASE OF 2020 UNITED STATES CENSUS DATA, AND APPROVAL OF TENTATIVE TIMELINE FOR ADOPTION OF NEW DISTRICTS BY APRIL 17, 2022

RECOMMENDATION:

By motion, accept the informational report and approve the tentative calendar for the redistricting process.

BACKGROUND:

In late 2017, the City of San Rafael received a demand letter asserting that its at-large method of electing members of the City Council violated the California Voting Rights Act (CVRA) (Elec. Code §§14025 – 14032), which prohibits California public agencies from imposing or applying an at-large election method “that impairs the ability of a protected class to elect candidates of its choice or its ability to influence the outcome of an election.” (Elec. Code §14027) A protected class is defined by the CVRA as “a class of voters who are members of a race, color, or language minority group, as this class is referenced and defined in the federal Voting Rights Act of 1965.”

Rather than face a potentially costly lawsuit, the City of San Rafael began the process of changing its at-large voting system to a district-based voting system. After several public hearings to receive public input regarding the composition of the districts, guidelines for the preparation of draft district maps, and to consider 14 different draft district maps prepared either by the City’s demographic consultant or by members of the public, the City Council adopted [Ordinance No. 1956](#) on [April 16, 2018](#) establishing a by-district electoral system and election sequence for four City Council districts according to the map designated as “[Canal 3B](#)”.

The City’s first general municipal election using the new City Council districts was held on November 3, 2020, for the City Council seats in District Districts 1/South and 4/North. The first elections in Districts 2/West and 3/East will be held on November 8, 2022.

FOR CITY CLERK ONLY

Council Meeting: _____

Disposition: _____

Even though the City created its four electoral districts only three years ago, the Elections Code requires that the redistricting process occur again following each federal decennial census. The most recent decennial census was conducted in 2020, and the resulting data are scheduled to be released on August 16, 2021. To assist the City in the redistricting process, the City has retained two consultants the City used in the initial establishment of electoral districts, attorney Christopher Skinnell, of the San Rafael law firm Nielsen Merksamer, and demographic consultant National Demographics Corporation.

ANALYSIS:

Mr. Skinnell and Kristen Parks of National Demographics Corporation will be present at the City Council meeting to give a brief introduction to the redistricting process. The following is a summary of the main California Elections Code requirements for the redistricting process:

- 1) Voting districts must be established according to four criteria:
 - To the extent practicable, council districts shall be geographically contiguous. Areas that meet only at the points of adjoining corners are not contiguous. Areas that are separated by water and not connected by a bridge, tunnel, or regular ferry service are not contiguous.
 - To the extent practicable, the geographic integrity of any local neighborhood or local community of interest shall be respected in a manner that minimizes its division. A “community of interest” is a population that shares common social or economic interests that should be included within a single district for purposes of its effective and fair representation. Communities of interest do not include relationships with political parties, incumbents, or political candidates.
 - Council district boundaries should be easily identifiable and understandable by residents. To the extent practicable, council districts shall be bounded by natural and artificial barriers, by streets, or by the boundaries of the city.
 - To the extent practicable, and where it does not conflict with the preceding criteria in this subdivision, council districts shall be drawn to encourage geographical compactness in a manner that nearby areas of population are not bypassed in favor of more distant populations.

- 2) There are specific requirements for public involvement in the redistricting process prior to final adoption of the new electoral districts:
 - Before adopting a final map, the council shall hold at least four public hearings at which the public is invited to provide input regarding the composition of one or more council districts.
 - At least one public hearing shall be held before the council draws a draft map or maps of the proposed council boundaries.
 - At least two public hearings shall be held after the council has drawn a draft map or maps of the proposed council boundaries.
 - At least one public hearing or public workshop shall be held on a Saturday, on a Sunday, or after 6 p.m. on a weekday Monday through Friday.

- 3) The Elections Code also requires the City Council to take steps to encourage residents, including those in underrepresented communities and non-English speaking communities, to participate in the redistricting public review process. These steps must include:
- Providing information to media organizations and through good government, civil rights, civic engagement, and community groups or organizations that are active in the city, including those active in language minority communities, and those that have requested to be notified concerning city redistricting.
 - Live translation of public hearings, if requested, in an “applicable language” determined for each city by the Secretary of State. For San Rafael, the applicable language is Spanish.
 - The publication of any draft map on the internet for at least seven days before being adopted as a final map, and each draft map prepared by a member of the council or by employees or contractors of the city shall be accompanied by information on the total population, citizen voting age population, and racial and ethnic characteristics of the citizen voting age population of each proposed council district, to the extent the city has that data.
 - Establishment of an internet web page dedicated to redistricting, to be maintained for at least 10 years after the adoption of new council district boundaries, which includes, or links to, all of the following information:
 - A general explanation of the redistricting process for the city in English and applicable languages. (See Attachment 2)
 - The procedures for a member of the public to testify during a public hearing or to submit written testimony directly to the council in English and any applicable language.
 - A calendar of all public hearing and workshop dates.
 - The notice and agenda for each public hearing and workshop.
 - The recording or written summary of each public hearing and workshop.
 - Each draft map considered by the council at a public hearing.
 - The adopted final map of council district boundaries.

A tentative calendar for the redistricting process is attached as Attachment 1. Staff recommends the City Council approve the tentative calendar, subject to later adjustment as necessary.

COMMUNITY OUTREACH:

No community outreach has occurred yet; however, during the redistricting process, staff intends to establish a City website with all pertinent documents in both English and Spanish and may also conduct one or more community meetings in addition to the multiple City Council meetings. Staff also intends to include an online training for use of the online mapping tool. Spanish interpretation will be provided at the City Council meetings.

FISCAL IMPACT:

SAN RAFAEL CITY COUNCIL AGENDA REPORT / Page: 4

There is no fiscal impact associated with this informational report. If accepted, completion of the redistricting process will incur expenses of approximately \$50,000 in consulting attorney's fees and \$60,000 in consulting demographer's fees (including the online mapping tool), in addition to regular staff time. Sufficient funds have been included in the budget to cover these expenses.

OPTIONS:

The City Council has the following options to consider on this matter:

1. Accept the informational report and approve the tentative calendar.
2. Accept the informational report and approve the tentative calendar with modifications.
3. Direct staff to return with more information.
4. Take no action.

RECOMMENDED ACTION:

Accept the informational report and approve the tentative calendar for the City Council redistricting process.

ATTACHMENTS:

1. Tentative Calendar for City Council Redistricting
2. Secretary of State's template for information about city council redistricting process

SAN RAFAEL CITY COUNCIL
TENTATIVE 2021-2022 REDISTRICTING TIMELINE

(Note: most actions are goal dates subject to change.
Only items in bold are legal deadlines.)

| DATE | ACTION |
|-----------------------------------|--|
| July 19, 2021 Council Meeting | Presentations at Council meeting re redistricting process; Council adopts tentative calendar for redistricting. |
| August 16, 2021 | Announced date for federal government to release “legacy format” demographic/redistricting data to States. (In a normal post-Census year, the data would have been released by Mar. 31.) |
| By late-August | City’s redistricting website to go public with tentative calendar and SOS templates containing a general explanation of the redistricting process and procedures for public to testify during public hearing or submit written testimony and—when available—presentations, criteria, meeting notices, agendas and minutes, demographic data, and draft plans. Provide for online submission of comments from the public. |
| September 2021 Council Meeting | Presentations at Council meeting re (1) legal and policy criteria governing redistricting, and (2) preliminary demographics of existing council districts based on Census legacy data or appropriate estimates. |
| September – October | Consultants/staff to conduct additional public outreach regarding process, online mapping tools, other options for participating, etc. |
| October 1, 2021 | Estimated date for release of prisoner-adjusted population data by California Statewide Database. See Elec. Code § 21621(a)(2); Memo from Karin Mac Donald, Director of the Statewide Database, to the California Citizens Redistricting Comm’n (Mar. 26, 2021) . |

| DATE | ACTION |
|---|--|
| November 8, 2021 Council Meeting | Demographer provides updated demographic analysis of existing districts with final adjusted Census numbers; Council conducts first public hearing to solicit testimony regarding criteria to be used for redistricting, especially communities of interest. ¹ |
| January 18, 2022 Council Meeting | Council conducts second public hearing to solicit testimony regarding criteria to be used for redistricting, especially communities of interest; Council adopts criteria for redistricting, identifies communities of interest, instructs demographic consultant to prepare draft district plans. |
| February 7, 2022 | Deadline for submission of maps by the public for consideration at the February 21 Council public hearing. |
| February 21, 2022 Council Meeting ² | Demographic consultant to present initial draft district plan(s). Council holds public hearing on draft plan(s). Council may order modifications to any of the plan(s). |
| March 7, 2022 | Final deadline for submission of public plans for consideration as part of the process. |
| March 14, 2022 | Deadline to post final proposed map(s) on City redistricting website. ³ |
| March 21, 2022 Council Meeting | Demographer presents one or more additional draft plans and modified plans, incorporating public testimony as appropriate; Council holds public hearing on draft plans, votes to choose one plan, adopts resolution setting actual boundaries. If the Council instead orders modifications to any of the plans, another public hearing will be required. |
| April 4, 2022 | Last regularly-scheduled Council meeting prior to deadline for adopting redistricting plan. |
| April 17, 2022 | Legal deadline for Council to adopt redistricting plan. |

¹ Notwithstanding the Brown Act, public hearings for redistricting must be noticed at least 5 days ahead of time, except that hearings between March 20 and April 17, 2022, can be noticed three days in advance.

² Must be at least three weeks after release of inmate-adjusted data by the Statewide Database.

³ Maps must be made public at least 3 days before adoption if there are fewer than 28 days until the legal deadline of April 17 or seven days prior if more than 28 days are available.

| DATE | ACTION |
|-------------------------|---|
| April 20 or May 4, 2022 | Resolution becomes effective (30 days after adoption) |
| July 18, 2022 | First day for circulating nomination papers. |
| November 8, 2022 | First election using new lines. |

City of _____ Redistricting Process

Every ten years, local governments use new census data to redraw their district lines to reflect how local populations have changed. [Assembly Bill 849 \(2019\)](#) requires cities and counties to engage communities in the redistricting process by holding public hearings and/or workshops and doing public outreach, including to non-English-speaking communities.

What is redistricting?

Every ten years, districts must be redrawn so that each district is substantially equal in population. This process, called redistricting, is important in ensuring that each city councilmember represents about the same number of constituents. In [City], the City Council is responsible for drawing council districts. Redistricting is done using U.S. Census data, which is released around March 31, 2021. For the City of [city], the redistricting process must be completed by [date].

Why does redistricting matter to me?

Redistricting determines which neighborhoods and communities are grouped together into a district for purposes of electing a councilmember.

The City Council will seek input in selecting the next district map for our City Council. You have an opportunity to share with the City Council how you think district boundaries should be drawn to best represent your community.

You can contact the City Clerk at _____ to find out more about how the process works.

What do the existing council districts look like?

You can find a map of the City's current council districts here: [link]

What criteria will our City Council use when drawing district lines?

To the extent practicable, district lines will be adopted using the following criteria: (1) geographically contiguous districts (each city council district should share a common border with the next), (2) the geographic integrity of local neighborhoods or communities shall be respected in a manner that minimizes its division, (3) geographic integrity of a city shall be respected in a manner that minimizes its division, (4) easily identifiable boundaries that follow natural or artificial barriers (rivers, streets, highways, rail lines, etc.), and (5) lines shall be drawn to encourage geographic compactness. In addition, boundaries shall not be drawn for purposes of favoring or discriminating against a political party.

How will our City Council notify the public about redistricting?

The City Council will reach out to local media to publicize the redistricting process. Also, we will make a good faith effort to notify community groups of various kinds about the redistricting process. Our public [hearings] [or] [workshops] will be provided in applicable languages if residents submit a request in advance. The City Council will notify the public about redistricting [hearings] [or] [workshops], post maps online before adoption, and create a dedicated web page for all relevant information about the redistricting process.

How can I get involved?

The City Council will be holding [hearings] [or] [workshops] to receive public input on where district lines should be drawn. Those [hearings] [or] [workshops] will be held on:

[Date, location, time]

You can also submit public comments, including suggested draft maps, by emailing: [email]

Where can I find out more?

The City maintains a webpage on the city's redistricting process here: [link]

Ciudad de _____ Proceso de Redistribución de Distritos

Cada diez años, los gobiernos locales utilizan nuevos datos del censo para volver a trazar las líneas de sus distritos para reflejar cómo han cambiado las poblaciones locales. [El Proyecto de Ley 849 de la Asamblea \(2019\)](#) exige que las ciudades y los condados hagan participar a las comunidades en el proceso de redistribución de distritos mediante la celebración de audiencias públicas y/o talleres y la realización de actividades de divulgación pública, incluso en las comunidades no anglófonas.

¿Qué es la redistribución de distritos?

Cada diez años, los distritos deben ser rediseñados para que cada uno de ellos sea sustancialmente igual en población. Este proceso, llamado redistribución de distritos, es importante para asegurar que cada concejal de la ciudad represente aproximadamente el mismo número de conciudadanos. En [City], el Ayuntamiento es responsable de diseñar los distritos del consejo. La redistribución de distritos se hace usando los datos del Censo de los EE.UU., que es publicado alrededor del 31 de marzo de 2021. Para la Ciudad de [city], el proceso de redistribución de distritos debe completarse antes de [date].

¿Por qué me importa la redistribución de distritos?

La redistribución de distritos determina qué vecindarios y comunidades son agrupados en un distrito con el fin de elegir a un concejal.

El Ayuntamiento buscará aportes para determinar el próximo mapa del distrito para nuestro Ayuntamiento. Tu tienes la oportunidad de compartir con el Ayuntamiento cómo crees que los límites del distrito deben ser diseñados para representar mejor a tu comunidad.

Puedes contactar con el Secretario de la Ciudad en _____ para saber más sobre cómo funciona el proceso.

¿Cómo se ven los distritos del consejo existentes?

Puedes encontrar un mapa actual de los distritos del Ayuntamiento aquí: [link]

¿Qué criterio usará nuestro Ayuntamiento al diseñar las líneas del distrito?

En la medida de lo posible, las líneas de distrito se adoptarán utilizando los siguientes criterios: (1) los distritos geográficamente contiguos (cada distrito del ayuntamiento debe compartir una frontera común con el siguiente), (2) se respetará la integridad geográfica de los vecindarios o comunidades locales de manera que se reduzca al mínimo su división, (3) se respetará la integridad geográfica de una ciudad de manera que se reduzca al mínimo su división, (4) se establecerán límites fácilmente identificables que sigan las barreras naturales o artificiales (ríos, calles, carreteras, líneas de ferrocarril, etc.), y (5) se trazarán líneas para fomentar la compactación geográfica. Además, no se establecerán límites con el fin de favorecer o discriminar hacia un partido político.

¿Cómo notificará nuestro Ayuntamiento al público sobre la redistribución de distritos?

El Ayuntamiento se pondrá en contacto con los medios de comunicación locales para dar a conocer el proceso de redistribución de distritos. Además, haremos un esfuerzo de buena fe para notificar a los diversos grupos de la comunidad sobre el proceso de redistribución de distritos. Nuestras [hearings] [or] [workshops] públicos se ofrecerán en los idiomas pertinentes si los residentes presentan una solicitud por adelantado. El Ayuntamiento notificará al público sobre la redistribución de distritos [hearings] [or] [workshops], colocará los mapas en línea antes de su adopción y creará una página web dedicada a toda la información relevante sobre el proceso de redistribución.

¿Cómo puedo involucrarme?

El Consejo de la Ciudad celebrará [hearings] [or] [workshops] para recibir aportes públicos sobre dónde deben trazarse las líneas de los distritos. Esas [hearings] [or] [workshops] se llevarán a cabo en:

[Date, location, time]

También puedes enviar comentarios públicos, incluyendo borradores de mapas sugeridos, por correo electrónico: [email]

¿Dónde puedo encontrar más información?

La Ciudad mantiene una página web sobre el proceso de redistribución de la ciudad aquí: [link]



SAN RAFAEL CITY COUNCIL AGENDA REPORT

Department: Community Development

Prepared by: Alicia Giudice, Community
Development Director
Barry Miller, Contract Project Manager

City Manager Approval: _____

TOPIC: SAN RAFAEL GENERAL PLAN 2040 AND DOWNTOWN PRECISE PLAN

SUBJECT: (1) RESOLUTION CERTIFYING THE FINAL ENVIRONMENTAL IMPACT REPORT (FEIR) (SCH #2019039167) PREPARED FOR THE SAN RAFAEL GENERAL PLAN 2040 AND DOWNTOWN SAN RAFAEL PRECISE PLAN

(2) REPORT ON THE UPCOMING REVIEW OF THE SAN RAFAEL GENERAL PLAN 2040 DOCUMENT AND THE DOWNTOWN PRECISE PLAN

RECOMMENDATION:

Staff recommends that the City Council approve the attached Resolution certifying the Final Environmental Impact Report (EIR) for General Plan 2040 and the Downtown Precise Plan.

EXECUTIVE SUMMARY

This is the first of two public hearings scheduled to adopt General Plan 2040, the Downtown Precise Plan, the Final EIR, and conforming amendments to the San Rafael Municipal Code. The Planning Commission convened 10 public hearings on this item between September 2020 and June 2021 and has approved resolutions recommending City Council adoption of all associated documents. Staff will provide a presentation on the project at the July 19 hearing and highlight the changes made during the Planning Commission review process. The City Council must hold a public hearing on the item and consider a resolution adopting the Final EIR. The public hearing will be continued until August 2, at which time the City Council is scheduled to consider resolutions adopting CEQA Findings and a Statement of Overriding Considerations, General Plan 2040, and the Downtown Precise Plan. On August 2, the Council also will consider ordinances adopting conforming changes to the San Rafael Municipal Code that implement the Downtown Precise Plan.

This staff report provides a high-level summary of the documents presented for Council adoption. More comprehensive information on the plans and key issues is contained in the Planning Commission staff reports prepared for their hearings. Links to those reports are provided below:

FOR CITY CLERK ONLY

Council Meeting: _____

Disposition: _____

- Introduction and Overview of General Plan 2040 ([Sept 15, 2020](#))
- General Plan 2040 Chapters 1-9 (includes a summary of the following Elements: Land Use; Neighborhoods; Community Design and Preservation; Conservation and Climate Change; Parks, Recreation, and Open Space; Safety and Resilience; Noise) ([Oct 27, 2020](#))
- General Plan 2040 Chapters 10-14 (includes a summary of the following Elements: Mobility; Community Services and Infrastructure; Arts and Culture; Economic Vitality; Equity, Diversity, and Inclusion) ([November 12, 2020](#))
- Responses to Initial Public Comments on General Plan 2040 ([December 15, 2020](#))
- Introduction to Downtown Precise Plan ([January 12, 2021](#))
- Introduction to Form-Based Code ([January 26, 2021](#))
- Responses to Initial Public Comments on Downtown Precise Plan ([February 9, 2021](#))
- Overview of Draft Environmental Impact Report ([March 9, 2021](#))
- Summary of Comments on EIR and Final Revisions to General Plan 2040 ([June 15, 2021](#))
- Summary of Comments on Downtown Plan/ Municipal Code Amendments ([June 29, 2021](#))

In addition, the City Council received six progress reports on the General Plan 2040 and Downtown Precise Plan in 2019-2021. The most recent progress report was delivered on [April 5, 2021](#).

BACKGROUND:

General Plan 2040

Every city and county in California is required to prepare a long-range, comprehensive, general plan for its future. San Rafael's existing General Plan was adopted in 2004, with a horizon year of 2020. In 2017, the City initiated a General Plan Update in order to move the Plan's horizon forward from 2020 to 2040. The General Plan 2040 was created over a three-year period that engaged hundreds of San Rafael residents and businesses. A 24-member Steering Committee was created to guide the process, with 25 meetings convened between January 2018 and June 2020. The community was engaged through workshops, surveys, web-based activities, and direct outreach to stakeholders and neighborhood groups. The Draft 2040 Plan carries forward much of the content of General Plan 2020 but reorganizes and updates the document to reflect changed conditions, new State laws, and new issues and priorities.

The General Plan is organized into "elements" or topical chapters. Eight elements are required by state law, but San Rafael's existing Plan also includes "optional" elements on topics of local importance. General Plan 2040 consolidates some of the elements from General Plan 2020, while adding others. Table 1 compares the two documents. The most important changes include the addition of an Equity, Diversity, and Inclusion Element, the addition of climate change and resilience policies, the addition of a "Framework" chapter that provides guiding principles for San Rafael's future, and a major update of the Neighborhoods Element. All elements of the Plan have been comprehensively updated except the Housing Element, which is being updated now (2021-2022) in accordance with a schedule set by State law.

Table 1: “Elements” of General Plan 2020 and 2040

| General Plan 2020 | General Plan 2040 |
|-----------------------|---------------------------------------|
| Land Use (*) | Land Use (*) |
| Neighborhoods | Neighborhoods |
| Community Design | Community Design and Preservation |
| Conservation (*) | Conservation and Climate Change (*) |
| Air and Water Quality | |
| Sustainability | |
| Parks and Recreation | Parks, Recreation and Open Space (*) |
| Open Space (*) | |
| Safety (*) | Safety and Resilience (*) |
| Noise (*) | Noise (*) |
| Circulation (*) | Mobility (*) |
| Infrastructure | Community Services and Infrastructure |
| Culture and Arts | Arts and Culture |
| Economic Vitality | Economic Vitality |
| Governance | Equity, Diversity, and Inclusion (*) |
| Housing (*) | Housing (*) – |

(*) *mandatory element*

General Plan 2040 retains the same basic structure for each Plan Element. The initial section of each Element provides “existing conditions” information. This is followed by numbered goals, policies, and programs. The goals are broad, aspirational statements. The policies provide general direction on day-to-day activities. The programs indicate specific actions to be carried out to implement the policies. Many of the programs are ongoing practices and operating procedures, but a few are new plans, initiatives, activities, or capital improvements that may require future commitments of resources. The General Plan has a 20-year horizon and some of its programs may not be implemented until later in the planning period as resources become available. A report on General Plan progress is provided to the City Council annually, and Plan updates and amendments may be considered as conditions change.

Maps and graphics are included throughout the document to communicate policies spatially or provide background data. The Plan includes several appendices, including a Sea Level Rise Adaptation Report, background data on noise and transportation, geotechnical report requirements, and an Implementation Matrix identifying responsible parties and timing for key Plan programs.

As required by State law, General Plan 2040 includes a future [Land Use Map](#). The Map uses 19 color-coded categories to illustrate the land uses and densities (or intensities) permitted across the San Rafael Planning Area. The Map provides the basis for San Rafael’s zoning map. Several changes to the category definitions have been made through the General Plan Update and a number of categories on the 2020 General Plan Map have been merged. These changes will have minimal effects on the built environment and are mostly administrative. A “Sea Level Rise” Overlay has been added to the map indicating areas that may be impacted by sea level rise by 2050.

General Plan 2040 is based on population and employment forecasts for San Rafael developed by the Association of Bay Area Governments (ABAG) as part of Plan Bay Area 2040. The Plan accommodates approximately 4,400 new housing units and 4,100 jobs between 2020 and 2040. This growth will largely occur through reuse of previously developed and underutilized properties, with about half of the city’s growth anticipated in the Downtown area. The Plan does not convert any previously designated “greenfield” or open space land to urban uses.

The policies and programs that form the core of General Plan 2040 were completed in May 2020, following extensive input from the Steering Committee and San Rafael residents and businesses. The Plan itself was published in October 2020. Planning Commission public hearings were held on September 15, October 27, November 12, and December 15, 2020. Comments were received throughout this period, and into early 2021. Staff identified and responded to more than 600 comments, including those from the Planning Commission. The Plan was edited extensively to reflect public comment, and a “redlined” draft was produced in May 2021.

A number of additional edits were made to the May 2021 draft prior to the Planning Commission’s final hearing on the General Plan on June 29, 2021, including strengthening of tree protection language and greenhouse gas reduction measures. On June 29, the Planning Commission adopted Resolution No. 2021-04 recommending that the City Council adopt General Plan 2040.

Downtown San Rafael Precise Plan (Downtown Precise Plan)

As part of the General Plan Update, the City prepared a more focused plan for Downtown San Rafael. Downtown development is currently guided by a Downtown Vision Plan adopted in 1993 (the Vision was previously incorporated into General Plan 2020). While the 1993 Plan had many positive outcomes, it is 28 years old and does not reflect Downtown’s current issues and potential.

Downtown was designated a Priority Development Area (PDA) by the City Council in 2009, recognizing its potential for sustainable, transit-oriented growth and making it eligible for planning grants and transportation investments. A number of studies and plans were completed between 2010 and 2020, including the SMART Station Area Plan (2012), “Good Design Guidelines” recommendations (2017), and the Downtown Parking and Wayfinding Study (2018). There are also Downtown-focused recommendations in the Bicycle and Pedestrian Master Plan (2018), the Housing Element (2014), the Climate Change Action Plan (2019), and the Third Street Rehabilitation and Safety Studies (2019-20). Collectively, these plans and studies pointed to the need for a higher-level framework that updated the 1993 Plan and synthesized policies for Downtown into a forward-looking, cohesive document.

In 2018, the City received a \$500,000 grant from ABAG/MTC to update the 1993 Plan. The grant also covered an updated inventory of Downtown historic resources and new recommendations for transportation, affordable housing, economic development, and climate resilience. The updated Downtown Plan (called a “Precise Plan”) includes a Form-Based Code (FBC) for Downtown, which will replace existing zoning regulations. There were “economies of scale” associated with doing this work concurrently with General Plan 2040, including a combined EIR addressing the impacts of both projects and a coordinated public outreach effort.

Like General Plan 2040, the Precise Plan has a 20-year planning horizon. Since it covers a smaller geographic area than the citywide Plan, its focus is more granular. The area covered by the Precise Plan is 265 acres, extending from the 2nd/ 4th Street intersection on the west to Montecito Plaza on the east, and from Mission Avenue on the north to First Street/ Albert Park on the south. Much of this area falls within the designated PDA (e.g., a one-half mile radius from the SMART Station). However, the Precise Plan includes the West End Village, which is outside the PDA.

The Draft Downtown Precise Plan serves a number of functions:

- It is a policy document providing a 20-year vision for Downtown.
- It is a regulatory document intended for reviewing and permitting future development and changes to existing buildings. It replaces many regulations and provisions of the San Rafael Municipal Code Title 14 – Zoning.

- It incorporates design standards, which are typically in a separate document and advisory.
- It incorporates specific recommendations for improvements to streets and public spaces.
- It creates a predictable development review process to facilitate project streamlining.
- It helps the City meet its future housing needs by providing substantial capacity for new residential development.

The document includes nine chapters, plus a glossary and technical appendices. Key chapters include existing conditions, design principles, the Downtown “design vision,” historic preservation, and transportation. The Plan also includes an affordable housing and anti-displacement strategy. Chapter 9 of the Precise Plan is the Form-Based Code (FBC). The Code includes a “Regulating Plan” (zoning map) for Downtown, including new height limits and opportunities for height bonuses. The FBC creates new districts that distinguish “Main Street” areas such as Fourth Street from “Neighborhood” areas such as Fifth Avenue in the West End Village.

Upon adoption of the Precise Plan and Form-Based Code, residential density limits will no longer apply in Downtown San Rafael. Development intensity will be guided by the height map, setback and parking requirements, upper story step-back requirements, and the design standards of the Plan itself. The FBC emphasizes the importance of public space (including streets) to the quality and success of Downtown. It identifies specific improvements to make Downtown more pedestrian-friendly, including a new civic plaza adjacent to the SMART station.

The Precise Plan was published on December 21, 2020. Planning Commission public hearings were held on January 12, January 26, and February 9, 2021. Staff reports prepared for each meeting (see page 2 of this report for links) provide additional detail on the content of the two plans, as well as public comments and responses. Based on public comments received between January and May 2021, a revised version of the Precise Plan was published in June 2021. On June 29, 2021, the Planning Commission adopted Resolution 2021-05 recommending adoption of the revised Precise Plan by the City Council.

Environmental Impact Report

The San Rafael General Plan 2040 and Downtown Precise Plan are collectively defined as a “project” under the California Environmental Quality Act (CEQA). The project was determined to have the potential for significant effects on the environment. As required by CEQA, a Draft Environmental Impact Report (DEIR) was prepared. A Notice of Preparation was issued on March 29, 2019 and the Planning Commission held a Scoping Session on April 23, 2019. The DEIR was published on January 7, 2021 with a 61-day public review period closing on March 9, 2021.

The DEIR evaluated the impacts of adopting the General Plan 2040 and Downtown Precise Plan. The General Plan does not entitle any specific development project on any specific site; rather, it creates opportunities for future development based on Land Use Map designations and planning policies. Thus, the DEIR is a “program” EIR, meaning it evaluates the cumulative effects of adopting a particular set of policies over a 20-year period, rather than the impacts of approving a development on an individual site. Essentially, the DEIR evaluates the impacts of incrementally adding roughly 4,400 housing units and 4,000 jobs across the San Rafael planning area over a 20-year period.

The DEIR found that adoption of the General Plan 2040 and Downtown Precise Plan may have significant, unavoidable impacts on air quality, cultural resources, greenhouse gas emissions, and transportation. The plans may have significant, but mitigable, impacts on biological resources, geologic resources, hazards/ hazardous materials, and noise/ vibration. The Plan(s) would have less than significant impacts on aesthetics, agriculture and forestry, energy, hydrology/ water quality, land use and

planning, mineral resources, population and housing, public services and recreation, utilities and service systems, and wildfire. A finding that an impact is “less than significant” does not mean that the issue is not a concern. In almost all cases, the General Plan itself includes policies specifically intended to address an impact, risk, or hazard. For example, the General Plan adopts the City’s Local Hazard Mitigation Plan by reference, providing a stronger policy framework to reduce impacts associated with wildfires, flooding, and earthquakes.

In some cases, the DEIR identified additional policies and programs to be added to the General Plan and Downtown Precise Plan prior to their adoption. The May 2021 version of General Plan 2040 adds these policies and programs, making the General Plan “self-mitigating” for most potential impacts.

A Final EIR incorporating the responses to comments was published on May 23, 2021. On June 15, 2021, the Planning Commission approved Resolution 2021-02, finding that the Final EIR was adequate and met the requirements of CEQA. The Resolution recommends that the City Council certify the Final EIR.

On June 29, 2021, the Planning Commission approved Resolution No. 2021-03, recommending that the City Council adopt CEQA Findings of Fact, a Statement of Overriding Considerations (SOC), and a Mitigation Monitoring and Reporting Program for General Plan 2040 and the Downtown Precise Plan. The SOC identifies the economic, environmental, and social benefits that would occur through General Plan adoption and concludes that these benefits outweigh the Plan’s potential significant, unavoidable environmental impacts. The City Council will be asked to adopt a similar resolution on August 2, 2021, making the same findings.

Amendments to the San Rafael Municipal Code (SRMC)

The Downtown Precise Plan is a regulatory document as well as a policy document. Its adoption requires the adoption of two ordinances that amend the San Rafael Municipal Code (SRMC). On June 29, 2021, the San Rafael Planning Commission adopted Resolution No. 2021-06 recommending that the City Council adopt both ordinances.

Ordinance 1: Conforming Amendments to the SRMC

The first Ordinance repeals the existing 4SRC, CSMU, HO, 2/3 MUE, 2/3MEW, WEV and 5/M R/O Downtown zoning districts and replaces them with a Downtown Mixed Use (DMU) district. A map of the new DMU district is included in the Ordinance. All references to the former Downtown zones, which were first established in 1993, are being removed from the SRMC, including related development standards, use tables, parking requirements, height limits, limits on ground floor uses, and so on.

A number of amendments unrelated to the Downtown Precise Plan also are covered by this Ordinance. These amendments are being paired with the Precise Plan amendments for efficiency’s sake, as they would otherwise require a separate hearing and commitment of staff time and resources. They include:

- Implementation of Senate Bill 234 (2019), which prohibits the City from requiring a use permit for large family day care homes. Elimination of the use permit requirement removes certain limitations on day care homes serving 8-14 children. The City has been complying with SB 234 in practice but has not formalized the change in its zoning regulations.
- Extension of the time limit for zoning permits (variances, use permits, etc.) from one-year to two years, to recognize the length of time it may take to secure building permits or commence with a project, avoid the need for extensions and align the Code with the City’s current practices.
- Elimination of “cannabis infused products” (an activity permitted by the zoning code in the Commercial/Office and Industrial zones) from the Use Tables, and its replacement with “cannabis

manufacturing,” which would be permitted only in industrial zones. This aligns the City’s zoning regulations with existing State license categories and is more responsive to business needs. Additional information on this change may be found on Page 11 of the [June 29, 2021](#) Planning Commission staff report.

Ordinance 2: Adoption of the FBC

The second Ordinance adopts Chapter 9 of the Precise Plan (the Form-Based Code for Downtown) as the principal zoning regulation for Downtown San Rafael. Once adopted, the development standards, requirements, procedures, and use tables in Chapter 9 will govern future land use and development decisions within the Downtown area.

ANALYSIS:

This section of the staff report highlights the issues raised during the Planning Commission review process. Most of these issues have been resolved through revisions to the Plans or discussions with the Commission, but a few remain. General Plan 2040 and the Downtown Precise Plan are complex, comprehensive, multi-faceted documents. Both plans have been thoroughly vetted and extensively revised in response to public comment.

General Plan 2040

Approximately 30 comment letters on General Plan 2040 were received between October 2020 and May 2021, including letters from the Audubon Society of Marin, Responsible Growth in Marin, Sustainable San Rafael, the Marin Conservation League, Sierra Club, San Rafael Heritage, Terra Linda Homeowners Association, West End Neighborhood Association, and various individuals. Some of the issues raised by these letters included tree removal requirements, wetlands protection, neighborhood character, emergency access, fire safety, historic resources, parking, and traffic. There were also general comments relating to the use of the word “should” vs “shall” in the Plan’s policies and the tension between the Plan’s accommodation of growth and policies supporting neighborhood conservation. Residents and community groups provided specific comments on Plan text and policies for Northgate Mall, Canalways, the West End area, and the San Rafael Rock Quarry.

The Planning Commission did a chapter-by-chapter review of the General Plan 2040 during its Fall 2020 public hearings. Among the issues raised were the possibility of adding more metrics to the document, highlighting interconnected Plan themes and concepts, further assessing the City’s vision for its economy, providing more direct links to the related documents that implement General Plan policies, and strategically editing the new Equity, Diversity, and Inclusion Element. One of the Commission’s suggestions was that the Plan include a “call to action” to prepare a citywide economic development strategy that aligned its social equity goals with its economic vitality goals. This has been added.

In response to public and Commission input, staff revised each element of the General Plan, along with the introduction, framework, and appendices. New diagrams and figures have been added where necessary. Mitigation measures from the General Plan EIR have been incorporated into the Plan in the form of new policies and programs, particularly in the Conservation and Climate Change Element and the Safety and Resilience Element.

The Conservation and Climate Change Element has been modified to respond to public comments on trees, wildlife protection, and wetlands conservation. Additional historic preservation programs were added in response to public comments and EIR findings. Minor revisions to the Mobility Element were made in response to public comment. The Equity, Diversity, and Inclusion Element was revised in

response to Planning Commission feedback. The Implementation Matrix (Appendix A) now identifies metrics for each element so that progress on Plan implementation can be measured and tracked.

Public comment at the June 15 and June 29 Planning Commission meetings included continued requests for stronger General Plan language on tree preservation (including protection of redwood trees and “heritage” trees), stronger hillside protection policies, stronger wetlands conservation policies, and greater vigilance in reducing greenhouse gas emissions to achieve the reduction targets in the City’s 2030 Climate Change Action Plan. Many other issues raised during the Fall 2020 Commission hearings were resolved through edits made to the Plan during Spring 2021.

Downtown Precise Plan

Public comments on the Precise Plan fell into several categories, discussed below:

- A minor revision to the Precise Plan boundary was requested (and subsequently made) to add a parcel at 1010 Grand Avenue, thereby keeping three parcels under common ownership within the boundary and facilitating their future development.
- The method for calculating State-allowed density bonuses in the Plan area was clarified (since the Precise Plan does not regulate density, it was unclear how bonuses for affordable housing would be calculated).
- The Precise Plan offers height bonuses of 10 to 20 feet to projects including certain percentages of affordable housing. The relationship between these bonuses and State density bonuses was clarified. An applicant may use either the Plan’s height bonus or the State density bonus but may not combine the two.
- The percentages of affordable units required to qualify for the Plan’s height bonus were lowered to align with recent revisions to the Inclusionary Zoning ordinance and to facilitate housing development.
- The method for calculating allowable building heights on sloped sites was clarified.
- Standards for upper story additions to historic buildings and for new buildings adjacent to historic buildings were revised in response to public comment.
- There was strong support for making 4th Street more pedestrian-focused, including redesigning the street for more regular closures and public events.
- Requirements for solar access studies were requested (and subsequently added) for taller buildings, with exceptions for projects including affordable housing.
- Miscellaneous edits to the text and specific urban design improvements were requested and made.

One of the issues regularly raised during the public hearings was allowable building height. Some members of the Planning Commission and public supported taller heights while others expressed concerns about shadows, visual impacts, and the character of Downtown. Most of these issues were resolved, but there continue to be issues about height in the West End Village (at the triangle formed by 2nd, 4th, and Ida Streets) and in the area along the west side of US 101.

The only change to the height map resulting from these discussions was to allow for a 20’ height bonus (rather than a 10’ bonus) on the south half of the block bounded by 5th Avenue, B Street, C Street, and Mission Avenue. This was in response to a public comment received at the June 29, 2021 hearing.

As noted earlier, the Precise Plan included the first comprehensive field survey of Downtown’s historic resources since 1976-1977. More than 572 properties were evaluated by the consultant team. Approximately 160 of these properties received a more detailed assessment based on their age and condition. A one-page profile sheet was prepared for each of these 160 properties, and approximately 90 were identified as potential historic resources. The inventory also identified two areas eligible as

historic districts, including a “west” district in the vicinity of 4th and B Streets in the Downtown Core and an “east” district along 4th Street between Court Street and Lincoln Avenue.

San Rafael Heritage provided extensive comments on the survey findings through the EIR process. The EIR consultant’s architectural historian re-evaluated approximately 35 buildings that were surveyed by the Downtown Plan consultant in 2019. A number of buildings were reclassified as a result of the supplemental survey, more closely aligning the survey with San Rafael Heritage’s expectations.

Modifications also were made to the boundaries of the two eligible historic districts. Staff provided additional outreach to property owners as part of this process, including a post-card mailing and a series of webinars on the historic inventory and standards for eligible properties.

Draft and Final Environmental Impact Reports (DEIR/FEIR)

The City received 14 comment letters on the DEIR, plus oral testimony at public hearings. Comments were received from Caltrans, the Transportation Authority of Marin, the Golden Gate Bridge Highway and Transportation District, the California Department of Fish and Wildlife, Marin Audubon Society, Raghianti and Freitas (attorneys), the San Rafael Rock Quarry, Sustainable San Rafael, San Rafael Heritage, and several individuals. Most of the comment letters requested clarifications or minor corrections to the Draft EIR, or revisions to mitigation measures related to biological resource impacts (wildlife and wetlands) and climate change.

As noted above, San Rafael Heritage provided extensive comments on the historic resources inventory. Sustainable San Rafael expressed concerns about the DEIR’s conclusion of a significant unavoidable impact on greenhouse gas (GHG) emissions and requested stronger mitigation measures to implement the City’s Climate Change Action Plan. Most of the requested changes were made through the Final EIR process. There continues to be advocacy for strengthening the City’s GHG reduction measures in response to the climate crisis, and for stronger City protection of redwood trees and other mature native trees.

Municipal Code Amendments

The Municipal Code Amendments were introduced at the Planning Commission meeting on June 29, 2021. As noted earlier in this report, the Planning Commission passed Resolution No. 2021-06 at that meeting, recommending City Council adoption of these Amendments.

There were no public speakers on the Code amendments at the Planning Commission hearing. Commissioner comments addressed the supplemental amendments on cannabis manufacturing and the rationale for the proposed changes. There were no specific comments on the new Form-Based Code or the associated Ordinances rescinding the former Downtown zones and adopting the new Code.

Next Steps

Adoption of the General Plan and Downtown Precise Plan requires City Council approval of four resolutions and two ordinances. At the July 19 meeting, the City Council will be asked to consider the first of the four resolutions, which certifies the Final EIR. The City Council will receive a presentation on the General Plan/ Downtown Precise Plan and will have an opportunity for questions and discussion. The July 19 public hearing also provides an opportunity for public comment on the General Plan, Precise Plan, and EIR.

On August 2, 2021, staff will return to the Council with the remaining resolutions and the two ordinances. These resolutions adopt the CEQA Findings and Statement of Overriding Considerations, the General Plan 2040, and the Downtown Precise Plan. The Ordinances adopt amendments to the Municipal Code which will make the Precise Plan Form-Based Code the official zoning regulations for Downtown. The two Ordinances will require a second reading on September 7, 2021.

COMMUNITY OUTREACH:

The General Plan 2040 and Downtown Precise Plan are the outcome of a three-year community engagement process. As noted earlier in the staff report, this process included 25 meetings of a 24-member Steering Committee; three community-wide workshops; numerous meetings with stakeholder groups, homeowners associations and neighborhood groups; regular presentations to the City Council, Planning Commission, and other City boards and commissions; “pop-up” workshops and displays throughout 2018 and 2019; a project website and on-line engagement platform; Spanish language workshops and interviews; on-line surveys; a youth engagement program; project-related videos and webinars; and direct communication with hundreds of residents and businesses. In March 2020, City staff adapted the community engagement process to reflect the constraints of the COVID-19 pandemic, hosting on-line workshops and meetings through the remainder of 2020 and providing opportunities for participation via Zoom and other platforms.

Additionally, the City Council’s adoption hearings were preceded by ten (10) noticed public hearings of the San Rafael Planning Commission, convened on September 15, October 27, November 12, December 15, 2020; and January 12, January 26, February 9, March 9, June 15, and June 29, 2021. A public notice of the July 19, 2021 City Council meeting was mailed to stakeholders, agencies and special interest groups 15 days prior to the meeting date. Those noticed included, among others, all neighborhood associations in the city, the San Rafael Chamber of Commerce, and members of the General Plan 2040 Steering Committee. Notice of this report was also placed in the Marin Independent Journal and was provided to an email list of approximately 380 subscribers on July 2, 2021.

FISCAL IMPACT:

Funding for General Plan 2040 was apportioned from General Plan Revenue Fund #218. This fund includes revenue for ongoing Plan implementation (the General Plan “Implementation Fee”), as well as the General Plan update process (the General Plan “Maintenance Fee”). Collectively, these fees represent a 1.219% surcharge on building permit fees. In addition, the City received a \$500,000 grant from the Association of Bay Area Governments/ Metropolitan Transportation Commission to prepare the Downtown Precise Plan and Form-Based Code, including the updated historic resources inventory.

Adoption of the General Plan 2040 and Downtown Precise Plan will not have a direct fiscal impact on the City, as these are long-range policy documents. Both plans are intended to produce long-term fiscal benefits. The plans accommodate the organized, rational, and efficient growth of the city, including the creation of new businesses and jobs, sustenance of the local economy, and provision of diverse housing types. Both the General Plan and the Precise Plan support increased property values, sales tax revenues, grant eligibility, and other long-term changes that will enhance future municipal revenue. The Plans also establish funding priorities for City programs and services, provide an organizing framework for the capital improvement program, and help shape the City’s annual budget. The General Plan provides the long-range perspective on making San Rafael a thriving city.

OPTIONS:

The City Council has the following options to consider regarding this matter:

1. Approve the resolution certifying the FEIR as presented;
2. Approve a modified version of the resolution certifying the FEIR;
3. Direct staff to return to the August 2 meeting with changes to the resolution or changes to the Final EIR.

RECOMMENDED ACTION:

Approve the resolution as presented.

ATTACHMENTS:

1. Resolution Certifying the Final EIR for General Plan 2040

LINKS:

- [San Rafael General Plan 2040](#) (showing redlined changes made since October 2020)
- Downtown Precise Plan, including Form-Based Code- [Part 1](#) and [Part 2](#) (June 2021 Final Draft)
- Draft Environmental Impact Report – [Part 1](#) and [Part 2](#)
- [Final Environmental Impact Report](#)

RESOLUTION NO.

RESOLUTION OF THE SAN RAFAEL CITY COUNCIL CERTIFYING THE FINAL ENVIRONMENTAL IMPACT REPORT (FEIR) FOR THE SAN RAFAEL GENERAL PLAN 2040 AND DOWNTOWN SAN RAFAEL PRECISE PLAN (CASE NOS. GPA16-001; P16-013; ZO21-003; ZC21-002; ZC21-004) (SCH #2019039167)

WHEREAS, every city and county in California is required to prepare a long-range comprehensive, general plan for its future. San Rafael's existing General Plan 2020 was adopted in 2004 with a horizon year of 2020. In 2017, the City initiated a General Plan Update (San Rafael General Plan 2040) in order to move the Plan's horizon forward 20 years to 2040; and

WHEREAS, in late 2018, the City received a One Bay Area Grant to fund the preparation of a focused Plan for Downtown San Rafael, the Downtown San Rafael Precise Plan (Downtown Precise Plan), under the umbrella of the San Rafael General Plan 2040. The Downtown Precise Plan was budgeted and scoped to include a "form-based code" to regulate zoning for the Downtown Precise Plan area, replacing the existing zoning and many of the existing zoning code regulations (SRMC Title 14, Zoning) that are applicable to the Downtown area; and

WHEREAS, in Fall 2020, the City completed and released the Draft General Plan 2040 and the Downtown Precise Plan for public review. City staff prepared and released accompanying amendments to the San Rafael Municipal Code (SRMC Title 14 – Zoning) to establish a new zoning district for Downtown, and address and incorporate the Downtown Precise Plan "form-based code;" and

WHEREAS, collectively, the San Rafael General Plan 2040 and the Downtown San Rafael Precise Plan, as well as accompanying amendments to the SRMC Title 14, Zoning are defined as a "project" under the California Environmental Quality Act (CEQA). Therefore, environmental review is required; and

WHEREAS, as the project is subject to environmental review, on November 15, 2018, in accord with Public Resources Code Sections 5097.94, 21073, 21074, 21080.3.1, 21080.3.2, 21082.3, 21083.09, 21084.2 and 21084.3, including the directives of Assembly Bill 52 (AB 52) and Senate Bill 18 (SB 18), the Community Development Department staff sent an offer for tribal consultation to the representatives of the Federated Indians of the Graton Rancheria (Federated Indians). Tribal consultation is required for all projects that propose preparing a CEQA document. The purpose of the tribal consultation is to consult with the local tribe representatives on potential impacts to Native American places, features and objects described in the California Public Resources Code. The prescribed 30-day period was observed for the Federated Indians to respond to the offer for tribal consultation; and

WHEREAS, on March 29, 2019, the City of San Rafael issued a Notice of Preparation (NOP) that announced the initiation of the EIR process and solicited

comments regarding the scope of issues to be included and studied in the EIR. The NOP provided a 30-day review period for public comment. On April 23, 2019, the Planning Commission held an appropriately noticed public scoping hearing on the NOP. The Planning Commission directed staff to prepare an EIR for the Project pursuant to the California Environmental Quality Act (CEQA) (Pub. Resources Code, § 21000 et seq.) to address the following issues: Aesthetics, Agricultural and Forestry Resources, Air Quality, Biological Resources, Cultural and Tribal Cultural Resources, Energy, Geology and Soils, Greenhouse Gas Emissions, Hazards and Hazardous Materials, Hydrology and Water Quality, Land Use and Planning, Mineral Resources, Noise and Vibration, Population and Housing, Public services and Recreation, Transportation, Utilities and Service Systems, Wildfire, and a reasonable range of alternatives to the project; and

WHEREAS, per the CEQA Guidelines, the Draft EIR (DEIR) was prepared, released, and circulated for a 61-day public review period beginning January 7, 2021 and ending March 9, 2021 (State Clearinghouse # 2019039167). The Draft EIR incorporates and is supported by technical studies and reports provided in Appendices A through I of the document; and

WHEREAS, the DEIR incorporates and assesses the Year 2040 Buildout Projections for households, residential units, total population, and employment. Further, the DEIR concludes that buildout of the Plans would result in significant, unavoidable impacts associated with Air Quality, Cultural Resources, Greenhouse Gas Emissions, and Transportation. All other significant impacts identified in the DEIR were identified to be mitigated to less-than-significant levels with implementation of mitigation measures recommended in the DEIR; and

WHEREAS, on March 9, 2021, the Planning Commission held a duly noticed public hearing to consider and accept comments on the DEIR. Based on written and oral comments received from the public on the DEIR and its own review of the DEIR, the Planning Commission directed staff to prepare a Final Environmental Impact Report (FEIR) and respond to comments received on the DEIR; and

WHEREAS, pursuant to Public Resources Code Section 21091(d)(2)(A) and CEQA Guidelines Sections 15088, 15089 and 15132, the City responded to all the environmental comments that were submitted on the DEIR during the public review period and a FEIR was completed; and

WHEREAS, on May 28, 2021, Notice of Availability for the FEIR/Response to Comments, was mailed to responsible and trustee agencies, organizations, interested persons and others including those persons and parties that provided written and oral comments on the DEIR. In addition, on May 28, 2021, Notice of Availability was published in the Marin Independent Journal; and

WHEREAS, the complete San Rafael General Plan 2040 and Downtown San Rafael Precise Plan FEIR (FEIR) is comprised of: a) San Rafael General Plan 2040 and Downtown San Rafael Precise Plan Draft EIR prepared by Placeworks, January 7, 2021;

and b) FEIR/Response to Comments to Draft EIR prepared by Placeworks, May 21, 2021; and

WHEREAS, the City intends that the FEIR, and all applicable mitigation measures therein, shall be used as: a) the environmental documentation required by CEQA for adopting the San Rafael General Plan 2040 and Downtown San Rafael Precise Plan; and b) a Program EIR for all subsequent actions required to either implement these Plans and for individual, site-specific development project review within the geographic areas covered by these Plans; and

WHEREAS, the City is committed to vigorous implementation of all programs it considers necessary to lessen impacts found to be significant and unavoidable, including implementation of its Climate Change Action Plan to reduce greenhouse gas emissions in order to achieve or exceed State climate goals; and

WHEREAS, on June 15, 2021, the Planning Commission held a duly noticed public hearing on the FEIR/Response to comments and considered the FEIR along with the San Rafael General Plan 2040 and Downtown San Rafael Precise Plan, accepting all public testimony and the written report of the Community Development Department staff. Following its discussion, the Commission approved Resolution 2021-02 recommending City Council certification of the FEIR; and

WHEREAS, on July 19, 2021, the City Council held a duly noticed public hearing on the proposed project, accepting and considering all oral and written public testimony and the written report of the Department of Community Development; and

WHEREAS, the custodian of documents which constitute the record of proceedings upon which this decision is based, is the Community Development Department;

NOW, THEREFORE, BE IT RESOLVED, that the City Council hereby certifies the FEIR, appended to this Resolution as Exhibit A, based upon the following findings required by CEQA Guidelines Section 15090:

1. The Final Environmental Impact Report (FEIR), which consists of the Draft Environmental Impact Report (DEIR) dated January 7, 2021, and the Response to Comments Document dated May 21, 2021 has been prepared in accordance with CEQA, including Public Resources Code Section 21083.3, and the provisions of the City of San Rafael Environmental Assessment Procedures Manual.
2. The FEIR has been prepared and completed in compliance with the California Environmental Quality Act (CEQA) Guidelines and the City of San Rafael Environmental Assessment Procedures Manual by following the appropriate format, content, technical analysis of the potential impact areas and project alternatives identified in the initially authorized scope of work. Further, all prescribed public review periods and duly noticed hearings were held for the project Notice of Preparation (NOP), Notice of Completion (NOC) for public review of the DEIR and Notice of Availability following publication of the FEIR.

3. The City Council has exercised its independent judgment in evaluating the FEIR and has considered the comments received during the public review period on the DEIR.
4. The FEIR reflects the independent judgment and analysis of the City of San Rafael Community Development Department and City Council. The City Council has reviewed and considered all information contained in the FEIR prior to taking action on the San Rafael General Plan 2040, Downtown Precise Plan, and amendments to SRMC Title 14, Zoning finding that the FEIR:
 - a) Appropriately analyzes and presents conclusions on the impacts of the project;
 - b) Analyzes a reasonable range of alternatives to the project that could feasibly attain most of the basic objectives of the project while avoiding or substantially lessening any significant effect of the project;
 - c) Identifies or recommends mitigation measures to substantially lessen, eliminate or avoid the otherwise significant adverse environmental impacts of the project, and
 - d) Includes findings and recommendations supported by technical studies prepared by professionals experienced in the specific areas of study, and which are contained within the document and/or made available within the project file maintained by the City of San Rafael Community Development Department, the custodian of all project documents.
5. The information contained in the FEIR is current, correct, and complete for document certification. As a result of comments submitted on the DEIR, the FEIR provides responses to comments received on the DEIR and provides clarification to and incorporates edits to the DEIR text. No significant new information has been added to the DEIR that would deprive the public of meaningful opportunity to comment upon the significant adverse environmental effect of the project or a feasible way to mitigate or avoid such an effect that the City has declined to implement. Specifically, no new, significant information is presented in the FEIR that would result in, disclose, or result in following:
 - a) A new, significant environmental impact resulting from the project or a new mitigation measure needed to implement a new significant environmental impact;
 - b) A substantial increase in the severity of the impacts that were disclosed and analyzed in the DEIR;
 - c) Any new feasible project alternatives or mitigation measures considerably different from others previously analyzed that would clearly lessen significant environmental impacts of the project, but which the City refuses to adopt; and
 - d) A finding that the DEIR is so fundamentally and basically inadequate and conclusory in nature that meaningful public review and comment were precluded.
6. The FEIR presents factual, quantitative, and qualitative data and studies, which find and support the conclusion that the project will result in several potentially significant impacts that necessitate mitigation. At the time the City considers action on the San

Rafael General Plan 2040, Downtown Precise Plan, and amendments to SRMC Title 14, Zoning, it will be necessary to make complete and detailed findings pursuant to Public Resources Code Section 21081(a) and CEQA Guidelines Section 15091(a). For each significant effect identified in the EIR, the City will be required to make one or more of the following findings:

- a) That changes or alterations have been required in, or incorporated into, the project which avoid or substantially lessen the significant environmental effect as identified in the final EIR; that such changes or alterations are within the responsibility and jurisdiction of another public agency and not the agency making the finding, and that such changes have been adopted by such other agency or can and should be adopted by such other agency;
 - b) That specific economic, legal, social, technological, or other considerations, including provision of employment opportunities for highly trained workers, make infeasible the mitigation measures or project alternatives identified in the FEIR; and
 - c) As the project would result in several significant, unavoidable impacts, findings of overriding consideration will be required. Such findings will require that the City weigh the benefits of the project with the environmental impacts that cannot be mitigated.
7. The City Council is taking an action to certify the FEIR for the project, recognizing it as an informational document for assessment of the project. The CEQA Guidelines recognize that an environmental document is prepared for public disclosure of potential project impacts and that it is used as an informational document to guide decision-makers in considering project merits. Certification of the FEIR, as presented, would not result in a land use entitlement or right of development for a specific project or site. When taking action on future development projects the FEIR document must be reviewed to determine whether it adequately assesses the impacts of the project, and whether the circumstances presented in Public Resources Code section 21166, as amplified by its corresponding CEQA Guidelines Sections 15162 to 15163 are present with respect to the project to determine whether: a) a Subsequent EIR, a Supplement to the EIR, Addendum to the EIR, or a Negative Declaration will need be prepared; or b) further environmental review under CEQA is not required. Certification of the FEIR prior to consideration of and taking action on future development projects does not prejudice or bias review or actions on the proposed development project.

I, LINDSAY LARA, Clerk of the City of San Rafael, hereby certify that the foregoing resolution was adopted at a regular meeting of the City Council on the 19th day of July 2021.

AYES:
NOES:
ABSENT:

LINDSAY LARA, City Clerk

EXHIBIT A (by hyperlink): [FINAL ENVIRONMENTAL IMPACT REPORT](#)



SAN RAFAEL CITY COUNCIL AGENDA REPORT

Department: Community Development

Prepared by: Alicia Giudice
Community Development Director

City Manager Approval: _____

TOPIC: REQUEST FOR MODIFICATION OF AFFORDABLE HOUSING REQUIREMENTS

SUBJECT: RESOLUTION OF THE CITY OF SAN RAFAEL CITY COUNCIL MODIFYING CONDITIONS OF APPROVAL OF ENVIRONMENTAL AND DESIGN REVIEW (ED18-100), USE PERMIT (UP18-039) AND TENTATIVE MAP (TS18-006) FOR THE MERRYDALE TOWNHOMES LOCATED AT 350 MERRYDALE RD/3833 REDWOOD HWY TO ALLOW FULFILLMENT OF THE AFFORDABLE HOUSING REQUIREMENT IN ACCORDANCE WITH CITY COUNCIL RESOLUTION NO. 14890 (ZC19-002)

RECOMMENDATION:

Adopt the resolution approving a request for modification of inclusionary housing requirements for the Merrydale Townhomes (350 Merrydale/3833 Redwood Highway).

BACKGROUND:

On March 1, 2021, the City Council enacted [Ordinance No. 1990](#) which amended San Rafael Municipal Code (SRMC) Section 14.16.030 altering the City's affordable housing requirements outlined in [Resolution No. 14890](#). As part of these amendments, the City Council allowed projects having already received City approval, but not yet having started construction, the ability to apply for modification of their approval to be consistent with the new lowered affordable housing requirements.

As outlined in Ordinance No. 1990, the purpose of these changes to the affordable housing requirement is to incentivize the construction—not just approval—of housing units. These changes are projected to create more net new units overall by incentivizing developers to begin construction on projects quickly while also expanding the most effective funding stream for the City to create permanently affordable housing.

As described in the [February 16, 2021 Staff Report](#), these changes also provide a lever for the City to offset the economic effects of the COVID-19 pandemic which has rapidly increased the cost of construction. These cost increases have increased the risk in development and made projects that were feasible when first approved, now infeasible and unlikely to be built.

FOR CITY CLERK ONLY

Council Meeting: _____

Disposition: _____

On April 1, 2021, Campus Properties, LLC submitted a request for modification of the affordable housing requirement for the Merrydale Townhomes (350 Merrydale/ 3833 Redwood Highway) (Attachment A). Merrydale Townhomes is a “for-sale” 45-unit townhome and stacked flat project approved on February 2020 by City Council with the adoption of [Resolution 14762](#), [Resolution 14763](#), and [Ordinance 1979](#). Currently, nine of these units are designated below-market rate (BMR). Campus properties cites the following as reasons for the requested modification (see Attachment 2):

- Cost of producing below market rate units;
- Substantial increase in project costs;
- Loss of expected revenues due to project modifications during project review;

ANALYSIS:

Campus Properties, LLC has requested that their affordable housing requirement be modified to the following:

- Current Affordable Housing Requirement: Nine (9) Below Market Rate Townhomes.
- Requested Modification:
 - *Primary Requirement-* SRMC 14.16.030 requires that five percent (5%) of the base units must be maintained affordable for low-income households. Merrydale Townhomes has 45 base-units, creating a Primary Requirement of 2.25 units. As a result, 2 “for-sale” unit would be maintained as BMR affordable to low-income households, and an in-lieu fee equal to \$89,992.25 would be paid for the fractional 0.25 units at a rate of \$343,969 per unit.
 - *Secondary Requirement-* Campus Properties, LLC has elected to meet their secondary requirement through the payment of an in-lieu fee. The payment would be equal to \$773,930.25, equal to 2.25 units, or five percent (5%) of the total project units, at a rate of \$343,969 per unit.

If approved, the requested modification would result in a total affordable housing requirement equal to two below-market rate for-sale units and an in-lieu fee payment of \$863,922.50. Per SRMC section 14.16.030, BMR units must be provided at the same time as market rate units, and the in-lieu fee must be paid prior to the issuance of a building permit.

In-lieu funds are deposited into the City’s Affordable Housing Trust Fund, which is dedicated to expanding the supply of affordable housing for lower and moderate-income households through a variety of activities including new construction and the acquisition of existing housing. Trust Fund funded activities allow the City to operate to achieve three main goals:

1. Increase the supply of long-term affordable housing;
2. Preserve the physical and financial viability of the affordable housing;
3. Act quickly on affordable housing opportunities in the pipeline by leveraging in-lieu payments collected to create additional affordable housing.

Based upon recent [Trust Fund funded affordable housing projects](#), the City could potential leverage the in-lieu fees paid by this project to fill the estimated “affordability gap” on up to 19 permanently affordable housing units.¹

Staff has determined that this modification request is compliant with SRMC section 14.16.030 and recommends approval.

¹ The “Affordability Gap” represents the local funding needed on an affordable housing project to become feasible after all other funding sources have been accounted for. Staff estimates this gap to be approximately \$45,000 per unit on average for Marin County.

FISCAL IMPACT:

The requested modification would allow the developer to pay an in-lieu fee of \$863,922.50. In-lieu funds would be deposited into the Affordable Housing Trust Fund (Fund #243). Payment of these in-lieu funds to the Fund #243 would increase the fund balance from \$3,602,309.38 to \$4,466,231.88.

OPTIONS:

The City Council has the following options to consider on this matter:

1. Adopt the resolution approving the modification request.
2. Direct staff to return with more information.
3. Take no action.

RECOMMENDED ACTION:

Adopt the resolution approving the request for modification of inclusionary housing requirements for the Merrydale Townhomes (350 Merrydale/3833 Redwood Highway).

ATTACHMENTS:

1. Resolution
2. Request for Modification of Affordable Housing Requirement
3. Public Hearing Notice

RESOLUTION NO.

RESOLUTION OF THE CITY OF SAN RAFAEL CITY COUNCIL MODIFYING CONDITIONS OF APPROVAL OF ENVIRONMENTAL AND DESIGN REVIEW (ED18-100), USE PERMIT (UP18-039) AND TENTATIVE MAP (TS18-006) FOR THE MERRYDALE TOWNHOMES LOCATED AT 350 MERRYDALE RD/3833 REDWOOD HWY TO ALLOW FULFILLMENT OF THE AFFORDABLE HOUSING REQUIREMENT IN ACCORDANCE WITH CITY COUNCIL RESOLUTION NO. 14890 (APN'S: 179-041-27 AND 179-041-28)

WHEREAS, on February 3, 2020, the San Rafael City Council adopted Ordinance No. 1979, Resolution No. 14762, and Resolution No. 14763 approving entitlements for development of a 45-unit condominium project at 350 Merrydale/3833 Redwood Highway, called the Merrydale Townhomes. The entitlements included approval of Tentative Map, Master Use Permit and Environmental and Design Review; and

WHEREAS, a condition of approval of the Tentative Map, Master Use Permit and Environmental and Design Review for the project required nine Below Market Rate Units in accordance with San Rafael Municipal Code Section 14.16.030 in effect at the time of the approvals; and

WHEREAS, on February 16, 2021, the City Council adopted Ordinance No. 1990 amending San Rafael Municipal Code (SRMC) section 14.16.030, and Resolution No. 14890, which together set forth the affordable housing requirements for housing developments within the City. Ordinance No. 1990 authorized the affordable housing requirement for housing developments of greater than 15 units to be split into a primary requirement (5% of units to be constructed onsite) and a secondary requirement (option of on-site or off-site development; dedication of land; or payment of in-lieu fees); and

WHEREAS, SRMC section 14.16.30, as modified by Ordinance No. 1990, allows modifications of the affordable housing component of projects that were approved prior to the effective date of Ordinance No. 1990 but which have not yet commenced construction; and

WHEREAS, on April 20, 2021, subsequent to adoption of Ordinance No. 1990, the City received an application requesting modification of the affordable housing obligation for the Merrydale Townhomes project; and

WHEREAS, the applicant is proposing to comply with Ordinance No. 1990 and Resolution No. 14890 by providing two (2) onsite below market rate units and by paying in-lieu fees equal to 2.5 units; and

WHEREAS, the proposed modification is consistent with Resolution No. 14890; and

WHEREAS the proposed amendments do not propose any changes to City policies or regulations that would result in a direct or indirect physical, environmental impact; therefore it has been determined that this ordinance amendment qualifies for exemption from the California Environmental Quality Act (CEQA) pursuant to Sections 15183(a) because it entails a project that can be found consistent with the General Plan policies and pursuant to 15061(b)(3), which states that as a 'general rule' CEQA applies only to projects which have the potential to cause a significant, physical environmental impact; and

WHEREAS, on July 19, 2021, the City Council held a duly noticed public hearing on the proposed project, accepting and considering all oral and written public testimony and the written report of the Department of Community Development; and

NOW THEREFORE BE IT RESOLVED that the City Council of the City of San Rafael does hereby approve modifications to conditions of approval for Environmental and Design Review Permit (ED18-100), Tentative Map Subdivision (TS18-006), Use Permit (UP18-039) for the project located at 350 Merrydale/3833 Redwood Hwy.as shown on Exhibit A of this Resolution.

I, Lindsay Lara, Clerk of the City of San Rafael, hereby certify that the foregoing Resolution was duly and regularly introduced and adopted at a regular meeting of the San Rafael City Council held on the 19th day of July 2021, by the following vote to wit:

AYES: COUNCILMEMBERS:

NOES: COUNCILMEMBERS:

ABSENT: COUNCILMEMBERS:

LINDSAY LARA, City Clerk

EXHIBIT A MODIFIED CONDITIONS OF APPROVAL

PER RESOLUTION NO. _____ FOR ENVIRONMENTAL AND DESIGN REVIEW (ED18-100), USE PERMIT (UP18-039) AND TENTATIVE MAP (TS18-006) FOR THE PROPERTY LOCATED AT 350 MERRYDALE RD/3833 REDWOOD HWY (MERRYDALE TOWNHOMES) (APN'S: 179-041-27 AND 179-041-28)

Environmental and Design Review Permit Conditions of Approval (ED18-100)

General Project Conditions

Community Development Department - Planning Division

- 1) The proposed 45-unit townhome development shall be installed and designed in substantial conformance with the proposed site plan and elevations and landscape plan as presented for approval on plans prepared by WHA Architects, date stamped **Approved, December 10, 2019**, and shall be the same as required for issuance of a building permit, subject to the listed conditions of approval. Minor modifications or revisions to the project shall be subject to review and approval of the Community Development Department, Planning Division. Modifications deemed not minor by the Community Development Director shall require review and approval by the original decision-making body.
- 2) Approved colors for the main body, trim and accent colors are as shown on the approved Color and Material Board: a) Sherman Williams Paint for Body Colors- High Reflective White (SW 7757), Gossamer Veil (SW 9165), Tin Lizzie (SW9163), Jute Brown (SW 6096); b) Trim Color -Thunder Gray (SW 7645); c) Accent Colors-Deep Sea Dive (SW 7618), Rookwood Terra Cotta (SW2803), and Raisin (SW7630); and d) Manufactured Stone (Timberwolf). Any future modification to colors shall be subject to review and approval by the Planning Division. Modifications deemed not minor by the Community Development Director shall require review and approval by the Design Review Board.
- 3) Applicant shall remit payment of the State Fish and Game fees in order for staff to file a Notice of Determination with the County Clerk within 5 days of project approval. The current fee amounts are \$2,354.74 (current fee as of 2018) payable to the State Fish and Game and \$50.00 payable to the Marin County Clerk and are subject to increase on January 1st of each year.
- 4) Applicant and property owner shall be responsible for implementing all mitigation measures presented in the Project's Mitigated Negative Declaration, on file with the Community Development Department, including any mitigation measures that may not have been incorporated into the Project conditions of approval. A deposit for Mitigation Monitoring shall be paid as required by ED18-100 project Conditions of Approval #31, herein.
- 5) The project shall comply with all mitigation measures as identified in the IS/MND Mitigation Measure Monitoring and Program, dated November 8, 2019. All required mitigation measures are identified in the Mitigation Monitoring and Reporting Program (MMRP) as recommend for adopted by separate Resolution and included as conditions of approval. The IS/MND determined that the proposed project would result in potentially significant impacts in Aesthetics, Air Quality, Biological Resources, Cultural Resources, Geology and Soils, Hazards and Hazardous Materials, Hydrology and Water Quality, Noise, Transportation and Tribal Resources. The IS/MND identifies Mitigation Measures that, when implemented, would reduce the impacts identified to a less-than-significant level. These mitigation measures are also identified as conditions of approval in the relevant

sections herein and detailed in the IS/MND Mitigation Monitoring and Reporting Program (Exhibit 2-Attachment A).

- 6) Property owner and applicant agree to defend, indemnify, release and hold harmless the City, its agents, officers, attorneys, employees, boards and commissions from any claim, action or proceeding brought against any of the foregoing individuals or entities ("indemnities"), the purpose of which is to attack, set aside, void or annul the approval of this application or the certification of any environmental document which accompanies it. This indemnification shall include, but not be limited to, damages, costs, expenses, attorney fees or expert witness fees that may be asserted or incurred by any person or entity, including the applicant, third parties and the indemnities, arising out of or in connection with the approval of this application, whether or not there is concurrent, passive or active negligence on the part of the indemnities.
- 7) In the event that any claim, action or proceeding as described above is brought, the City shall promptly notify the Property owner and applicant of any such claim, action or proceeding, and the City will cooperate fully in the defense of such claim, action, or proceeding. In the event applicant/property owner is required to defend the City in connection with any said claim, action or proceeding, the City shall retain the right to: 1) approve the counsel to so defend the City; 2) approve all significant decisions concerning the manner in which the defense is conducted; and 3) approve any and all settlements, which approval shall not be unreasonably withheld. Nothing herein shall prohibit the City from participating in the defense of any claim, action or proceeding, provided that if the City chooses to have counsel of its own to defend any claim, action or proceeding where Property owner and applicant already has retained counsel to defend the City in such matters, the fees and the expenses of the counsel selected by the City shall be paid by the City.
- 8) As a condition of this application, applicant/property owner agree to be responsible for the payment of all City Attorney expenses and costs, both for City staff attorneys and outside attorney consultants retained by the City, associated with the reviewing, process and implementing of the land use approval and related conditions of such approval. City Attorney expenses shall be based on the rates established from time to time by the City Finance Director to cover staff attorney salaries, benefits, and overhead, plus the actual fees and expenses of any attorney consultants retained by the City. Applicant shall reimburse City for City Attorney expenses and costs within 30 days following billing of same by the City.
- 9) All site improvements, including but not limited to, site lighting, fencing, landscape islands and paving striping shall be maintained in good, undamaged condition at all times. Any damaged improvements shall be replaced in a timely manner.
- 10) The Project site shall be kept free of litter and garbage. Any trash, junk or damaged materials that are accumulated on the site shall be removed and disposed of in a timely manner.
- 11) All new landscaping shall be irrigated with an automatic drip system and maintained in a healthy and thriving condition, free of weeds and debris, at all times. Any dying or dead landscaping shall be replaced in a timely fashion.
- 12) Final landscape and irrigation plans for the Project shall comply with the provisions of Marin Municipal Water District's (MMWD) most recent water conservation ordinance. Construction plans submitted for issuance of building/grading permit shall be pre-approved by MMWD and stamped as approved by MMWD or include a letter from MMWD approving the final landscape and irrigation plans. Modifications to the final landscape and irrigation plans, as required by MMWD, shall be subject to review and approval of the Community Development Department, Planning Division.

- 13) All public streets and sidewalks and on-site streets which are privately owned that are impacted by the grading and construction operation for the Project shall be kept clean and free of debris at all times. The general contractor shall sweep the nearest street and sidewalk adjacent to the site on a daily basis unless conditions require greater frequency of sweeping.
- 14) This Environmental and Design Review Permit shall run with the land and shall remain valid regardless of any change of ownership of the Project site, subject to these conditions, provided that a building/grading permit is issued, and construction commenced, or a time extension request is submitted to the City's Community Development Department, Planning Division, **within three (3) years** of the City Council approval, or on December 10, 2022. Failure to obtain a building permit and grading permit and construction or grading activities commenced, or failure to obtain a time extension within the three-year period will result in the expiration of this Environmental and Design Review Permit.
- 15) Phasing of the project is allowed, subject to the terms and conditions of approval of the Master Use Permit (UP18-039) below.
- 16) This Environmental and Design Review Permit (ED18-100) approving the Project shall run concurrently with the approved Master Use Permit (UP18-039). If either entitlement expires, this Environmental and Design Review Permit approving the Project, as depicted on Project plans, shall also expire and become invalid.

Prior to the Issuance of a Demo/Building/Grading Permit

Community Development Department - Planning Division

- 17) A copy of the Conditions of Approval for ED18-100 shall be included as a plan sheet with the building permit plan submittal.
- 18) As offered by the applicant, the project shall: 1) install pre-wiring for "Level 2" electric vehicle chargers in each garage; and 2) install pre-wiring for solar panels on all buildings/units. Compliance with this condition shall be demonstrated on the building permit plans and installed prior to occupancy.
- 19) The project proponent shall demonstrate and notate on the building permit plans that Air Quality measures III (a), III (b) and III(c) (**AQ-1, AQ1a and AQ-2**) to eliminate dust control and exhaust during construction, set standards for diesel equipment over 25 horsepower to meet U.S. particle emission standards, and requires that the project include high-efficiency particulate filtration systems in residential ventilation systems will be completed during construction.
- 20) **(GEO-1):** Prior to a grading or building permit submittal, the project sponsor shall prepare a design-level geotechnical investigation prepared by a qualified and licensed geotechnical engineer and submit the report to the City Engineer. Minimum mitigation includes design of new structures in accordance with the provisions of the current California Building Code or subsequent codes in effect when final design occurs. Recommended seismic design coefficients and spectral accelerations shall be consistent with the findings presented in Section 4 of the May 8, 2018 ENGEO report.
- 21) **(GEO-2):** Prior to a grading or building permit submittal, the project sponsor shall prepare a design-level geotechnical investigation prepared by a qualified and licensed geotechnical engineer and submit the report to the City Engineer for review and approval. In order to reduce the effects of the potentially expansive soils and/or liquefaction settlement, foundations should be designed to withstand minimum differential movements. Foundation design recommendations are presented in Section 4 of the May 8, 2018 ENGEO report.

- 22) **(GEO-3):** Prior to a grading or building permit submittal, the project sponsor shall prepare a site drainage system prepared by a qualified and licensed civil engineer and submit the report to the City Engineer. The site drainage system will demonstrate the ability to collect surface water and discharge into an established storm drainage system. The project Civil Engineer of Architect is responsible for designing the site drainage system and, an erosion control plan shall be developed prior to construction per the current guidelines of the City of San Rafael Public Works Department (DPW) Grading and Construction Erosion and Sediment Control Plan Permit Application Package and the Regional Water Quality Control Board standards.
- 23) **(GEO-4):** Soils shall be moisture conditioned to above the optimum moisture content during site grading and maintained at this moisture content until imported aggregate base and/or surface flatwork is completed.
- 24) **(TRANS-1):** demonstrate on building permit or improvement plans the design of the pedestrian sidewalk, subject to the availability of right-of-way and the feasibility of the drainage design, on the west side of Redwood Road directly adjacent to the project driveway connecting to the existing sidewalk.
- 25) **(HYDRO-1):** Prior to issuing a grading or building permit, the project applicant shall prepare a Stormwater Pollution Prevention Plan (SWPPP) and/or Erosion and Sediment Control Plan (ESCP) in accordance with the requirements of the statewide Construction General Permit and the City of San Rafael Department of Public Works. The SWPPP shall be prepared by a Qualified SWPPP Developer (QSD). The SWPPP shall include the minimum Best Management Practices (BMPs) required for the identified risk level. The SWPPP shall be designed to address the following objectives:
- a) All pollutants and their sources, including sources of sediment associated with construction, construction site erosion, and all other activities associated with construction activity are controlled;
 - b) Where not otherwise required to be under a Regional Water Quality Control Board permit, all non-stormwater discharges are identified and either eliminated, controlled, or treated;
 - c) Site BMPs are effective and result in the reduction or elimination of pollutants in stormwater discharges and authorized non-stormwater discharges from construction activity. The erosion and sediment control plan shall include the rationale used for selecting BMPs including supporting soil loss calculations, as necessary;
 - d) Stabilization BMPs installed to reduce or eliminate pollutants after construction are completed.
 - e) BMP implementation shall be consistent with the BMP requirements in the most recent version of the California Stormwater Quality Association Stormwater Best Management Handbook-Construction or the Caltrans Stormwater Quality Handbook Construction Site BMPs Manual.
- 26) The applicant shall provide information on the building permit plans to show compliance with noise Mitigation Measures recommended on Page 74 of the Illingworth and Rodkin Noise Assessment regarding required forced-air ventilation and STC rated windows on all buildings. Minimum STC Ratings required to reduce noise levels are listed in Table 5 on Page 22 of the Noise Report.
- 27) **(BIO-1): Pre-construction nesting bird and bat survey.** The nesting season is defined here as being from February 1 to August 31 and therefore work should commence between September 1 and January 31.

- i) If this is not possible, and project activities are initiated during the nesting season, then a nesting bird survey shall be conducted by a qualified wildlife biologist no more than 14 days prior to the start of project activities.
 - ii) If nests are identified, a no-disturbance buffer should be implemented to avoid impacts to nesting birds and should remain in place until all young are fledged or the nest otherwise becomes inactive.
 - iii) Buffers typically range from 25 feet to 500 feet depending on the species.
 - iv) If work is to be initiated within the bat breeding/ winter roosting season, an assessment of existing buildings should be performed prior to construction activities to determine if a roost is present.
 - v) If a roost is observed, construction activities should be postponed until a qualified biologist determines the bats are excluded from the roost location.
- 28) **(HAZ-1):** Prior to submittal for a demolition permit, the project sponsor shall use a qualified and licensed professional to prepare a hazardous building materials survey for all structures proposed for demolition or renovation as part of the project. All lead-based paint and asbestos-containing materials (ACM) shall be abated by a certified contractor in accordance with local, state, and federal requirements. All hazardous materials shall be removed from buildings prior to demolition in accordance with California Division of Occupational Safety and Health (DOSH) and California Department of Toxic Substances Control (DTSC) regulations. A completion of abatement activities report shall be prepared by a qualified professional and submitted to the City prior to permit approval.
- 29) **(HAZ-2):** Prior to submittal for a demolition permit, the project sponsor shall use a qualified and licensed professional to prepare a Soil Management Plan to develop protocols and procedures for handling potentially impacted soils or underground structure/equipment that may be encountered during grading operations and other construction activities as part of the project. If impacted soils or underground structure/equipment are encountered during construction activities, all construction shall stop, and a qualified and licensed professional shall be contacted to conduct a site visit to make observations and prepare recommendations for proper handling of soils and/or structures/equipment.
- 30) Bicycle parking shall be provided in compliance with San Rafael Municipal Code Section 14.18.090. This requires bicycle spaces provided on site at a minimum of 5% of total vehicle parking, including a minimum of one two bike capacity rack for short term bicycle parking. Final plans shall include a design detail for proposed bicycle parking spaces, proposed number and location subject to final review and approval by the Community Development Department and Traffic Engineer.
- 31) The proposed project will be required to provide bicycle improvements along Merrydale Rd. in keeping with the 2018 adopted update of the San Rafael Bicycle/Pedestrian Master Plan, which identifies Merrydale Rd. for a Class III Bike Route. The applicant will be required to install the appropriate signage and striping along Merrydale Road (fronting the project site) to signify that the street is a Class III Bike Lane. Specifics of the bike lane striping are subject to final review and approval by the Community Development Department and Traffic Engineer.
- 32) Property Owner/applicant shall be responsible for all costs associated with mitigation monitoring and shall remit an initial deposit in the amount of \$5,000.00 for mitigation monitoring and condition compliance. Staff shall bill time against this deposit amount during Project review and implementation of the Project and monitoring of Project conditions, to assure compliance with conditions and mitigation measures has been achieved.
- 33) All mechanical equipment (i.e., air conditioning units, meters and transformers) and appurtenances not entirely enclosed within the structure (on side of building or roof) shall be screened from public

view. The method used to accomplish the screening shall be indicated on the building plans and approved by the Planning Division.

- 34) Any outstanding Planning Division application processing fees shall be paid.
- 35) A construction logistics plan shall be submitted demonstrating how construction conditions shall be met. The plan must be approved by the Public Works Department and Community Development Director and shall include the conditions of approval and mitigation measures that are applicable to the construction of the Project.
- 36) ~~The project shall be subject to the affordable housing requirements prescribed in Section 14.16.030 of the San Rafael Zoning Ordinance and is therefore required to provide nine (9) of the 45 for-sale units as affordable. Prior to the issuance of a building permit or recordation of the final map, whichever occurs first, a Below Market Rate (BMR) agreement for the nine (9) affordable unit shall be approved by the City Council and recorded on the property. Consistent with the affordable housing requirements, five (5) of the units shall be affordable to low-income household and four (4) of the units shall be affordable at the moderate-income level. The location of the BMR units shall be identified on the project plans and the final location shall be subject to review and approval of the City as part of the City's consideration of the BMR agreement. Please contact the Marin Housing Authority to commence the agreement process.~~

The project is required to provide a primary and secondary affordable housing requirement pursuant to San Rafael Municipal Code Section 14.16.030 and City Council Resolution 14890. The applicant shall comply with this requirement by providing 2 units on-site (5% of the total units) and by paying an in-lieu fee equal to the 2.5 units (2.25 + .25 (fractional unit from the onsite requirement)).

Prior to the issuance of a building permit or recordation of the final map, whichever occurs first, The applicant shall :

- a. Pay the affordable housing in-lieu fee equal to 2.5 units.
- b. Enter into a Below Market Rate (BMR) agreement. The BMR agreement for the two (2) affordable unit shall be approved by the Community Development Director and City Manager and recorded on the property. Consistent with the affordable housing requirements, the affordable housing units shall be affordable to low-income households. The location of the BMR units shall be identified on the project plans and the final location shall be subject to review and approval of the City as part of the City's consideration of the BMR agreement.

37) Protective barrier fencing shall be installed during construction to protect existing trees that are to remain on site, as per the approved landscape plan. Plans showing the fencing, signage and barrier details shall be included on Project plans. The fencing shall be a minimum four-foot orange mesh protected by hay bales and signage designed to avoid intrusion by construction workers and equipment.

38) ~~The project shall be subject to the affordable housing requirements prescribed in Section 14.16.030 of the San Rafael Zoning Ordinance and is therefore required to provide nine (9) of the 45 for-sale units as affordable. Prior to the issuance of a building permit or recordation of the final map, whichever occurs first, a Below Market Rate (BMR) agreement for the nine (9) affordable unit shall be approved by the City Council and recorded on the property. Consistent with the affordable housing requirements, five (5) of the units shall be affordable to low-income household and four (4) of the units shall be affordable at the moderate-income level. The location of the BMR units shall be identified on the project plans and the final location shall be subject to review and approval of the City as part of the City's consideration of the BMR agreement. Please contact the Marin Housing Authority to commence the agreement process. Should the project not record a final map,~~

~~the BMR agreement will be modified to a rental agreement and comply with the affordable housing requirements for rental, which would be five (5) units affordable at very-low income level and (4) at low-income level.~~

Public Works Department - Land Development Division

General

- 39) The proposed private roads do not meet the requirements for Right-of-Way/Easement width or paving width per Municipal Code (MC) section 15.06.050. An exception request pursuant to Municipal Code 15.01.120 has been received and we have no objection to the proposed widths based on the necessary findings.
- 40) It is our understanding that the applicant has provided the minimum garbage facilities required. However, the location and potential for higher demand may necessitate additional storage for a condominium project of this size. We recommend the applicant provide a method to address this in the future if the project is approved as currently proposed.
- 41) Redwood Hwy and Merrydale Rd do not currently have a cul-de-sac or other vehicular turn around for the dead ends, this project proposes a public access easement over the privately maintained roadways to connect the two which will allow for through circulation. With through public access provided, turnarounds are not required at the end of the publicly maintained roadways.
- 42) The site is located in or near areas that may be susceptible to localized flooding, or the drainage of the site may be influenced by larger flooding events. We recommend that the applicant consider these concerns, as well as potential impacts due to sea level rise.
- 43) Third party peer review of geotechnical and engineering reports and inspection throughout construction shall be required, paid for by the project sponsor and contracted by the City. Provide a proposed project schedule for the duration of work, so that an estimate may be prepared for the required deposit amount.
- 44) Provide will serve letters from the various utilities for the proposed subdivision.
- 45) It is our understanding that there the sanitary sewer system is currently proposed as a gravity flow. However, LGSVD may require mitigation to alleviate flow in the downstream sewer, or that a pump station may be necessary. We recommend that as a condition of approval the applicant provide the will serve letter showing that all requirements from LGSVD shall be met prior to issuance of a permit.

Access

- 46) Provide the lighting analysis, include the frontage for Merrydale Rd and Redwood Hwy.

Grading

- 47) Show the estimate of proposed grading on the plan. This project is located along an open creek. Therefore, all mass grading shall be limited to April 15 through October 15, unless otherwise approved in writing by the Department of Public Works.
- 48) A grading permit shall be obtained for all grading and site improvement work. Trucking trips during peak hours may be limited.
- 49) A preliminary geotechnical report has been provided. This does not thoroughly analyze the geotechnical concerns but references that design-level explorations should be conducted prior to site development once more detailed plans have been prepared. The project is in application for

design. Therefore, the subsequent geotechnical report shall be a condition of approval. However, the findings of that report may affect the design of the project, which may require re-review of the project.

- 50) All plans, reports, monitoring, inspection and testing for the proposed project will be reviewed by an independent Geotechnical Engineer and/or Engineering Geologist retained by the City, at the expense of the project sponsor. This third-party consultant will review all plans, reports, monitoring, inspection and testing data prior to appropriate approvals and/or certifications. A letter report summarizing findings and recommendations shall be submitted by the geotechnical engineer to the City Engineer for review and approval, as well as incorporation into grading plans. Final grading and foundation techniques shall be developed by a certified geotechnical engineer or engineering geologist and reviewed and approved by the City.
- 51) A construction management plan shall be provided for review and approval by the City.
- a) All materials and equipment shall be staged on-site.
 - b) The construction management plan shall include the traffic control plan to address on-site and off-site construction traffic.
 - c) A screened security fence approved by the City shall be placed and maintained around the perimeter of the project and removed immediately following construction work
 - d) Truck routes shall be reviewed and approved by the City. Hauling shall be limited to 1 truck in and 1 truck out per 15 minutes during the AM and PM peak, which may be revised at the time of grading permit issuance.
- 52) This project includes over one (1) acre of disturbance. A SWPPP shall be required.
- 53) Phasing of the project shall be configured to develop the area adjacent to the creek first along with the infrastructure. This area is required for access, maintenance and drainage. This would allow for early establishment of vegetation in this area to reduce potential impacts to the creek. Due to the size of the project and configuration, the infrastructure required on and off site shall be developed as part of phase one. Infrastructure items that are commonly delayed to later phases shall be reviewed by the Department of Public Works, such as final lift of asphalt.

Drainage

- 54) This site includes work in or immediately adjacent to a creek. The applicant shall comply with requirements of the various creek permitting agencies and obtain all necessary permits.
- (a) Pet waste bags, signage and trash receptacles shall be provided in convenient locations to reduce the likelihood of litter near the creek path.
- 55) The final drainage plan shall be subject to review and approval by the City Engineer. The final drainage plan shall address the following:
- a) The plans shall show the existing drainage facilities
 - b) Runoff shall not be increased, leaving the project boundary
 - c) Filtration shall be required for particles equal to or larger than 5mm, so they do not enter into the City's storm drainage system
 - d) Placards (medallions) shall be installed on all new drainage inlets to prohibit dumping of pollutants. These are available from the City or MCSTOPPP
 - e) A stormwater facilities maintenance agreement shall be required
 - f) How the project's drainage system shall be maintained, whether separate for each site or together along with the other development improvements.
 - g) The drainage plan shall be developed in consideration with the findings of the geotechnical report.

- 56) The site drainage system is located at elevations that may be subject to tidally influenced surcharge events. The drainage system shall include backflow prevention.
- 57) Frontage improvements shall include where necessary, street lighting, conduit for City facilities, accessible curb ramp pairs, drainage facilities, street trees, sidewalk, curb and gutter. This shall be reviewed at the time of permit issuance.
- 58) Due to the level of improvements we recommend that as a condition of approval the full width of Merrydale Rd be resurfaced with this project, additionally we suggest that this be extended to the intersection with Las Gallinas, as this is one of the only two sites that currently take access from this end of Merrydale Rd. The extents of resurfacing shall be reviewed based on existing conditions at the time of permit issuance.
- 59) An encroachment permit is required for any work within the Right-of-Way, from the Department of Public Works located at 111 Morphew Street. Restriping of public streets shall be of thermoplastic, as approved by the Department of Public Works.

Traffic

- 60) The Traffic Impact Study (TIS) has been updated, dated October 3, 2019 and previous comments have been addressed.
- 61) The proposed project results in additional trips generated at the site. Based on the draft traffic impact study and the additional proposed unit, this results in an estimated **17 AM and 19 PM** peak hour trips. Using the current traffic mitigation fee rate this results in an estimated fee of (36*\$4,246) \$152,856 which shall be calculated and due at the time of building permit issuance.
- 62) A construction vehicle impact fee shall be required at the time of building permit issuance; which is calculated at 1% of the valuation, with the first \$10,000 of valuation exempt.

Community Development Department – Building Division

- 63) The design and construction of all site alterations shall comply with the 2016 California Building Code (CBC), 2016 California Plumbing Code (CPC), 2016 California Electrical Code (CEC), 2016 California Mechanical Code (CMC), 2016 California Fire Code (CFC), 2016 California Energy Code, 2016 California Green Building Standards Code and City of San Rafael Ordinances and Amendments.
- 64) A building permit is required for the proposed work. Applications shall be accompanied by four (4) complete sets of construction drawings to include:
- a) Architectural plans
 - b) Structural plans
 - c) Electrical plans
 - d) Plumbing plans
 - e) Mechanical plans
 - f) Site/civil plans (clearly identifying grade plane and height of the building)
 - g) Structural Calculations
 - h) Truss Calculations
 - i) Soils reports
 - j) Green Building documentation
 - k) Title-24 energy documentation
- 65) Building height and story must comply with CBC Section 504. On the plan justify the proposed building area and height.

- 66) Building areas are limited by CBC Table 506.2. On plan justify the proposed building area.
- 67) The maximum area of unprotected and protected openings permitted in the exterior wall in any story of a building shall not exceed the percentages specified in CBC Table 705.8 "Maximum Area of Exterior Wall Openings Based on Fire Separation Distance and Degree of Opening Protection." To calculate the maximum area of exterior wall openings you must provide the building setback distance from the property lines and then justify the percentage of proposed wall openings and include whether the opening is unprotected or protected.
- 68) Townhouses more than three stories above grade in height must comply with the CBC. CBC Table 705.8 allows:
- 15% exterior wall openings (in any story) in sprinklered buildings where the openings are 3' to less than 5' from the property line or buildings on the same property.
 - 25% exterior wall openings (in any story) in sprinklered buildings where the openings are 5' to less than 10' from the property line or buildings on the same property.
 - 45% exterior wall openings (in any story) in sprinklered buildings where the openings are 10' to less than 15' from the property line or buildings on the same property.
- 69) Each building must have address identification placed in a position that is plainly legible and visible from the street or road fronting the property. Numbers painted on the curb do not satisfy this requirement. In new construction and substantial remodels, the address must be internally or externally illuminated and remain illuminated at all hours of darkness. Numbers must be a minimum 4 inches in height with ½ inch stroke for residential occupancies and a minimum 6 inches in height with ½ inch stroke for commercial applications. The address must be contrasting in color to their background SMC 12.12.20.
- 70) Bollards must be placed in the garage to protect mechanical equipment, water heater, and washer dryer from vehicular damage when located in the path of a vehicle.
- 71) Any demolition of existing structures will require a permit. Submittal shall include three (3) copies of the site plan, asbestos certification and PG&E disconnect notices. Also, application must be made to the Bay Area Air Quality Management District prior to obtaining the permit and beginning work.
- 72) School fees will be required for the project. Calculations are done by the San Rafael City Schools, and those fees are paid directly to them prior to issuance of the building permit.
- 73) Based on the distance to the property line (and/or adjacent buildings on the same parcel), the building elements shall have a fire resistive rating not less than that specified in CBC Table 601 and exterior walls shall have a fire resistive rating not less than that specified in CBC Table 602.
- 74) Walls separating proposed tenant space from existing neighboring tenant spaces must be a minimum of 1-hour construction.
- 75) Multifamily dwelling and apartment accessible parking spaces shall be provided at a minimum rate of 2 percent of the covered multifamily dwelling units. At least one space of each type of parking facility shall be made accessible even if the total number exceeds 2 percent.
- 76) When parking is provided for multifamily dwellings and is not assigned to a resident or a group of residents, at least 5 percent of the parking spaces shall be accessible and provide access to grade-level entrances of multifamily dwellings and facilities (e.g. swimming pools, club houses, recreation areas and laundry rooms) that serve the dwellings. Accessible parking spaces shall be located on the shortest accessible route to an accessible building, or dwelling unit entrance.

77) Public accommodation disabled parking spaces must be provided according the following table and must be uniformly distributed throughout the site.

| Total Number of Parking Spaces Provided | Minimum Required Number of H/C Spaces |
|--|--|
| 1 to 25 | 1 |
| 26 o 50 | 2 |
| 51 o 75 | 3 |
| 76 o 100 | 4 |
| 101 150 | 5 |
| 151 200 | 6 |
| 201 300 | 7 |
| 301 400 | 8 |
| 401 500 | 9 |
| 501 1,000 | Two percent of total |
| 1,001 and over | Twenty, plus one for each 100 or fraction thereof over 1,001 |

78) At least one disabled parking space must be van accessible; 9 feet wide parking space and 8 feet wide off- load area. Additionally, one in every eight required handicap spaces must be van accessible.

79) This project is subject to the City of San Rafael Green Building Ordinance. A sliding scale is applied based on the average unit square footage. New multi-family dwellings must comply with the “Green Building Rating System” by showing a minimum compliance threshold between 65 and 75 points. Additionally, the energy budget must also be below Title 24 Energy Efficiency Standards a minimum 15%.

Fire Department – Fire Prevention Bureau

80) Prior to issuance of building permit, the following requirements shall be added to the building permit plans as Sheet SP-6:

- a) Fire Lane signage shall be installed at both entrances that meet City of San Rafael Parking Enforcement standards.
- b) KNOX box installation at Community Rec Room exterior wall.
- c) Fire Sprinkler system conforming to NFPA standards installed throughout.
- d) all hydrants to be Clow model 960 appliances.

81) Plan Sheet SP-6 (Fire Engine Truck Access Plan) shall be part of the building permit submittal packet and reviewed by the Fire Department as part of the building permit review.

Las Gallinas Valley Sanitation District

82) Las Gallinas Valley Sanitation District has determined that the proposed project is within the Sphere of Influence and District facilities boundary. The proposed project must apply for and receive an allocation of sewer capacity from this District before it can receive sewer services. The proposed project must make satisfactory arrangements with this District for the construction of any off-site or on-site sewers which may be required. The District has provided the following comments, as of October 15, 2019: The District will consider a gravity option with the following conditions:

- a) The initial report from Nute Engineering has indicated that a gravity option is not feasible without flow diversion within the District collection system and upgrades to Rafael Meadows Pump Station. This option is subject to final review by Nute Engineering. The District anticipates receiving the Nute's final recommendation and preliminary construction cost estimate by end of October 2019.
- b) The District has considered constructing flow diversion structures at its own expense to alleviate surcharging of sanitary sewers in the area. However, at the minimum, applicant may be required to cost share the electrical and pump upgrades to the Rafael Meadows Pump Station, pending District Board approval.
- c) If a gravity option is not feasible, the District will require a dedicated private pump station in addition to the Rafael Meadows Pump Station upgrades as described above. The private pump station option shall comply with the following conditions:
 - i) The pump station design shall meet the requirements set by the Regional Water Quality Control Board and other regulatory agencies.
 - ii) The pump station shall include backup generator and pumps with series of sensors and alarm systems to alert District staff of pump failure and potential sewage overflows.
 - iii) The pump station shall comply with city ordinance general noise limits (chapter 8.13), which at a minimum are 60dBA intermittent daytime and 50dBA intermittent nighttime.
- d) Applicant shall submit plans **electronically** to LGVSD for review and approval. A Will Serve Letter will be issued based on the following:
 - i) Approved plans designed with District standard details and specifications.
 - ii) Compliance with District requirements outlined in previous plan reviews.
 - iii) Other requirements based on future submittals.

Marin Municipal Water District

- 83) The applicant must enter into a pipeline extension agreement with the Marin Municipal Water District for the installation of the necessary facilities and said agreement must be approved by the District's Board of Directors. All costs associated with a pipeline extension are borne by the applicant.
- 84) Complete a High-pressure Water Service Application
- 85) Pay appropriate fees and charges
- 86) Complete the structure's foundation within 120 days of the date of application
- 87) Comply with the District's rules and regulations in effect at the time service is requested, including the installation of a separate water service for each residential structure.
- 88) Comply with all indoor and outdoor requirements of District Code Title 13 – Water Conservation. This may include ventilation of specific indoor fixture efficiency compliance.
- 89) If you are pursuing a landscaping project subject to review by your local planning department and/or subject to a city permit, please contact the district water conservation department at 415-945-1497 or e-mail to plancheck@marinwater.org. More information about district water conservation requirements can be found online at www.marinwater.org.
- 90) Comply with the backflow preventer requirements, if upon the District's review backflow protection is warranted, including installation, testing and maintenance. Questions regarding backflow requirements should be directed to the Backflow Prevention Program Coordinator at 415-945-1558.

- 91) Comply with Ordinance No.429 requiring the installation of gray water recycling systems when practicable for all projects required to install new water service and existing structures undergoing “substantial remodel” that necessitates an enlarged water service.
- 92) Comply with California water Code – Division 1, Chapter 8, Article 5, Section 537; which requires individual metering of multiple living units within newly constructed structures.

During Construction and Grading

Community Development Department – Planning Division

- 93) Construction hours and activity (including any and all deliveries) are limited to the applicable requirements set forth in Chapter 8.13 of the San Rafael Municipal Code.
- 94) **AIR QUALITY (AQ-1)**: Include basic measures to control dust and exhaust during construction. During any construction period ground disturbance, the applicant shall ensure that the project contractor implement measures to control dust and exhaust. Implementation of the measures recommended by BAAQMD and listed below would reduce the air quality impacts associated with grading and new construction to a less-than-significant level. The contractor shall implement the following best management practices that are required of all projects:
- a) All exposed surfaces (e.g., parking areas, staging areas, soil piles, graded areas, and unpaved access roads) shall be watered two times per day.
 - b) All haul trucks transporting soil, sand, or other loose material off-site shall be covered.
 - c) All visible mud or dirt track-out onto adjacent public roads shall be removed using wet power vacuum street sweepers at least once per day. The use of dry power sweeping is prohibited.
 - d) All vehicle speeds on unpaved roads shall be limited to 15 miles per hour (mph).
 - e) All roadways, driveways, and sidewalks to be paved shall be completed as soon as possible. Building pads shall be laid as soon as possible after grading unless seeding or soil binders are used.
 - f) Idling times shall be minimized either by shutting equipment off when not in use or reducing the maximum idling time to 5 minutes (as required by the California airborne toxics control measure Title 13, Section 2485 of California Code of Regulations [CCR]). Clear signage shall be provided for construction workers at all access points.
 - g) All construction equipment shall be maintained and properly tuned in accordance with manufacturer's specifications. All equipment shall be checked by a certified mechanic and determined to be running in proper condition prior to operation.
 - h) Post a publicly visible sign with the telephone number and person to contact at the Lead Agency regarding dust complaints. This person shall respond and take corrective action within 48 hours. The Air District's phone number shall also be visible to ensure compliance with applicable regulations.
- 95) **AIR QUALITY (AQ-1a)**: All diesel-powered off-road equipment, larger than 25 horsepower, operating on the site for more than two days continuously shall, at a minimum, meet U.S. EPA particulate matter emissions standards for Tier 2 engines with CARB-certified Level 3 Diesel Particulate Filters or equivalent.
- a) The use of equipment meeting U.S. EPA Tier 4 standards for particulate matter would also meet this requirement.
 - b) Use of equipment that includes alternatively fueled equipment (i.e., non-diesel) would meet this requirement.
 - c) Other measures may be the use of added exhaust devices, or a combination of measures, provided that these measures are approved by the City and demonstrated to reduce community risk impacts to less-than-significant.

96) **AIR QUALITY (AQ-2)**: Include high-efficiency particulate filtration systems in residential ventilation systems. The significant exposure for new project receptors is judged by two effects: (1) increased cancer risk, and (2) annual PM2.5 concentration. Exposure to cancer risk from U.S. Highway 101 are significant. Cancer risk is based on exposure to exhaust emissions while annual PM2.5 concentrations are based on the exposure to PM2.5 resulting from emissions attributable to truck and auto exhaust, the wearing of brakes and tires and re-entrainment of roadway dust from vehicles traveling over pavement. PM2.5 exposure drives the mitigation plan. Reducing PM2.5 exposures to less than significant would also reduce cancer risk to less than significant levels. The project shall include the following measures to minimize long-term annual PM2.5 exposure for new project occupants:

1. Install air filtration in residential dwellings. Air filtration devices shall be rated MERV 13 or higher. To ensure adequate health protection to sensitive receptors (i.e., residents), this ventilation system, whether mechanical or passive, all fresh air circulated into the dwelling units shall be filtered, as described above.
2. As part of implementing this measure, an ongoing maintenance plan for the buildings' heating, ventilation, and air conditioning (HVAC) air filtration system shall be required.
3. Ensure that the use agreement and other property documents: (1) require cleaning, maintenance, and monitoring of the affected buildings for air flow leaks, (2) include assurance that new owners or tenants are provided information on the ventilation system, and (3) include provisions that fees associated with owning or leasing a unit(s) in the building include funds for cleaning, maintenance, monitoring, and replacements of the filters, as needed.

97) **BIOLOGICAL RESOURCES (BIO-1)**: **Pre-construction nesting bird and bat survey**: The nesting season is defined here as being from February 1 to August 31 and therefore work should commence between September 1 and January 31.

- i) If this is not possible, and project activities are initiated during the nesting season, then a nesting bird survey shall be conducted by a qualified wildlife biologist no more than 14 days prior to the start of project activities.
- ii) If nests are identified, a no-disturbance buffer should be implemented to avoid impacts to nesting birds and should remain in place until all young are fledged or the nest otherwise becomes inactive.
- iii) Buffers typically range from 25 feet to 500 feet depending on the species.
- iv) If work is to be initiated within the bat breeding/ winter roosting season, an assessment of existing buildings should be performed prior to construction activities to determine if a roost is present.
- v) If a roost is observed, construction activities should be postponed until a qualified biologist determines the bats are excluded from the roost location.

98) **CULTURAL RESOURCES (CULT-1)**: **Protect Archaeological Resources Identified during Construction**: The project sponsor shall ensure that construction crews stop all work within 100 feet of the discovery until a qualified archaeologist can assess the previously unrecorded discovery and provide recommendations. Resources could include subsurface historic features such as artifact-filled privies, wells, and refuse pits, and artifact deposits, along with concentrations of adobe, stone, or concrete walls or foundations, and concentrations of ceramic, glass, or metal materials. Native American archaeological materials could include obsidian and chert flaked stone tools (such as projectile and dart points), midden (culturally derived darkened soil containing heat-affected rock, artifacts, animal bones, and/or shellfish remains), and/or groundstone implements (such as mortars and pestles).

99) CULTURAL RESOURCES (CULT-2): Protect Human Remains Identified During Construction:

The Project proponent shall treat any human remains and associated or unassociated funerary objects discovered during soil-disturbing activities according to applicable State laws. Such treatment includes work stoppage and immediate notification of the Marin County Coroner and qualified archaeologist, and in the event that the Coroner's determination that the human remains are Native American, notification of NAHC according to the requirements in PRC Section 5097.98. NAHC would appoint a Most Likely Descendant ("MLD"). A qualified archaeologist, Project proponent, County of Marin, and MLD shall make all reasonable efforts to develop an agreement for the treatment, with appropriate dignity, of any human remains and associated or unassociated funerary objects (CEQA Guidelines Section 15064.5[d]). The agreement would take into consideration the appropriate excavation, removal, recordation, analysis, custodianship, and final disposition of the human remains and associated or unassociated funerary objects. The PRC allows 48 hours to reach agreement on these matters.

100) GEOTEHCHNICAL (GEO-5): Should paleontological resources be encountered during project subsurface construction activities located in previously undisturbed soil and bedrock, all ground-disturbing activities within 25 feet shall be halted and a qualified paleontologist contacted to assess the situation, consult with agencies as appropriate, and make recommendations for the treatment of the discovery. For purposes of this mitigation, a "qualified paleontologist" shall be an individual with the following qualifications: 1) a graduate degree in paleontology or geology and/or a person with a demonstrated publication record in peer-reviewed paleontological journals; 2) at least two years of professional experience related to paleontology; 3) proficiency in recognizing fossils in the field and determining their significance; 4) expertise in local geology, stratigraphy, and biostratigraphy; and 5) experience collecting vertebrate fossils in the field.

a) If the paleontological resources are found to be significant and project activities cannot avoid them, measures shall be implemented to ensure that the project does not cause a substantial adverse change in the significance of the paleontological resource. Measures may include monitoring, recording the fossil locality, data recovery and analysis, a final report, and accessioning the fossil material and technical report to a paleontological repository. Upon completion of the assessment, a report documenting methods, findings, and recommendations shall be prepared and submitted to the City for review. If paleontological materials are recovered, this report also shall be submitted to a paleontological repository such as the University of California Museum of Paleontology, along with significant paleontological materials. Public educational outreach may also be appropriate.

b) The project applicants shall inform its contractor(s) of the sensitivity of the project site for paleontological resources and shall verify that the following directive has been included in the appropriate contract specification documents: "The subsurface of the construction site may contain fossils. If fossils are encountered during project subsurface construction, all ground-disturbing activities within 25 feet shall be halted and a qualified paleontologist contacted to assess the situation, consult with agencies as appropriate, and make recommendations for the treatment of the discovery. Project personnel shall not collect or move any paleontological materials. Fossils can include plants and animals, and such trace fossil evidence of past life as tracks or plant imprints. Marine sediments may contain invertebrate fossils such as snails, clam and oyster shells, sponges, and protozoa; and vertebrate fossils such as fish, whale, and sea lion bones. Vertebrate land mammals may include bones of mammoth, camel, saber tooth cat, horse, and bison. Contractor acknowledges and understands that excavation or removal of paleontological material is prohibited by law and constitutes a misdemeanor under California Public Resources Code, Section 5097.5."

- 101) **NOISE (NOISE-1)**: Implementation of the following measures would reduce construction noise levels emanating from the site, limit construction hours, and minimize disruption and annoyance.
- a) Construction activities shall be limited to the hours specified in the City of San Rafael's Municipal Code (7 am to 6 pm on weekdays and 9 am to 6 pm on Saturdays). No construction activities are permitted on Sundays and holidays.
 - b) Limit use of the concrete saw to a distance of 50 feet or greater from residences, where feasible. Construct temporary noise barriers to screen stationary noise-generating equipment, such as the concrete saw, when located near adjoining sensitive land uses. Temporary noise barriers could reduce construction noise levels by 5 dBA.
 - c) Equip all internal combustion engine-driven equipment with intake and exhaust mufflers that are in good condition and appropriate for the equipment.
 - d) Unnecessary idling or internal combustion engines should be strictly prohibited.
 - e) Locate stationary noise-generating equipment such as air compressors or portable power generators as far as possible from sensitive receptors.
 - f) Utilize "quiet" air compressors and other stationary noise sources where technology exists.
 - g) Control noise from construction workers' radios to a point where they are not audible at existing residences bordering the project site.
 - h) Notify all adjacent business, residences, and other noise-sensitive land uses of the construction schedule, in writing, and provide a written schedule of "noisy" construction activities to the adjacent land uses and nearby residences.
 - i) Designate a "disturbance coordinator" who would be responsible for responding to any complaints about construction noise. The disturbance coordinator will determine the cause of the noise complaint (e.g., bad muffler, etc.) and will require that reasonable measures be implemented to correct the problem. Conspicuously post a telephone number for the disturbance coordinator at the construction site and include in it the notice sent to neighbors regarding the construction schedule.
- 102) **TRIBAL-1**: Address the potential discovery of previously unknown resources within the project area. If significant tribal cultural resources are identified onsite, all work would stop immediately within 50 feet of the resource(s) and the project applicant would comply with all relevant State and City policies and procedures prescribed under PRC Section 21074.

Prior to Final Occupancy

Community Development Department – Planning Division

- 103) A post-construction Acoustical Study shall be performed and submitted to the Planning Division to confirm that the project was constructed compliant with noise reducing materials and construction techniques as recommended in the Illingworth and Rodkin Acoustical Study.
- 104) **AESTHETICS (AES-1)**: Prior to the Building Permit final inspection, the project applicant shall submit to the satisfaction of the Community Development Department Director, a post-installation photometric lighting study showing that the lighting on site complies with the approved lighting levels per ED18-100 and the requirements of SRMC 14.16.227. The project applicant shall also demonstrate to the Building Department that outdoor lighting fixtures meet the requirements of the California Energy Code (known as Part 6, Title 24 of the California Code of Regulations).
- 105) Install any improvements required by **TRANS-1** prior to final occupancy
- 106) **HYDROLOGY (HYDRO-2)**: Prior to a certificate of occupancy, the Project applicant shall verify that operational stormwater quality control measures that comply with the requirements of the current Phase II Small MS4 Permit have been implemented. Responsibilities include, but are not limited to:

- a) Designing BMPs into Project features and operations to reduce potential impacts to surface water quality and to manage changes in the timing and quantity of runoff associated with operation of the project. These features shall be included in the design-level drainage plan and final development drawings.
 - b) The proposed project shall incorporate site design measures and Low Impact Development design standards, including minimizing disturbed areas and impervious surfaces, infiltration, harvesting, evapotranspiration, and/or bio-treatment of stormwater runoff.
 - c) The Project applicant shall establish an Operation and Maintenance Plan. This plan shall specify a regular inspection schedule of stormwater treatment facilities in accordance with the requirements of the Phase II Small MS4 Permit.
 - d) Funding for long-term maintenance of all BMPs shall be specified.
- 107) The applicant shall contact the Planning Division to request a final inspection, prior to the issuance of the final building permit. The final inspection shall require a minimum of 48-hours advance notice. All landscaping and irrigation shall be installed prior to the occupancy of the building or the property owner shall post a bond in the amount of the estimated landscaping/irrigation cost with the City of San Rafael. In the event that a bond is posted, all areas proposed for landscaping must be covered with bark or a substitute material approved by the Planning Division prior to occupancy. The landscape architect shall certify in writing and submit to the Planning Division, and call for inspection, that the landscaping has been installed in accordance with all aspects of the approved landscape plans, that the irrigation has been installed and been tested for timing and function, and all plants including street trees are healthy. Any dying or dead landscaping shall be replaced.
- 108) All exterior lighting shall be shielded down. Following the issuance of a certificate of occupancy, all exterior lighting shall be subject to a 90-day lighting level review by the Police Department and Planning Division to ensure compatibility with the surrounding area.
- 109) All plan details shall be implemented as indicated plans approved for building permit, in compliance with all conditions of approval and applicable City zoning code requirements, to the satisfaction of the Community Development Director. Any outstanding fees including planning review fees, inspection fees, etc. shall be paid.

Fire Department – Fire Prevention Bureau

- 110) Prior to Final occupancy, the following requirements shall be installed in addition to all Fire code Requirements on the site and shown on the Fire Engine Truck Access Plan Sheet SP-6:
- a) Fire Lane signage shall be installed at both entrances that meet City of San Rafael Parking Enforcement standards.
 - b) KNOX box shall be installed at Community Rec Room exterior wall.
 - c) Fire Sprinkler system conforming to NFPA standards installed throughout.
 - d) All hydrants installed on site shall be Clow model 960 appliances.

**Tentative Subdivision Map Conditions of Approval
(TS18-006)**

Community Development Department - Planning Division

2. The Tentative Subdivision Map (TS18-006) shall be valid for a period of three (3) years from the date of City Council approval, or until December 10, 2022 and shall become null and void unless a Final Map has been recorded or a time extension is granted.

3. The proposed project is approved as a Three-Phase development, consisting of a Phase One “pre-phase” (on and off-site improvements) to complete building Phase One -construction of Buildings 1-4 and all landscaping north of Private street “A” (Fall 2021) and Phase Three- construction of Buildings 5-9, tree removal along the south property line and all remaining landscaping (Summer 2022). The Final Map may be recorded in phases or all at once.
- ~~4. The project shall be subject to the affordable housing requirements prescribed in Section 14.16.030 of the San Rafael Zoning Ordinance and is therefore required to provide nine (9) of the 45 for-sale units as affordable. Prior to the issuance of a building permit or recordation of the final map, whichever occurs first, a Below Market Rate (BMR) agreement for the nine (9) affordable unit shall be approved by the City Council and recorded on the property. Consistent with the affordable housing requirements, five (5) of the units shall be affordable to low-income household and four (4) of the units shall be affordable at the moderate-income level. The location of the BMR units shall be identified on the project plans and the final location shall be subject to review and approval of the City as part of the City’s consideration of the BMR agreement. Please contact the Marin Housing Authority to commence the agreement process.~~

The project is required to provide a primary and secondary affordable housing requirement pursuant to San Rafael Municipal Code Section 14.16.030 and City Council Resolution 14890. The applicant shall comply with this requirement by providing 2 units on-site (5% of the total units) and by paying an in-lieu fee equal to the 2.5 units (2.25 + .25 (fractional unit from the onsite requirement)).

Prior to the issuance of a building permit or recordation of the final map, whichever occurs first, The applicant shall :

- a. Pay the affordable housing in-lieu fee equal to 2.5 units.
 - b. Enter into a Below Market Rate (BMR) agreement. The BMR agreement for the two (2) affordable unit shall be approved by the Community Development Director and City Manager and recorded on the property. Consistent with the affordable housing requirements, the affordable housing units shall be affordable to low-income households. The location of the BMR units shall be identified on the project plans and the final location shall be subject to review and approval of the City as part of the City’s consideration of the BMR agreement.
5. Prior to issuance of building permits or prior to the recordation of a Final Map, whichever occurs first, the developer shall pay to the City in lieu parkland dedication fees for 45 new units in accordance with the provisions of City Council Ordinance No. 1558, which would be $45 \times 2.5 \text{ persons/dwelling unit} \times 3 \text{ acres per } 1,000 \text{ persons} \times \$262,396.80 = \$88,558.92$
 6. Conditions, Covenants and Restrictions (CC&R’s) shall be prepared and submitted with an application for a Final Parcel Map. The CC&R’s shall include the following requirements and provisions:
 - a. The formation of a homeowner’s association (HOA).
 - b. Project will be governed by a homeowner’s association (HOA) which will manage, maintain and operate the Project in accordance with Conditions, Covenants and Restrictions (CC&Rs) to be recorded against each unit and the common areas, Articles of Incorporation (Articles) and Bylaws. The HOA will have the right to adopt rules, regulations and guidelines, including design guidelines and community space rules to implement the CC&Rs. HOA responsibilities for ongoing maintenance of the shared or common facilities, including but not limited to the common driveway, common landscaping and irrigation, fencing, subdivision infrastructure improvements (storm water and sanitary sewer facilities) and exterior building and lighting improvements. All common areas including the Creek Promenade and the Paseos will be owned, managed and controlled by the HOA. Initially the

builder will own all units within the project and will control the HOA until sufficient units have been sold for a HOA Board of Directors to be elected. The builder will pay HOA dues to the HOA for each unit until each unit is sold. Restrictions and regulations imposed on each lot owner. The CC&R's shall include provisions, which restrict the use of the parking spaces to vehicle parking.

- c. Requirements and provisions for professional management services or the services of a Certified Public Accountant to oversee the HOA responsibilities and budget.
- d. Include an article providing for rights of the City of San Rafael, as follows:

ARTICLE _____. RIGHTS OF THE CITY OF SAN RAFAEL

1. Use Restrictions. In furtherance of the police power of the City of San Rafael, the following provisions will apply to the Property:

(a) no re-subdivision of any Lot shown on the Map will be done without the approval and consent of the City of San Rafael.

(b) the restrictions set out in this Declaration will burden the Property, for the benefit of the City of San Rafael, and the same are enforceable by and will inure to the benefit of the City of San Rafael.

2. Right to Remedy Failure to Maintain Common Area. In the event that there is a failure to maintain the Common Area so that owners, lessees, and their guests suffer, or will suffer, substantial diminution in the enjoyment, use, or property value of their Project, thereby impairing the health, safety and welfare of the residents in the Project, the City, by and through its duly authorized officers and employees, will have the right to enter upon the subject Property, and to commence and complete such work as is necessary to maintain said Common Area. The City will enter and repair only if, after giving the Association and Owners written notice of the failure to maintain the Common Area, they do not commence correction of such conditions in no more than thirty (30) days from the giving of the notice and proceed diligently to completion. All expenses incurred by the City shall be paid within thirty (30) days of written demand. Upon a failure to pay within said thirty (30) days, the City will have the right to impose a lien for the proportionate share of such costs against each Lot in the Project.

It is understood that by the provisions hereof, the City is not required to take any affirmative action, and any action undertaken by the City will be that which, in its sole discretion, it deems reasonable to protect the public health, safety and general welfare, and to enforce it and the regulations and ordinances and other laws.

It is understood that action or inaction by the City, under the provisions hereof, will not constitute a waiver or relinquishment of any of its rights to seek redress for the violation of any of the provisions of these restrictions or any of the rules, regulations and ordinances of the City, or of other laws by way of a suit in law or equity in a court of competent jurisdiction or by other action.

It is further understood that the remedies available to the City by the provision of this section or by reason of any other provisions of law will be cumulative and not exclusive of the maintenance of any other remedy. In this connection, it is understood and agreed that the failure to maintain the Common Area will be deemed to be a public nuisance and the City will have the right to abate said condition, assess the costs thereof, and cause the

collection of said assessments to be made on the tax roll in the manner provided by appropriate provisions of the San Rafael Municipal Code or any other applicable law.

The City Council of the City may, at any time, relinquish its rights and interest in the Project as herein set forth by appropriate resolution. Any such relinquishment by the City Council will be effective on the date that the resolution is adopted, and a copy thereof is placed in the United States mail, postage prepaid, addressed to the Association. The Owner will execute and record a declaration reflecting such relinquishment within ten (10) days of receipt of a copy of the resolution.

3. No Waiver. No failure of the City of San Rafael to enforce any of the covenants or restrictions contained herein will in any event render them ineffective.

4. Third-Party Beneficiary. The rights of the City of San Rafael pursuant to this Article will be the rights of an intended third party beneficiary of a contract, as provided in Section 1559 of the California Civil Code, except that there will be no right of Declarant, the Association, or any Owner(s) to rescind the contract involved so as to defeat such rights of the City of San Rafael.

5. Hold Harmless. Declarant, Owners, and each successor in interest of Declarant and said Owners, hereby agree to save and hold the City of San Rafael harmless from any and all liability for inverse condemnation which may result from, or be based upon, City's approval of the Development of the subject Property.

6. Amendments. The City of San Rafael will be given reasonable advance notice in writing of any amendments to the Declaration affecting the rights of the City as provided herein, and no such amendment will be deemed effective without the written consent of the San Rafael City Council.

7. Prior to recordation of the final map, the CC&R's shall be reviewed and approved by the Department of Community Development and the City Attorney's Office.

8. Approved CC&R's shall be recorded concurrently with the final map.

Department of Public Works - Land Development Division

9. A Final Map shall be required to be filed and approved by the Department of Public Works.

10. Should the applicant elect to record the final map prior to completion of the subdivision improvements, a subdivision improvement agreement shall be required. As part of this agreement bonds shall be required based on the engineer's estimate. The current fees for the subdivision:

- \$2,615.00 Improvement Plan Check
- \$3,285.00 minimum, (or actual cost if greater) for Final Map Plan Check.
- \$1,464.00 Subdivision Improvement Inspection Fees.

**Master Use Permit Conditions of Approval
(UP18-039)**

1. Except as modified herein, the Master Use Permit (UP18-039) authorizes redevelopment of the existing 2.28-acre site for residential use as shown in the approved plans in a maximum of three (3) phases. Although phasing is not required, this Use Permit authorizes that the project may be phased as follows, subject to the conditions of approval

- a) Phase One (Pre-Phase) which entails site preparation, demolition, landscaping/tree removal (except no removal of existing trees along the southern property line).
 - b) Phase Two – Shall include construction of buildings, construction of the 2 on-site below market rate units. ~~Construction of Buildings 1 through Building 4 (a total of 25 units, including five (5) BMR units),~~ trash enclosure, and creek promenade enhancements including landscaping, hardscape and recreational amenities.
 - c) Phase Three - Construction of any remaining units Building 5 through Building 9 (a total of 20 units, including four (4) BMR units), removal of existing trees along southern property line and the remaining landscaping.
2. Should the project proceed in a phased development approach, the following requirements shall apply:
 - a) All site improvement, roadways, sidewalk, utilities shall be installed and completed no later than the completion of Phase Two.
 - b) Landscaping may be installed by each phase:
 - i. Prior to final occupancy of Phase Two, the approved landscaping along the Merrydale Rd border (along Building 1) and along the Highway 101 frontage (Building 3 and Building 4) along with all other on-site landscaping in that phase, shall be installed.
 - ii. Prior to final occupancy of Phase Three, the approved landscaping along the Merrydale Rd border (along Building 9) and along the Highway 101/Redwood Hwy frontage (Building 5 and Building 6), along with all other on-site landscaping in that phase, shall be installed.
 - c) This Master Use Permit (UP18-039) shall be valid for three (3) years from the date of City Council approval, or until December 10, 2022 and shall become null and void if: 1) a building permit(s) have not been obtained and construction diligently commenced and pursued for all 9 buildings (45 units); 2) construction has not commenced on both Phase Two and Phase Three; 3) the project has not substantially progressed in constructions of Phase Two and Three; or 4) a time extension request has not been received before December 10, 2022. The time extension application (including project plans) must be submitted to the Planning Department with all associated fees. The time extension is subject to a public hearing and review and approval by the Planning Commission.
 - d) Once the building permit(s) is/are issued and construction and framing are commenced within the three (3) year period, then the Use Permit shall become valid and run with the land and will not have an expiration date. On-going compliance with all conditions of approval shall be required to keep the Use Permit valid.
 3. Prior to completion of Phase Two, an “Interim Site Plan” for the area of Phase Three shall be submitted, to address visual conditions, dust/erosion control, security and drainage and site maintenance. This plan shall be subject to review and approval of the Community Development Department and Department of Public Works.
 4. Once the Interim Site Plan is approved, all specific conditions of the interim plan for the area of Phase Three shall be installed per the approved plan, prior to final occupancy of Buildings 1 through Building 4, as approved per Phase Two construction.

CAMPUS

PROPERTY GROUP

April 1, 2021

Paul Jensen
Alicia Giudice
Department of Community Development
City of San Rafael
1400 Fifth Street
San Rafael, CA 94901

**Request for Modification of Affordable Housing Requirement
350 Merrydale Road/3833 Redwood Highway
Pursuant to new SRMC section 14.16.030 / Ordinance No. 1990**

Dear Paul and Alicia,

Thank you for updating the Affordable Housing Ordinance to include many helpful changes that will improve housing production for years to come. The reduction of the inclusionary requirement, with the opportunity to pay an in lieu fee for fractions, and the Secondary Requirement especially for approved un-built projects is particularly helpful and will have an immediate impact.

350 Merrydale/3833 Redwood Highway is a 45-unit townhome and stacked flat project approved by the City Council in February 2020 by Resolution No. 14762 and 14763, and Ordinance No. 1979, that has yet to start construction and is therefore a qualifying project.

The former 20% affordable housing inclusionary requirement from Condition of Approval No. 38 has been a substantial impediment to the development of the project that turned away many potential builders. By reducing the Below Market Rate (BMR) requirement to a feasible level this project can move forward in 2021.

While Covid – 19 produced much uncertainty, the challenges facing builders are much more deep rooted.

BMR Requirement: The 20% BMR requirement is the single biggest impediment to housing production. Even in high price locations like Marin County, each BMR unit is sold at a loss. Those losses must be absorbed by the remaining market rate units. The fewer the market rate units, the less opportunity the builder has to recover those losses and the greater the risk of not recovering them. 350 Merrydale with just 36 market rate units is a relatively small project by Bay Area standards for builders to assume that risk, especially right now given rising construction prices and uncertainty of demand given Covid. Typically builders prefer larger projects with lower BMR requirements and are able to find them elsewhere in the Bay Area.

Substantially Increased Project Costs: The project was initiated in 2017 when circumstances were vastly different. Labor and materials costs have increased significantly in the past four years. Among other things, for example, lumber prices alone have reportedly increased by 180% in the last year!

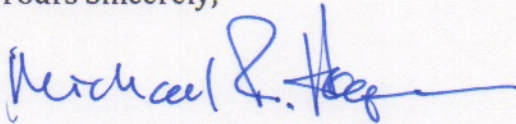
Lost Revenue. The project lost anticipated revenue due to the elimination of roof decks to address neighborhood concerns.

Prior to the first reading of Ordinance No. 1990, we approached multiple qualified builders, all to no avail. Each cited the BMR inclusionary requirement as being the biggest challenge. Since that time we have found a well-qualified builder ready to proceed with the project, subject to the project BMR requirement being modified consistent with Ordinance No. 1990 to reduce the number of inclusionary units and pay an in lieu fee on the fractional requirements and the Secondary requirement. They would also require the option to change some 2-bedroom units (Plan 1 and some Plan 2) to 3-bedrooms to make the homes more appealing to families. This change would not change the exterior appearance of the units or the location of the units. Nor would it affect required parking. The project approvals contemplated some Plan 2's, but not all Plan 2's being 3-bedroom units anyway.

The attached Exhibit A details our proposal to fully meet the requirements of the new City Ordinance, which would result in the provision of 4.5 units, 2 low income BMR units provided on site and payment to the City of an \$863,923 in lieu fee for an additional 2.5 units. Exhibit B provides suggested language that would modify Condition of Approval No. 38. Also attached is an update Sheet SP-2 showing the location of the selected Low Income units, and MHA's calculation of Low Income price using 2020 AMI's.

Please consider this letter as an application to modify the affordable housing inclusionary requirements for 350 Merrydale in accordance with Ordinance No. 1990. I trust this is a complete application but please advise me of any other submittal requirements. Thank you.

Yours Sincerely,



Michael R. Hooper
Campus Properties, LLC

c.c. David Jacobson
Robert Upton

Campus/Merrydale/Jensen Giudice 4_1_21

Exhibit A

350 Merrydale was approved as 45 for-sale residential units including 9 units affordable to Low and Moderate-income persons.

The new Ordinance provides that with the approval of the City Council the affordable housing requirement may be reduced to the combination of a Primary Requirement and a Secondary Requirement as follows:

Primary Requirement: Provide 5% of base density as Low Income units, with the payment of an In Lieu fee on any fractional requirement, resulting in:

5% of 45 = 2.25, therefore provide 2 Low Income units and pay an In Lieu fee on 0.25 units at the current rate of \$343,969 = \$89,992.25

Secondary Requirement (Option 2): Payment of an In Lieu Fee on a further 5% of base density resulting in:

5% of 45 = 2.25 at the current rate of \$343,969 = \$773,930.25

350 Merrydale would therefore provide 2 Low Income units and pay a total In Lieu fee of \$863,922.50.

Exhibit B

38) The project shall be subject to the affordable housing requirements prescribed in revised Section 14.16.030 of the San Rafael Zoning Ordinance and is therefore required to provide two (2) of the 45 for-sale units as affordable to low-income households and in-lieu fee of \$863,922.50. Prior to the issuance of a building permit or recordation of the final map, whichever occurs first, a Below Market Rate (BMR) agreement for the two (2) affordable unit shall be approved by the City Council and recorded on the property and payment of an in-lieu fee of \$863,922.50 shall be made. The location of the BMR units shall be identified on the project plans and the final location shall be subject to review and approval of the City as part of the City's consideration of the BMR agreement. Please contact the Marin Housing Authority to commence the agreement process. Should the project not record a final map, the BMR agreement will be modified to a rental agreement and comply with the affordable housing requirements for rental, which would be two (2) at low-income level.

**CITY OF SAN RAFAEL
NOTICE OF ONLINE PUBLIC HEARING**

You are invited to attend an online City Council hearing on the following project:

DATE/TIME/PLACE: **Monday July 19, 2021 at 7:00 P.M.**
COVID-19 ADVISORY NOTICE: *Consistent with Executive Orders No.-25-20 and No. N-29-20 from the Executive Department of the State of California and the Marin County March 16, 2020 Shelter in Place Order, the San Rafael City Council hearing WILL NOT be physically open to the public and the meeting will be streamed live to YouTube at: www.youtube.com/cityofsanrafael. Instructions on how to participate online, will be available on the YouTube channel.*

PROJECT: 350 Merrydale/3833 Redwood Hwy. – Request for modifications to Tentative Map (TM18-006) conditions of approval to allow payment of in-lieu fees as a method of meeting the secondary affordable housing requirement in compliance with City Council Resolution 14890; APN: 179-041-27 and 179-041-28; PD1979 Planned Development District; CLAYTON FRANCINE M /TR/, RIDGEWOOD PROPERTIES owner; Michael Hooper, applicant; File Nos.: TM21-003.

This project qualifies for exemption from the provisions of the California Environmental Quality Act Guidelines pursuant to Sections 15183(a) because it entails a project that can be found consistent with the General Plan policies and pursuant to 15061(b)(3), which states that as a ‘general rule’ the California Environmental Quality Act (CEQA) applies only to projects which have the potential to cause a significant, physical environmental effects

WHAT WILL HAPPEN: You can comment on the project. City Staff will present the requested modifications to the project approval to the City Council. The City Council will hold a public hearing and may take action to approve, deny, or continue a decision on the requested modifications.

IF YOU CANNOT ATTEND: You can send written correspondence by email to city.clerk@cityofsanrafael.org, or by mail/hand delivery to the Office of the City Clerk, City of San Rafael, 1400 5th Ave., San Rafael, CA 94901.

FOR MORE INFORMATION: Contact **Ali Giudice** at alicia.giudice@cityofsanrafael.org. You may also view the staff report after 5:00 p.m. on the Friday before the meeting at <http://www.cityofsanrafael.org/meetings>.

SAN RAFAEL CITY COUNCIL
/s/ Lindsay Lara
Lindsay Lara
CITY CLERK


(Please publish in the Marin Independent Journal on Friday, July 2, 2021)



SAN RAFAEL CITY COUNCIL AGENDA REPORT

Department: Community Development

Prepared by:
Alicia Giudice, Community Development Director
Don C. Jeppson, Chief Building Official

City Manager Approval: _____ 

TOPIC: REQUEST TO WAIVE THE BUILDING PERMIT FEES

SUBJECT: RESOLUTION DENYING THE REQUEST FOR WAIVER OF BUILDING PERMIT FEES FOR THE VIVALON HEALTHY AGING AFFORDABLE HOUSING PROJECT AT 999 THIRD STREET (PREVIOUSLY WHISTLESTOP) (APN: 011-265-01)

RECOMMENDATION:

Adopt resolution to deny the request for waiver of building permit fees.

BACKGROUND:

In [January 2020](#), the City Council adopted Resolution No. 14760, which established guidelines for the administration of the Affordable Housing Trust Fund (AHTF), with the intent of maximizing opportunity for development of affordable housing projects. The guidelines provide an opportunity to receive AHTF funding through a competitive process that begins with a Notice of Funding Availability (NOFA) or through a rolling application process.

On [March 23, 2020](#), the City Council approved a General Plan Amendment (GPA18-001), Zoning Text amendment (ZO18-003), and Use Permit (UP18-034) allowing development of a Research and Development building for BioMarin, and a 67-unit, 70-foot tall, six-story senior center and affordable senior housing building for Whistlestop/EDEN Housing on a 133,099 sq. ft. parcel.

On June 5, 2020, [the City issued a Notice of Funding Availability](#) (NOFA) for \$1.6 Million of initial funding to spur the creation of affordable family rental housing. The City received four (4) applications totaling \$3.25 million in funding requests, one of which was from Eden Housing requesting \$1.0 Million to help fund the senior housing project at 999 Third Street. On [October 5, 2020](#), the City Council approved funding for Eden Housing for the Whistlestop/Vivalon affordable housing project at 999 Third Street, in the form of a residual receipts loan of \$800,000. At the same time, the City Council approved a \$750,000 grant for Homeward Bound for a supportive housing project at 190 Mill Street.

On January 19, 2021, Eden Housing submitted an application for building permits to the City of San Rafael Community Development Department. The City began the plan review process and retained InterWest to provide plan review.

FOR CITY CLERK ONLY

Council Meeting: _____

Disposition: _____

On May 3, 2021, Eden Housing submitted a letter to the San Rafael City Clerk requesting a waiver for building permit fees associated with the above referenced application for the Vivalon Healthy Aging Affordable Housing Project at 999 Third Street. Eden cited the following as reasons for the requested fee waiver:

1. Prices in the lumber supply chain have significantly increased, by 230% over the last 12 months.
2. Commercial insurance estimates from insurance providers have more than doubled within the last year, amounting to an additional \$500,000 in cost.
3. Long-term lending rates are increasing and will have increased by more than 0.04% by the time construction begins.

The estimated building permit fees to provide plan review and building inspections, as required by the California Building Codes, total \$214,963, including third party plan review. As mentioned above the City is currently under contract for these services with InterWest, a professional codes service contractor.

ANALYSIS:

The applicant has submitted a request for a waiver of building permit fees pursuant to City Council Resolution No. 11025. The applicant has estimated total project costs (valuation) to be \$28.3 Million, and \$2.5 Million gap in their project funding. However, the \$2.5 Million gap includes building permit fees that were expected to be between \$1,132,000 and \$1,415,000. The requested fee waiver is for the full amount. However, as shown in Table 1 below, total building permit-related fees will be approximately \$561,844. Only \$214,963 (shown in bold) are eligible to be waived under City Council Resolution No. 11025.

| TABLE 1 Building Permit Related Fees | |
|---|---------------------|
| Fee Type | Fee |
| Building Permit | \$122,836 |
| Plan Review | \$92,127 |
| Fire Plan Check Fee | TBD |
| S.M.I.P. | \$7, 924 |
| CA Green Building Fund | \$1,132 |
| MEP Fees | \$375* |
| Plan Retention | TBD |
| Development Impact Fee (Res) | \$8,543 |
| Development Impact Fee (Com) | \$2,400 |
| General Plan Maintenance Fee | \$11,792 |
| Long Range Planning Fee | \$31,814 |
| Street Maintenance | \$282,900 |
| Total Fees | \$561,844.28 |
| *Does not include itemized fees | |

California Building Codes require that, as part of the building permit process, project plans are reviewed for substantial compliance with the building codes and once a building permit is issued, inspections are conducted to ensure the work is in conformance with the codes and the approved plans. Building permit

fees are typically borne by the applicant and are intended to recover 100% cost of plan review and inspections. The applicant paid an initial plan review fee of \$92,127. The plan review work has already been contracted to InterWest. However, the applicant is requesting a fee waiver of both plan review fee and the building permit fee.

Fee waivers are intended to off-set development cost and create a path for development of affordable housing projects. The City has previously approved \$800,000 in funding for this affordable housing project to also off-set the cost of development. One of the criteria for receiving the funds is stated in the application forms *“Successful applicants will be responsible for all entitlements, construction and long-term management of the housing.”*

Fee waivers such as the one proposed by Eden have not been requested or granted by the City. The few exceptions include the following:

- In 2020, Homeward Bound was approved for a fee waiver of \$30,473.00. However, this project was associated with a state grant (SB2) that earmarked funding for planning projects that paved the way for affordable housing. This project was identified as a pilot project to receive a portion of the grant.
- In 2014, the City approved a significant reduction in traffic impact fees of \$254,500 for the San Rafael Corporate Center. The fee waiver was approved due to an unusually inflated valuation resulting from the unique plumbing and mechanical units needed for the BioMarin laboratory facilities. The reduction in impact fee resulted in an fee that was proportionate to the impact fee associated with a similarly sized building.

Fees waived for this project would be allocated from the AHTF. The intent of allocations from this fund is to maximize the opportunity for development of affordable housing projects. In 2020, the City received four (4) applications in response to a NOFA. Eden Housing/Vivalon was one of only two applicants who were awarded funding. While there may be an opportunity for additional allocation of funding through this fund, the City would want to release a NOFA and provide other applicants an opportunity to be considered for funding. For this reason, staff is recommending denial of the request for fee waiver.

FISCAL IMPACT:

Staff is recommending denial of the requested fee waiver and there is no fiscal impact associated with this action. However, if the fee waiver is approved, the total amount of the fee waiver (\$214,963) would need to be funded by the AHTF.

OPTIONS:

The City Council has the following options to consider on this matter:

1. Adopt the resolution as proposed by staff denying the request for waiver of building permit fees.
2. Adopt the resolution with modifications.
3. Direct staff to return with more information.
4. Take no action.

RECOMMENDED ACTION:

Adopt the resolution to deny the request for waiver of building permit fees.

ATTACHMENTS:

1. Resolution
2. Eden Housing Correspondence
3. Public Hearing Notice

RESOLUTION NO.

RESOLUTION OF THE CITY OF SAN RAFAEL CITY COUNCIL DENYING THE REQUEST FOR WAIVER OF BUILDING PERMIT FEES FOR THE VIVALON HEALTHY AGING AFFORDABLE HOUSING PROJECT AT 999 THIRD STREET (PREVIOUSLY WHISTLESTOP) (APN: 011-265-01)

WHEREAS, Vivalon, formerly known as Whistlestop, has provided a full range of services and activities for seniors at the former Southern Pacific depot in downtown San Rafael for the past 44 years; and

WHEREAS, on March 23, 2020, the City Council approved a General Plan Amendment (GPA18-001), Zoning Text amendment (ZO18-003), and Use Permit (UP18-034) allowing development of a Research and Development building for BioMarin, and a 67-unit, 70-foot tall, six-story senior center and affordable senior housing building for Whistlestop/Vivalon/EDEN Housing on a 133,099 sq. ft. parcel; and

WHEREAS, on October 5, 2020, the City Council approved funding for Eden Housing for the Whistlestop/Vivalon affordable housing project at 999 Third Street, in the form of a residual receipts loan of \$800,000 with the understanding that applicant would be responsible for all entitlements, construction and long-term management of the housing; and

WHEREAS, on January 19, 2021, Eden Housing submitted an application for building permits to the City of San Rafael Community Development Department; and

WHEREAS, the estimated building permit fees to provide plan review and building inspections, as required by the California Building Codes, are \$214,963, and includes third party plan review currently under contract with InterWest, a professional codes service contractor; and

WHEREAS, the costs of conducting plan reviews, and inspections are offset by building permit fees; and

WHEREAS, the City recognizes the important role building codes, plan reviews and inspections have in protecting the public every day and in times of disaster, by guiding the safe construction of built environment through the California Building Codes, which include safeguards from natural disasters such as wildland fires, floods, and earthquakes; and

WHEREAS, City Council Resolution No. 11025 established a policy for evaluating requests for fee waivers for certain projects, including affordable housing projects; and

WHEREAS, on May 3, 2021, Eden Housing submitted a letter to the San Rafael City Clerk requesting a waiver for building permit fees associated with the above-referenced application for the Vivalon Healthy Aging Affordable Housing Project at 999 Third Street; and

WHEREAS, the funding awarded to Eden Housing on October 2020 was intended for development of an affordable housing project; and

WHEREAS, the requested fee waiver would need to be off-set by monies allocated for that purpose such as the Affordable Housing Trust Fund. While the City intends on releasing additional Notices of Funding Availability to support additional funding for affordable housing projects, a NOFA has not been released in 2021; and

WHEREAS, on July 19, 2021, the City Council held a duly noticed public hearing on the proposed project, accepting and considering all oral and written public testimony and the written report of the Department of Community Development; and

WHEREAS, the City Council finds that waiver of the building permit fees in this case is inappropriate because the applicant was previously awarded funding from the affordable housing trust fund with an understanding that they would be responsible for entitlements, construction and long-term management of the project; and

WHEREAS, the City Council further finds that the building permit fee estimate is significantly lower than what the applicant was expecting to pay, therefore the applicant's funding gap appears to be smaller than suggested in the request for the fee waiver;

NOW, THEREFORE BE IT RESOLVED that the San Rafael City Council does hereby deny the request for waiving the building permit fees associated with the Vivalon Health Aging Affordable Housing Project at 999 Third Street.

I, Lindsay Lara, Clerk of the City of San Rafael, hereby certify that the foregoing Resolution was duly and regularly introduced and adopted at a regular meeting of the San Rafael City Council held on the 19th day of July 2021, by the following vote to wit:

AYES: COUNCILMEMBERS:

NOES: COUNCILMEMBERS:

ABSENT: COUNCILMEMBERS:

LINDSAY LARA, City Clerk



Lindsay Lara, City Clerk
City of San Rafael
1400 Fifth Ave, Rm. 209
San Rafael, CA 94901

May 3rd, 2021

Subj: Vivalon Health Aging Affordable Housing Project
Consideration of Fee Waiver Requests for Planning and Building Permits

Dear Ms. Clark,

I am writing on behalf of San Rafael Senior, L.P, an affiliate entity of Eden Housing, involved with the development and eventual construction of the 67-unit Vivalon Healthy Aging Campus that will be located at 999 3rd Street in downtown San Rafael. It will be a mixed-use new construction development that includes a health facility and senior center on the bottom two floors that will be owned and managed by Vivalon (formerly known as Whistlestop) and four floors of affordable senior housing above that will be owned by San Rafael Senior, L.P. and managed by Eden Housing.

In regards to the City Council's resolution No. 11025 (see attached) concerning consideration of a fee waiver request for planning and building permits, Eden Housing would like to request a waiver of the building permit fee. The Vivalon Healthy Aging Campus meets the following criteria for this building permit fee waiver request:

1. 100% of the project's 67 units are restricted to 25-50% AMI for at least 55 years, ensuring long-term affordability.
2. Vivalon, our non-profit partner, is a senior targeted community organization that provides services to lower income residents of San Rafael.

The building permit is valued as 4-5% of the entire valuation for the development. That would be 4-5% of \$28,300,000, therefore our building permit fee would approximately be between \$1,132,000 and \$1,415,000. The reasons we are requesting a waiver of the building permit fee are the following:

1. Prices in the lumber supply chain have soared over the last 12 months to a staggering increase of 230%. There is no ceiling in sight and we foresee a need to absorb subsequent increases in the approximate amount of \$1M.¹
2. Commercial insurance estimates from insurance providers have more than doubled within the last year amounting to an additional \$500,000 in cost with additional increases around 15% on the horizon for a wildfire ravaged California.²
3. Long-term lending rates are increasing and will have increased by more than 40 bps (.04%) by the time we begin construction. This will directly impact the amount of mortgage proceeds the property can raise for financing the project..

We would like to thank the City of San Rafael for their already generous loan of \$800,000 from their Housing Trust. These funds from the City's Housing Trust, coupled with a building permit fee waiver will help offset these anticipated cost increases and will ensure financial viability for this project. If we can

¹ [Lumber prices have soared 230% in the last year, pushing timber and homebuilding ETFs to record highs | Markets Insider \(businessinsider.com\)](#)

² [Commercial insurance rates set to continue rising in 2021 | Business Insurance](#)





close the gap on our financing for the project, we will be able to begin construction in 2022. We are also currently in our second round of plan check comments and expect permits to be ready by the end of the summer.

If you have any questions or require any more information please contact the project developer, Tamar Saunders, at tamar.saunders@edenhousing.org or cell phone (510) 861-6129.

Sincerely,

A handwritten signature in blue ink, appearing to read "A. Osgood", is written over the printed name.

Andrea Osgood
Vice President of Real Estate Development
Eden Housing

RESOLUTION NO. 11025

A RESOLUTION OF THE SAN RAFAEL CITY COUNCIL RESCINDING RESOLUTION NO. 10789 AND ESTABLISHING A POLICY FOR CONSIDERATION OF FEE WAIVER REQUESTS FOR PLANNING AND BUILDING PERMITS.

WHEREAS, on March 5, 2001 the San Rafael City Council adopted Resolution 10789 establishing criteria for consideration of Planning and Building permit fee waiver requests; and

WHEREAS, since that time waiver requests in the amount of \$17,860 have been granted by the City Council; and

WHEREAS, the City's permit revenues during calendar year 2001 have decreased approximately 20% from the previous year and from budget projections; and

WHEREAS, the City's General Plan contains policies encouraging fee waivers as an incentive for creation of affordable housing and establishment of day care facilities;

NOW, THEREFORE BE IT RESOLVED that the City Council of San Rafael rescinds Resolution No. 10789; and

FURTHER, BE IT RESOLVED that the City Council of San Rafael establishes its revised policy for the consideration of fee waiver requests as follows:

1. The City will consider requests for waiver of applicable fees for Planning and Building permits only, not including mitigation fees such as traffic impact and parkland dedication in-lieu fees.
2. The City will consider waiver of such fees for:
 - a) Child care facilities where it can be demonstrated that the waiver contributes to making such services more affordable to the general public,
 - b) Affordable housing units included in the City's Below Market Rate (BMR) housing program or where units are similarly restricted for long term affordability, based on the proportion of BMR to market-rate units within the application, or
 - c) Governmental agencies, non-profit or other community organizations which provide services which principally benefit lower income residents of San Rafael, up to a maximum waiver of \$2,000 per request. Demonstration of service to lower income residents shall be indicated by dedication of at least one half of the agency's operating budget for direct services or contributions to individuals or households earning less than 50% of County median income levels.
 - d) Consideration of fee waivers shall also be based upon the impact of such waivers on the General Fund.
 - e) Requests for waivers shall be made to the Director of Community Development and processed by assigned staff, consistent with the criteria listed above. Requests for fee waivers for affordable housing and day care facilities in excess of \$2,000 per request shall be forwarded to the City Council for consideration. Requests which are denied by staff may be appealed to the City Council for consideration, at no fee.

I, JEANNE M. LEONCINI, Clerk of the City of San Rafael, hereby certify that the foregoing resolution was duly and regularly introduced and adopted at a regular meeting of the Council of said City on Monday, the eighteenth day of March, 2002, by the following vote, to wit:

AYES: COUNCILMEMBERS: Cohen, Heller, Miller, Phillips & Mayor Boro

NOES: COUNCILMEMBERS: None

ABSENT: COUNCILMEMBERS: None


JEANNE M. LEONCINI, City Clerk

1025

**CITY OF SAN RAFAEL
NOTICE OF ONLINE PUBLIC HEARING**

You are invited to attend an online City Council hearing on the following project:

DATE/TIME/PLACE: **Monday July 19, 2021 at 7:00 P.M.**
COVID-19 ADVISORY NOTICE: *Consistent with Executive Orders No.-25-20 and No. N-29-20 from the Executive Department of the State of California and the Marin County March 16, 2020 Shelter in Place Order, the San Rafael City Council hearing WILL NOT be physically open to the public and the meeting will be streamed live to YouTube at: www.youtube.com/cityofsanrafael. Instructions on how to participate online, will be available on the YouTube channel.*

PROJECT: 999 Third Street – Request for waiver of building permit fees pursuant to City Council Resolution 11025. APN: 011-265-01 Biomarin Pharmaceutical, owner; EDEN Housing, applicant; File Nos.: P21-010.

This project qualifies for exemption from the provisions of the California Environmental Quality Act Guidelines pursuant to 15061(b)(3), which states that as a ‘general rule’ the California Environmental Quality Act (CEQA) applies only to projects which have the potential to cause a significant, physical environmental effects

WHAT WILL HAPPEN: You can comment on the project. City Staff will present the requested modifications to the project approval to the City Council. The City Council will hold a public hearing and may take action to approve, deny, or continue a decision on the requested modifications.

IF YOU CANNOT ATTEND: You can send written correspondence by email to city.clerk@cityofsanrafael.org, or by mail/hand delivery to the Office of the City Clerk, City of San Rafael, 1400 5th Ave., San Rafael, CA 94901.

FOR MORE INFORMATION: Contact **Don Jeppson** at Don.Jeppson@cityofsanrafael.org. You may also view the staff report after 5:00 p.m. on the Friday before the meeting at <http://www.cityofsanrafael.org/meetings>.

SAN RAFAEL CITY COUNCIL
/s/ Lindsay Lara
Lindsay Lara
CITY CLERK

(Please publish in the Marin Independent Journal on Friday, July 9, 2021)



SAN RAFAEL CITY COUNCIL AGENDA REPORT

Department: Human Resources

Prepared by: Sylvia Gonzalez-Shelton,
Human Resources Operations Manager

City Manager Approval: _____

TOPIC: APPROVAL OF THE NEW MEMORANDUM OF UNDERSTANDING WITH AFSCME / LOCAL 1 & FURLOUGH REIMBURSEMENT SIDE LETTER

SUBJECT: RESOLUTION APPROVING A MEMORANDUM OF UNDERSTANDING PERTAINING TO COMPENSATION AND WORKING CONDITIONS FOR AFSCME / LOCAL 1 (JULY 1, 2021 THROUGH JUNE 30, 2024) AND FURLOUGH REIMBURSEMENT SIDE LETTER

RECOMMENDATION: Adopt Resolution.

BACKGROUND:

AFSCME / Local 1 represents 8 full-time equivalent (FTE) positions in departments across the City. The most recent Memorandum of Understanding (“MOU”) for AFSCME / Local 1 expired on June 30, 2020 and was extended by side letter through June 30, 2021. Over the past several months, representatives of the City and AFSCME / Local 1 have met in good faith and worked diligently to negotiate the terms of a successor MOU. The City and AFSCME / Local 1 reached a tentative agreement on June 24, 2021 for a three-year successor MOU, and AFSCME / Local 1 membership subsequently ratified the tentative agreement.

ANALYSIS:

The following are the highlights that reflect the terms and significant economic items included in the agreement between the City and AFSCME / Local 1. In addition to the economic items, some operational items were also addressed in the final agreement, all of which can be found in the attached successor MOU.

1. **Term of the Agreement:** July 1, 2021 through June 30, 2024
2. **Salary Increase:** Individual classification salary increase percentages may be lower or higher than the percentages listed below, based on the amount of labor market adjustment agreed to for each position in the bargaining unit. The salary schedule included in the attached successor MOU authorizes the proposed new salary for each position.

FOR CITY CLERK ONLY

Council Meeting: _____

Disposition: _____

- a. Year 1: Value of a 3.5% base wage increase for the bargaining group, effective July 1, 2021
 - b. Year 2: Value of a 3.5% base wage increase for the bargaining group, effective July 1, 2022
 - c. Year 3: Value of a 3.5% base wage increase for the bargaining group, effective July 1, 2023
- 3. Prior year contract extension – restoration of 3% base wage:** For FY 20-21, all bargaining groups (except WCE, Local 1, Mid-Management and Executive Management) received a 3% base wage increase for the 1-year contract extension, which was implemented for FY 20-21. The timing of the COVID-19 pandemic and the associated financial losses which were projected at that time, resulted in an unintended disparate treatment of the bargaining groups. WCE, Local 1, Mid-Management and Executive Management did not receive this same 3% base wage increase for FY 20-21. However, the City is now in a financial position to “restore” the 3% base wage increase to those groups. The 3% base wage will apply to all Local 1 positions and is reflected in the attached revised salary schedules, effective on July 1, 2021.
- 4. One-Time Payment:** Employees represented by the bargaining group will receive a one-time, non-pensionable payment in the amount of \$2,250 in exchange for the elimination of Revenue Sharing. This payment will not contribute to Classic or PEPRA employees’ pensions and is subject to normal payroll taxation.
- 5. Eliminate Revenue Sharing:** The revenue sharing provision to be eliminated provides a formula upon which a percentage of excess general tax revenues must be shared with members where specific criteria are met to increase the salary of AFSCME / Local 1 job classes.
- 6. Bilingual Pay:** In line with the City’s goal to improve recruitment and retention efforts and promote a diverse workforce, bilingual pay is increased from \$150 per month to \$200 per month.
- 7. New Positions:** During successor MOU negotiations, the City proposed a reorganization of the Finance Department and Human Resources Department. Certain AFSCME / Local 1 classifications were proposed to be deleted and added through the reorganization. The Parties satisfied their obligations to meet and confer over the impacts of the City’s planned reorganization in good faith and in accordance with the Meyers-Millias-Brown Act (“MMBA”) and agreed to the reorganization implementation steps via a side letter agreement. The new position classification/job descriptions and salary ranges are included in the attachments to the proposed MOU.
- 8. Non-Economic Items:** In addition to items discussed above, agreement was reached on other proposals, which reflect minor changes to existing provisions with no additional cost. The attached MOU includes all the changes agreed to by the parties. A brief overview of these negotiated MOU sections includes:
- Retiree Health Insurance (Section 4.2.2): Incorporate side letter language regarding Retiree Health Savings (RHS). For the annual July 1 conversion of sick leave to fund an employee’s retiree health care trust, the remaining sick leave balance requirement is 125 hours.
 - Sick Leave (Section 5.1.3): Update familial relationships under definition of “immediate family” to be more in line with definition under California Paid Family Leave.

Furlough Repayment Side Letter

In addition to the attached successor MOU, a side letter is attached that outlines the terms mutually agreed upon by the City and Local 1 regarding the repayment of the furlough which was implemented in fiscal year 20-21. In response to the global COVID-19 pandemic that began in the spring of 2020, the

City of San Rafael declared a local state of emergency. In anticipation of dire financial circumstances, the City exercised its management rights under MOU section 7.6 and implemented a Citywide furlough for all non-safety positions. Based on the best financial projections available at the time, it was necessary and prudent to implement the furlough in order to avoid the need to implement reductions in force in the future.

Year-end review of the FY 20/21 budget shows that the City’s projected revenue losses anticipated due to the pandemic fortunately did not materialize as expected and the City is projecting a financial surplus for fiscal year 20-21. As a result, the City is in a financial position at this time to issue repayments to employees who were furloughed over the last year. The circumstances that make it possible for the City to reimburse employees for the furlough are extremely unique in nature and this one-time reimbursement for FY 20-21 is non-precedential. The City will issue a one-time re-payment equal to the actual furlough reduction amount taken by each employee in the bargaining group for FY 20/21. The City already made MCERA pension contributions on each employee’s regular (non-furloughed) payroll amount each pay period during FY 20-21, therefore the City will not make any additional contributions to Classic or PEPRA employees’ pensions and the repayment amount is subject to normal payroll taxation. The individual furlough repayment amounts range from approximately \$2,000 - \$2,700, depending upon the individual position. The total amount of the furlough repayment for the bargaining group is \$14,250.

FISCAL IMPACT:

The current total annual salary and benefit cost to the City for the 8 employees of AFSCME / Local 1 is \$1,212,476. The additional ongoing incremental cost of the successor MOU beyond the FY 20/21 budget is:

| | <u>Incremental FY 2021-22</u> | <u>Incremental FY 2022-23</u> | <u>Incremental FY 2023-24</u> |
|--------------------------------|--|--|--|
| Wages: | | | |
| Base Salary | \$44,284 | \$21,162 | \$21,821 |
| Other costs: | | | |
| Pension* | \$21,165 | \$10,427 | \$10,752 |
| Taxes (Medicare, W/C) | <u>\$ 2,579</u> | <u>\$ 1,244</u> | <u>\$ 1,283</u> |
| Total Incremental Cost: | \$68,028 | \$32,833 | \$33,855 |

**This incremental pension cost results only from the negotiated wage increase and does not include the cost of associated MCERA rate changes. The terms and conditions of the pension benefit plan remain unchanged.*

While the incremental cost is \$68,028 for fiscal year 2021-2022, \$32,833 for fiscal year 2022-2023, and \$33,855 for fiscal year 2023-24, the increases are compounding and therefore the projected wages and other costs total \$303,605 plus \$18,000 in one-time payment, totaling \$321,605, plus \$14,250 in one-time costs for the furlough repayment, totaling \$335,855 for the three-year term. The incremental cost for fiscal year 21-22 includes the prior year (fiscal year 20-21) contract extension restoration of a 3% base wage increase. The increase in compensation included in this resolution is in line with the City’s current budget projections. Funding for these positions is provided for in the City’s General Fund.

OPTIONS:

The City Council has the following options to consider in this matter:

- Staff’s recommendation to adopt the resolution.
- Adopt resolution with modifications.

- Direct staff to return with more information.
- Take no action.

RECOMMENDED ACTION:

Staff recommends that the City Council adopt the resolution to approve the Memorandum of Understanding between the City of San Rafael and AFSCME / Local 1 pertaining to compensation and working conditions (July 1, 2021 through June 30, 2024) and the Furlough Reimbursement Side Letter.

ATTACHMENTS:

1. Resolution with attached MOU between City of San Rafael and AFSCME / Local 1 for July 1, 2021 to June 30, 2024 (and all attachments).
2. Furlough Reimbursement Side Letter.

RESOLUTION NO.

RESOLUTION OF THE SAN RAFAEL CITY COUNCIL APPROVING A MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF SAN RAFAEL AND AFSCME/PEU LOCAL 1 (LOCAL 1) PERTAINING TO COMPENSATION AND WORKING CONDITIONS (JULY 1, 2021 THROUGH JUNE 30, 2024) AND FURLOUGH REIMBURSEMENT SIDE LETTER

WHEREAS, the AFSCME/PEU Local 1 (Local 1) labor agreement with the City expired on June 30, 2021, after a one-year extension; and

WHEREAS, the City of San Rafael and representatives of Local 1 have met and conferred in good faith with regard to wages, hours and working conditions in accordance with the provisions of the Meyers-Milias-Brown Act; and

WHEREAS, a Memorandum of Understanding (“MOU”) pertaining to the three-year period from July 1, 2021 through June 30, 2024 has been ratified by Local 1 members; and

WHEREAS, a side letter has been mutually agreed upon by the City and Local 1 regarding the repayment of the furlough which was implemented in fiscal year 20-21; and

WHEREAS, the circumstances that make it possible for the City to reimburse employees for the furlough are extremely unique in nature and this one-time reimbursement for FY 20-21 is non-precedential;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SAN RAFAEL DOES RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

Section 1: From and after the date of adoption of this Resolution, the City of San Rafael and AFSCME/PEU Local 1 (Local 1) shall utilize the MOU for the period beginning July 1, 2021, attached hereto, as the official document of reference respecting compensation and working conditions for employees represented by Local 1.

Section 2: The schedules describing classes of positions and salary ranges are attached to said MOU and, together with the MOU itself, are hereby adopted and shall be attached hereto and incorporated in full.

Section 3: One-time repayment of the furlough shall be made per the agreed upon Furlough Reimbursement Side Letter.

I, Lindsay Lara, Clerk of the City of San Rafael, hereby certify that the foregoing Resolution was duly and regularly introduced and adopted at a regular meeting of the City Council of the City of San Rafael, held on Monday, the 19th of July 2021, by the following vote, to wit:

AYES: Councilmembers:

NOES: Councilmembers:

ABSENT: Councilmembers:

Lindsay Lara, City Clerk

MEMORANDUM OF UNDERSTANDING

between

CITY OF SAN RAFAEL

and

AFSCME / Local 1

JULY 1, 2021 - JUNE 30, 2024

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LIST OF EXHIBITS

Exhibit A Salary Schedule for July 1, 2021 – June 30, 2024

MEMORANDUM OF UNDERSTANDING
between
CITY OF SAN RAFAEL
and
PUBLIC EMPLOYEES UNION AFSCME / LOCAL 1

This Memorandum of Understanding is entered into pursuant to the provisions of 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 Memorandum of Understanding shall be presented to the City Council of the City of San Rafael as the joint recommendation of the undersigned parties for salary and employee benefit adjustments for the period commencing July 1, 2021 through June 30, 2024.

As used in this Memorandum of Understanding, the words “days” or “working days” shall be deemed to mean those days of the week that the City Hall of the City of San Rafael is open for business, unless there is a specific reference to calendar days.

1 GENERAL PROVISIONS

1.1 INTRODUCTION

1.1.1 Scope of Agreement

The salaries, hours, fringe benefits and working conditions set forth have been mutually agreed upon by the designated bargaining representatives of the City of San Rafael (herein-after called "CITY") and the Public Employees Union AFSCME / Local 1 (herein-after called "AFSCME / Local 1") and shall apply to all employees of the City working in the classifications and bargaining unit set forth herein.

1.1.2 Term of MOU

This agreement shall be in effect from July 1, 2021 through June 30, 2024.

1.2 RECOGNITION

1.2.1 Bargaining Unit

City hereby recognizes AFSCME / Local 1 as bargaining representative for the purpose of establishing salaries, hours, fringe benefits and working conditions for all employees within the Bargaining Unit.

1.2.2 Notice to Employees

Whenever a person is hired in any of the job classifications set forth herein, City shall notify such person that AFSCME / Local 1 is the recognized bargaining representative for employees in that classification.

1.3 NON-DISCRIMINATION

1.3.1 *In General*

The parties to this contract agree that they shall not, in any manner, discriminate against any person whatsoever because of race, color, age, religion, ancestry, national origin, sex, sexual orientation, marital status, medical condition or disability. Any employee alleging such discrimination should use the internal, administrative process explained in the City of San Rafael's Policy Against Harassment, Discrimination and Retaliation to redress the situation. Such employees shall be entitled to AFSCME / Local 1 representation but are not entitled to seek redress using the grievance procedure of this MOU.

1.3.2 *Bargaining Unit Discrimination*

No member, official, or representative of AFSCME / Local 1 shall, in any way, suffer any type of discrimination in connection with continued employment, promotion, or otherwise by virtue of membership in or representation by the Bargaining Unit.

1.4 INSPECTION OF MEMORANDUM OF UNDERSTANDING

Both the City and AFSCME / Local 1 agree to keep duplicate originals of this Memorandum on file in a readily accessible location available for inspection by any employee or member of the public upon request.

1.5 EXISTING LAWS, REGULATIONS & POLICIES

This agreement is subject to all applicable laws of the State of California, ordinances, regulations, and policies of the City of San Rafael.

1.6 STRIKES & LOCKOUTS

During the term of this Memorandum, the City agrees that it will not lock out employees, and AFSCME / Local 1 agrees that it will not agree to, encourage or approve any strike or slowdown growing out of any dispute relating to the terms of this Agreement. The Bargaining Unit will take whatever lawful steps are necessary to prevent any interruption of work in violation of this Agreement, recognizing with the City that all matters of controversy within the scope of this Agreement shall be settled by established procedures set forth in the City's Charter, ordinances, and regulations, as may be amended from time to time.

1.7 SEVERABILITY

If any article, paragraph or section of this Memorandum shall be held to be invalid by operation of law, or by any tribunal of competent jurisdiction, or if compliance with or any enforcement of any provision hereof be restrained by such tribunal, the remainder of this Memorandum shall not be affected thereby, and the parties shall, if possible, enter into meet-and-confer sessions for the sole purpose of arriving at a mutually satisfactory replacement for such article, paragraph or section.

1.8 PREVAILING RIGHTS

All matters within the scope of meeting and conferring which have previously been adopted through rules, regulation, ordinance or resolution, which are not specifically superseded by this Memorandum of Understanding, shall remain in full force and effect throughout the term of this Agreement.

1.9 FULL UNDERSTANDING, MODIFICATION, WAIVER

1.9.1 Understanding

The parties jointly represent to the City Council that this Memorandum of Understanding set forth the full and entire understanding of the parties regarding the matters set forth herein.

1.9.2 Waiver & Modification

Except as specifically otherwise provided herein, it is agreed and understood that each party hereto voluntarily and unqualifiedly waives its right, and agrees that the other shall not be required to meet and confer with respect to any subject or matter covered herein, nor as to wages or fringe benefits during the period of the term of this Memorandum.

The foregoing shall not preclude the parties hereto from meeting and conferring at any time during the term of this Agreement with respect to any subject matter within the scope of meeting and conferring by mutual agreement.

2 MMBA

2.1 BARGAINING UNIT RIGHTS

2.1.1 Bargaining Unit Stewards Designation

The Bargaining Unit shall, by written notice to the City Manager, designate certain of its members as AFSCME / Local 1 Representatives. AFSCME / Local 1 Representatives shall be permitted reasonable time for Bargaining Unit activities including grievance representation. In all cases, the Representatives shall secure permission from the Representative's supervisor before leaving a work assignment. Such permission shall not be unreasonably withheld.

AFSCME / Local 1 Representatives, for salary discussions, shall be in accordance with Meyers-Milias-Brown Act (MMBA).

2.1.2 Bulletin Boards

Authorized representatives of the Bargaining Unit shall be allowed to post AFSCME / Local 1 notices on specified bulletin boards maintained on City premises.

2.1.3 Union Orientation of New Employees

Whenever the City hires an employee within any classification covered by this Memorandum of Understanding and represented by the Union, as soon as possible the City will inform the employee that they are represented by the Union, inform the employee of the terms and provisions of this Memorandum of Understanding and will provide said employee with a copy of the current Memorandum of Understanding. The City shall make available up to two hours, at a mutually agreeable time, during the initial thirty (30) days of employment for new employee orientation by the Union. In addition, the City will also provide reasonable advance written notice to the Union of all employee orientations conducted by the City for its members, to include the date, time, and location of the orientation. Written notice shall be via email.

The Union will be afforded the opportunity to have the Business Agent and/or a bargaining unit member (City employee) as representatives to meet with the new employee(s). The Union's new employee orientation will be conducted during regular working hours on paid City time and at a mutually agreeable time approved by department management. At no time shall the Union's new employee orientation result in any overtime or additional costs to the City. The Union will provide the City advance notice of the name(s) of the bargaining unit member(s) who they wish to attend the orientation.

2.1.4 *Employee Information*

The City shall provide the Union with the name, job title, department, work location, work, home and personal cell phone numbers, home address and personal email address on file with the City for all employees within the Union every 120 days. In addition, a report with similar information of each Union new hire will be provided to the Union within 30 days of the hire date.

2.2 DUES DEDUCTION

2.2.1 *Collection of Dues*

City agrees, upon receipt of a written request by the Bargaining Unit to deduct dues and voluntary Bargaining Unit deductions selected by members, as established by AFSCME / Local 1, from the salaries of its members. The Bargaining Unit shall notify the City in writing as to the amount of such dues uniformly required of all members of AFSCME / Local 1. The sums so withheld shall be remitted by City, without delay, along with a list of employees and their respective dues and voluntary deductions. The Bargaining Unit bears responsibility for allocating dues and voluntary deductions pursuant to employees' requests.

The employee's earnings must be regularly sufficient after other legal and required deductions are made to cover the amount of the dues or service fees check off authorized. When an employee is in a non-pay status for an entire pay period, no withholding will be made to cover the pay period from future earnings. In the case of an employee who is in a non-pay status during only part of the pay period, and the salary is not sufficient to cover the full withholding, no deduction shall be made. In this connection, all other legal and required deductions have priority over AFSCME / Local 1 dues.

2.2.2 *Dues Collection during Separation from Employment*

The provisions specified above (Section 2.2.1.) shall not apply during periods of separation from the Bargaining Unit by any such employee but shall reapply to such employee commencing with the next full pay period following the return of the employee to representation by the Bargaining Unit. The term separation includes transfer out of the Bargaining Unit, layoff, and leave without pay absences with duration of more than five (5) working days.

2.2.3 *Indemnification*

Moneys withheld by the City shall be transmitted to the Treasurer (as identified in writing by AFSCME / Local 1) at the address specified. The Bargaining Unit shall indemnify, defend, and hold the City harmless against any claims made, and against any suit instituted against the City on account of check off of employee organization dues or service fees. In addition, the Bargaining Unit shall refund to the City any amount paid to it in error upon presentation of supporting evidence.

2.3 MANAGEMENT RIGHTS

The City reserves, retains, and is vested with, solely and excessively, all rights of management which have not been expressly abridged by specific provision of this Memorandum of Understanding or by law to manage the City, as such rights existed prior to the execution of this Memorandum of Understanding. The sole and exclusive rights of management, as they are not abridged by this Agreement or by law, shall include, but not be limited to, the following rights:

1. To manage the City generally and to determine the issues of policy;
2. To determine the existence of facts which are the basis of the management decision;
3. To determine the necessity of any organization or any service or activity conducted by the City and expand or diminish services;

4. To determine the nature, manner, means, technology and extent of services to be provided to the public;
5. Methods of financing;
6. Types of equipment or technology to be used;
7. To determine and/or change the facilities, methods, technology, means and size of the work force by which the City operations are to be conducted;
8. To determine and change the number of locations, re-locations and types of operations, processes and materials to be used in carrying out all City functions including, but not limited to, the right (after effect bargaining) to contract for or subcontract any work or operation of the City;
9. To assign work to and schedule employees in accordance with requirements as determined by the City, and to establish and change work schedules and assignments;
10. To relieve employees from duties for lack of work or other legitimate reasons;
11. To discharge, suspend, demote or otherwise discipline employees for proper cause in accordance with the provisions and procedures set forth in City Personnel Rules and Regulations and this MOU;
12. To determine job classifications and to reclassify employees;
13. To hire, transfer, promote and demote employees in accordance with this Memorandum of Understanding and the City's Rules and Regulations;
14. To determine policies, procedures and standards for selection, training and promotion of employees;
15. To establish and modify employee and organizational performance and productivity standards and programs including but not limited to, quality and quantity standards; and to require compliance therewith;
16. To maintain order and efficiency in its facilities and operations;
17. To establish and promulgate and/or modify rules and regulations to maintain order and safety in the City which are not in contravention with this Agreement;
18. To take any and all necessary action to carry out the mission of the City in emergencies.

The City and AFSCME / Local 1 agree and understand that if, in the exercise of any of the rights set forth above, the effect of said exercise of rights by the City impacts an area within the scope of representation as set forth in the Meyers-Milias-Brown Act (MMBA), case law interpreting said acts, and/or Federal law, the City shall have the duty to meet and confer with the Bargaining Unit regarding the impact of its decision/exercise of rights.

3 COMPENSATION

3.1 GENERAL WAGES AND COMPENSATION

3.1.1 Pay Dates

City employees are paid twice per month on the 15th and the last working day of the month. When a holiday falls on a payday, the payday will be transferred to the following day of regular business unless Finance is able to complete the payroll by the previous work day. The method of distributing the payroll shall be established by the Finance Director.

3.1.2 General Wage Increase

Prior year contract extension – restoration of 3% base wage: For FY 20-21, all bargaining groups (except WCE, AFSCME / Local 1, Mid-Management and Executive Management) received a 3% base wage increase for the 1-year contract extension, which was implemented

for FY 20/21. The timing of the COVID-19 pandemic and the associated financial losses which were projected at that time, resulted in an unintended disparate treatment of the bargaining groups. WCE, AFSCME / Local 1, Mid-Management and Executive Management did not receive this same 3% base wage increase for FY 20-21. However, the City is now in a financial position to “restore” the 3% base wage increase to those groups. The 3% base wage increase will apply to all AFSCME / Local 1 positions and is reflected in the attached revised salary schedules, effective on July 1, 2021.

The City shall provide the following salary increases for the listed positions in each year of the MOU, with Year 1 salary increases to become effective July 1, 2021; or, on the first pay period after Council’s approval – whichever occurs later in time.:

Administrative Assistant to Police Chief, Administrative Assistant to the City Manager and Senior Administrative Assistant

- 1.6% general salary increase plus 1.9% equity adjustment (3.50% total) in Year(s) 1, 2 and 3

Legal Assistant I/II

- 1.6% general salary increase plus 1.4% equity adjustment (3.00% total) in Year(s) 1, 2 and 3

Payroll Technician

- 1.6% general salary increase plus .9% equity adjustment (2.50% total) in Year(s) 1, 2 and 3

HR Representative I/II

- 1.6% general salary increase plus 2.4% equity adjustment (4.00% total) in Year 1
- 1.6% general salary increase plus .9% equity adjustment (2.50% total) in Years 2 and 3

Management Analyst and Associate Management Analyst

- 1.6% general salary increase plus .9% equity adjustment (2.50% total) in Year 1
- 1.6% general salary increase plus .4% equity adjustment (2.00% total) in Years 2 and 3

Principal Accountant and Senior Accountant

- 1.6% general salary increase plus 2.4% equity adjustment (4.00% total) in Year(s) 1, 2, and 3

Administrative Assistant I and Administrative Assistant II (Confidential)

- 1.6% general salary increase plus 1.9% equity adjustment (3.50% total) in Year 1
- 1.6% general salary increase plus .9% equity adjustment (2.50% total) in Years 2 and 3

3.1.3 *One-Time Payment*

Effective the pay period including July 1, 2021 or the first full pay period following Council ratification of a new MOU, whichever occurs later, each employee in the bargaining unit will receive a one-time payment of \$2,250 in exchange for the elimination of the Revenue Sharing provision from the MOU. This payment will not contribute to Classic or PEPRA employees’ pensions and is subject to normal payroll taxation.

3.1.4 *Definitions*

Total Compensation shall be defined as: Top step salary (excluding longevity pay steps), educational incentive pay, confidential pay, holiday pay, uniform allowance, employer paid deferred compensation (except for such portion that may be part of employee cafeteria plan), employer's contribution towards employees' share of retirement, employer's retirement contribution, employer paid contributions toward insurance premiums for health, life, long term disability, dental and vision plans, and employer paid cafeteria/flexible spending accounts.

The **CPI** shall be the percentage change in the San Francisco-Oakland-San Jose Area All Urban Consumer index as published by the Bureau of Labor Statistics for the one-year period ending each October during the term of the contract.

3.1.5 *Compensation Plan*

The Compensation Plan adopted by the City Council shall provide for salary schedules, rates, ranges, steps and any other special circumstances or items related to the total compensation paid employees.

Each position within the classified services shall be allocated to its appropriate class in the classification plan on the basis of duties and responsibilities. Each class shall be assigned a salary range or a rate established in the salary plan. All persons entering the classified service shall be compensated in accordance with the salary plan then in effect.

All initial employments shall be at the first step of the salary range. The City Manager or his/her designee may authorize, upon the recommendation of the Appointing Authority, a position at an appropriate higher salary when, in his/her opinion, it is necessary in order to obtain qualified personnel or when it appears that the education or experience of a proposed employee is substantially superior to the minimum requirements of the class and justifies a beginning salary in excess of the first step.

3.2 STEP INCREASES

3.2.1 *Entry Level Step*

All initial employment shall be at the first step of the salary range, provided that the City Manager may make an appointment to a position at an appropriate higher salary when, in his/her opinion, it is necessary to obtain qualified personnel, or when it appears that the education or experience of a proposed employee is substantially superior to the minimum requirements of the class and justifies a beginning salary in excess of the first step.

3.2.2 *Consideration for Step Increases*

An employee may be considered for an annual salary step increase in accordance with their anniversary date and the parameters of the salary schedule, as referenced in Exhibit A. Unless otherwise noted, salary schedule increases within established salary ranges are scheduled at yearly intervals. Advancement to a higher salary step within an established salary range is granted for continued improvements and efficient and effective work by the employee in the performance of his/her duties.

3.2.3 *Merit Increases*

Accelerated merit performance step increases of five percent (5%) may be granted an employee based upon the recommendation of the Department Director and approval of the City Manager. Employees at the maximum step of their salary range may be granted a merit performance step increase of five percent (5%) above and beyond their salary range, either in a one-time lump sum payment or as a percent increase per paycheck for the designated period of

time. Merit pay awards may be granted in recognition of meritorious performance on complex special project(s) of significant value to the organization and beyond the scope of regular duties in response to extraordinary conditions. A merit step increase may be effective for up to one (1) year. A merit step increase may be withdrawn and is not a disciplinary action and is not appealable.

3.2.4 *Anniversary Date*

Effective 1-1-89, the anniversary date for employees promoted on or after this date shall remain unchanged. Based upon job performance, as measured by a Performance Evaluation, employees may receive consideration for a step increase within their salary range on their anniversary date.

3.2.5 *Promotions*

Employees promoted to higher-level positions shall be placed at the step in the new salary range that will provide, at a minimum, a five (5%) increase (unless that would exceed the top step in the salary range).

3.2.6 *Performance Evaluations*

Prior to the completion of the probationary period, a minimum of one performance evaluation report shall be reviewed with the employee, but such report and review shall not be required prior to separating an employee during the probationary period.

Upon completion of the probationary period, a performance report shall be prepared and reviewed yearly thereafter for each employee in the Classified Service, as a means of determining whether in-grade salary increases are merited, and/or as a means of improving employee performance and communication between supervisors and subordinates.

3.3 SALARY CHANGE ON RECLASSIFICATION

If an occupied position is reclassified the incumbent shall be affected as outlined below:

3.3.1 *To a Lower Classification*

When a position is re-allocated to a lower classification, the incumbent is either:

1. Transferred to a vacant position in the former classification; or
2. If the incumbent's current salary is greater than the top step of the lower classification, Y-rated at the current salary until the salary of the lower classification is at or above the Y-rate.

3.3.2 *To a Different Classification with the Same Salary Range*

When a position is reallocated to a different classification with the same salary range, the incumbent shall be granted the same status in the new classification, in which he/she shall be paid at the same step of the range and shall maintain the same salary rights.

3.3.3 *To a Higher Classification*

When a position is reclassified to a classification with a higher salary range, the incumbent is moved into the higher classification with the position, except in the circumstances prescribed below. Placement in the salary range shall be in accordance with the appropriate salary schedule.

If the duties upon which the reclassification are based could have been assigned to any of a number of employees in that classification within the division or department, then a promotional exam is held for the reclassified position. Such an exam is a departmental only recruitment

limited to employees within that classification. If the incumbent is not successful in this competitive process, she/he is assigned to the position vacated by the promotion.

3.4 OUT OF CLASS COMPENSATION

Employees assigned in writing by their supervisor to perform work in a higher paid classification, shall be compensated at a rate 5% greater than the employee's current base salary. The out-of-class increase shall be retroactive to the first day of the assignment. If the assignment extends beyond four consecutive weeks, then the employee shall be compensated at the lower step of the classification within which the duties fall if that is greater.

3.5 ADDITIONAL PAY

3.5.1 Confidential Pay

Effective 2009, the Confidential Pay incentive for all members is included in the base salary.

3.5.2 Educational Pay

Education Pay is included in the base salary.

3.5.3 Bilingual Pay

Within the job classifications represented by the Bargaining Unit, provisions are hereby established whereby an employee may receive bilingual pay for full fluency in a foreign language.

Full fluency is defined as a skill level that will allow the employee to fully assist someone else who does not speak English in coping with situations or problems by translating for, conversing with and/or reading or writing written material.

An employee can petition to his/her Department Director for this bilingual pay incentive. With the Department Director's recommendation and on review by the Human Resources Director and approval of the City Manager, the employee may begin to receive this bilingual pay incentive.

Criteria for approval of the bilingual pay incentive by the City Manager include:

- a. Certification by a recognized school of the appropriate skill level; and/or
- b. Demonstrated ability of the proficiency level on the job; and
- c. Department Director's recommendation and statement that the bilingual skill of the employee can be of value to the department and the employee in the completion of their regular work assignments.

An employee approved for the bilingual pay incentive shall receive an additional \$200.00 per month above their base salary.

This bilingual pay incentive shall be reviewed annually and as long as the employee demonstrates (by work experience or re-testing, as determined by the City of San Rafael) the full fluency skill level; and as long as the Department Director indicates the value of this skill to the department and the employee in the completion of their regular work assignments.

Removal of the bilingual pay incentive would be considered a non-disciplinary action and as such would not be subject to any appeal/grievance procedure.

3.5.4 Uniform Allowance

Any AFSCME / Local 1 member required to purchase a uniform to meet departmental regulations shall be reimbursed for such cost.

4 BENEFITS

4.1 EMPLOYEE BENEFITS COMMITTEE

Both parties agree to continue to utilize the Employee Benefits Committee for ongoing review of benefit programs, cost containment and cost savings options. The Committee shall be made up of representatives of the SEIU, SEIU - Childcare, Police, Police Mid-Management, Fire, Fire Chief Officers Association, Western Council of Engineers, AFSCME / Local 1, Mid-Management and Management employees.

4.2 HEALTH & WELFARE

4.2.1 Full Flex Cafeteria Plan

Effective January 1, 2010, the City implemented a Full Flex Cafeteria Plan for active employees, in accordance with IRS Code Section 125. Active employees participating in the City's Full Flex Cafeteria Plan shall receive a monthly flex dollar allowance to purchase benefits under the plan.

The monthly flex dollar allowance effective the paycheck of December 15, 2020 shall be:

| | |
|--|------------|
| For employee only: | \$ 803.50 |
| For employee and one dependent: | \$1,606.99 |
| For employee and two or more dependents: | \$1,771.10 |

Flex dollar allowances shall increase on the December 15th paycheck of each subsequent year up to a maximum of three percent (3%) on an annual basis, based on but not to exceed the Kaiser Bay Area premium rate increase for the upcoming calendar year.

The City shall contribute to the cost of medical coverage for each eligible employee and his/her dependents, an amount not to exceed the California Public Employees' Medical and Hospital Care Act (PEMHCA) contribution, as determined by CalPERS on an annual basis. This portion of the monthly flex dollar allowance is identified as the City's contribution towards PEMHCA. The balance of the monthly flex dollar allowance (after the PEMHCA minimum contribution) may be used in accordance with the terms of the cafeteria plan to purchase health benefits or may be converted to taxable income.

Conditional Opt-Out Arrangement: An employee may elect to waive the City's health insurance coverage and receive a \$300 monthly Opt-Out payment in accordance with the terms of the cafeteria plan, and the Affordable Care Act, if the employee complies with the following conditions:

- 1) The employee certifies that the employee and all individuals in the employee's tax family for whom coverage is waived have alternative Minimum Essential Coverage as defined by the Patient Protection and Affordable Care Act through a provider other than a federal marketplace, a state exchange, or an individual policy.
- 2) During the City's annual open enrollment period, the employee must complete an annual written attestation confirming that the employee and the other members of the employee's tax family are enrolled in alternative Minimum Essential Coverage. The employee agrees to notify the City no later than 30 days if the employee or other member(s) of the employee's tax family lose coverage under the alternative Minimum Coverage Plan.
- 3) The employee understands that the City is legally required to immediately stop conditional opt-out payments if City learns that the employee and/or members of the employee's family do not have the alternative Minimal Essential Coverage.

The City reserves the right to modify at any time, the amount an employee is eligible to receive under this paragraph, if required by IRS Cafeteria Plan regulations, other legislation, or Federal and/or California agency guidance.

The City shall be responsible for paying premiums for a life insurance and Accidental Death and Dismemberment (AD&D) policy for each employee. The life and AD&D policy shall provide a \$5,000 life insurance and a \$5,000 AD&D benefit.

The City shall be responsible for paying premiums for a Long-Term Disability Policy for each employee that satisfies the eligibility provisions of the long-term disability policy. The Long-Term Disability policy shall provide for salary replacement of 66.67% of an individual's salary up to a maximum disability benefit of \$1,000 per month.

4.2.2 *Retirees Health Insurance*

Employees represented by AFSCME / Local 1 who retire from the Marin County Employees' Retirement Association (MCERA) within 120 days of leaving their City of San Rafael position (and who comply with the appropriate retirement provisions under the MCERA laws and regulations) are eligible to continue in the City's retiree group health insurance program offered through PEMHCA. The City's contribution towards retiree coverage shall be the PEMHCA minimum contribution as determined by CalPERS on an annual basis.

- a. **Employees hired on or before January 1, 2010.** The City shall make a monthly retiree health insurance payment into a Retiree Healthcare Reimbursement Trust (Retiree HRA Trust) on behalf of employees hired before January 1, 2010 and who retire from the City of San Rafael as described in this Section. The City's total payment, which includes the PEMHCA minimum contribution, shall not exceed \$659 per month. The City's retiree health contribution shall continue for the lifetime of the retiree and retiree's spouse, in accordance with PEMHCA eligibility provisions for coverage.

Employees receive the pro-rated amount based on their status at the time of retirement. For example: if an employee works parttime and retires while working part-time, then the employee receives a pro-rated contribution based on the employee's parttime status at the point of retirement.

- b. **Employees hired on or after January 1, 2010** and who meet the eligibility requirements for retiree health insurance are eligible to continue in the City's group health insurance program. The City's maximum contribution towards retiree coverage under this subsection 4.2.2.b, shall be the PEMHCA minimum contribution as determined by CalPERS on an annual basis. The City shall not be responsible for making any contributions towards the cost of coverage of the retiree's spouse, registered domestic partner, or dependents upon the employee's retirement from the City in excess of the PEMHCA minimum contribution as required by CalPERS.

The City shall additionally make available a retiree health care trust to enable these employees (hired on or after January 1, 2010) to prefund retiree health care premiums while employed by the City. The retiree health care trust shall be funded by annual conversion of 50 hours of sick time in service on July 1 of each year, provided an employee has a remaining balance of 125 hours of sick leave time after the conversions.

4.2.3 *Pro Rata Benefit Rules*

Employees covered by this Agreement who work less than full time but more than twenty (20) hours per week on a regular basis shall be eligible to receive: a) pro-rated leave benefits; b) a pro-rated share of the monthly dollar contribution made by the City to be used for enrollment in City offered group health, life, and long term disability insurance plans which the employee may

be eligible for based upon the regular hours the employee works, and c) pro-rated share shall be equivalent to the part time employee position's ratio of hours worked to full time equivalency.

4.2.4 Health and Dependent Care Spending Accounts

City will offer as part of its Section 125 Plan, for as long as such a plan is desired by AFSCME / Local 1 and available pursuant to the IRS Code, Health and Dependent Care Spending Accounts. The Flexible Spending Accounts offered by the City include:

- a. Healthcare Spending Account: Out-of-pocket medical expenses that qualify under the IRS Code effective January 1, 2003 at IRS Code limit, not to exceed \$2,500. Employees are responsible to pay the monthly administrative fee and any increase established by the third-party administrator.
- b. Dependent Care Spending Account: Dependent care expenses that qualify under the IRS Code at the IRS Code limit (currently \$5,000). Employees are responsible to pay the monthly administrative fee and any increase established by the third-party administrator.
- c. Premium Only Plan: Excess Medical premiums shall be deducted from employee's pay with pre-tax dollars as long as such deduction is allowable under the applicable IRS Code.

The City shall establish an annual enrollment period and each employee must re-enroll annually for either plan noted in a. and/or b. above. The City shall have the authority to implement changes to the 125 Programs to comply with changes in applicable IRS laws without having to go through the meet and confer process.

4.2.5 Health Insurance Providers

The City shall have the option, after meeting and consulting with representatives of AFSCME / Local 1, of either contracting with the Public Employees Retirement System (PERS) Health Benefits Division for health insurance or contracting directly with some or all of the providers of health insurance under the PERS program; provided, however, contracting directly with the providers shall not cause any material reduction in insurance benefits from those benefits available under the PERS program.

4.3 DENTAL PLAN

The City will provide a dental insurance program which offers 100% coverage for diagnostic and preventative care; \$25.00 deductible on corrective care (80/20); and an 80% payment of eligible costs associated with crown and cast restoration per patient per calendar year and orthodontic coverage for eligible dependents (50/50). The dental provider will provide payments for covered services at the percentage indicated in the plan booklet up to a maximum of \$1,500 for each enrollee in each calendar year.

Dental insurance enrollment will be available to part time, permanent employees working at least 20 hours per week (FTE level of position). The City's contribution towards the monthly dental insurance premium will be prorated based on the FTE level of the part time employee.

4.4 VISION PLAN

The City will contract for and pay for a vision plan for employee only vision benefits. Employees will be eligible to enroll qualified family members and will pay the premium for such enrollment.

4.5 RETIREMENT CONTRIBUTION

4.5.1 Member Contribution

AFSCME / Local 1 members shall pay the full share of the employee's contribution to the Marin County Retirement System.

Effective when feasible in accordance with MCERA and City administrative requirements all unit employees will pay an additional contribution of one percent (1%) of pensionable compensation toward the normal cost of pension provided by the Marin County Employees Retirement Association, in addition to the current employee contribution towards pension as determined by MCERA.

The City of San Rafael acknowledges that under its current practice, the employee's share of their retirement contribution is deducted with pretax dollars. This practice will continue until changed through the Meet and Confer process or until IRS regulations change.

4.5.2 Retirement Plans

The City shall provide the Marin County Employee Retirement Association 2.7% at 55-retirement program to all eligible AFSCME / Local 1 members, as defined under the 1937 Act Government Code Section 31676, subject to Marin County Employee Retirement Association procedures and regulations and applicable 1937 Act laws that govern such plans. This is based on an employee's single highest year of compensation.

Employees hired on or after July 1, 2011 will receive an MCERA retirement benefit at the formula 2% at 55, calculated based on the average of their highest three years of compensation, in accordance with MCERA regulations. The annual pension adjustment shall be a maximum of 2% COLA. Minimum retirement age is 55.

Employees hired by the City on or after January 1, 2013 who are defined as "new members" of MCERA in accordance with the Public Employees' Pension Reform Act (PEPRA) of 2013, shall be enrolled in the MCERA 2% @ 62 plan for Miscellaneous members.

Final compensation will be based upon the highest annual average compensation earnable during the thirty-six (36) consecutive months of employment immediately preceding the effective date of his or her retirement or some other period designated by the retiring employee.

4.5.3 Member Cost of Living Rates

AFSCME / Local 1 members who are eligible to participate in the Marin County Employee Retirement Association will pay their full share of members' cost of living rates as allowed under Articles 6 and 6.8 of the 1937 Retirement Act. AFSCME / Local 1 member contribution rates include both the basic and COLA portions (50% of COLA is charged to members as defined in the 1937 Act).

4.5.4 Pension Committee

A representative of the Union will participate in the City-wide pension committee.

4.6 STATE DISABILITY INSURANCE (SDI) AND PAID FAMILY LEAVE (PFL)

Employees will have the full premium cost for SDI or PFL coverage automatically deducted from their paycheck and no City contribution will be made toward participation in the plan.

It is incumbent upon the employee to keep the City advised of their medical status and eligibility for SDI or PFL. With this notification, SDI or PFL benefits, as determined by the State, shall be integrated with accrued sick and vacation leave.

4.7 DEFERRED COMPENSATION

Effective simultaneously with the increase in employee contribution by one percent (1%) to be contributed toward the normal cost of pension benefits provided by MCERA as described in Article 4.1.4, the City will contribute one percent (1%) of pensionable compensation toward a City-provided deferred compensation plan.

The City will make an additional contribution equivalent to one and six hundredths percent (1.06%) of base pay into a City-provided deferred compensation plan for each member of the unit to be paid in installments on a pay period basis following agreement.

4.8 GYM REIMBURSEMENT

Employees are eligible to receive up to \$16.50 per month reimbursement for paid gym membership. Such reimbursement shall be processed annually and reported as taxable income to the employee.

4.9 BENEFIT REOPENER

The City may reopen negotiations during the term of this Agreement to meet and confer on a replacement health, dental and life insurance/AD&D plan provider.

5 LEAVES

5.1 SICK LEAVE

5.1.1 Eligibility

Sick leave with pay shall be granted to each eligible employee. Sick leave may not be used at an employee's discretion but shall be allowed only in case of necessity and actual sickness or disability. The employee is required to notify employee's immediate supervisor or Department Director according to department Rules and Regulations at the beginning of his/her daily duties. The City has the right to request medical verification from an employee who is absent from his/her duties for three (3) or more consecutive work days.

5.1.2 Sick Leave Accrual

All eligible full-time employees shall earn sick leave credits at the rate of one (1) working day per month commencing with the date of employment. Unused sick leave may be accumulated to any amount, but a cap exists for payoff purposes (see Section 5.1.6). The sick leave accrual rate is prorated for eligible part time employees.

5.1.3 Use of Sick Leave

An employee may use accrued sick leave during their probationary period. An employee eligible for sick leave with pay shall be granted such leave for the following reasons:

1. Personal illness of the employee or illness within the immediate family (family member means an employee's spouse, registered domestic partner, sibling, parent, parent-in-law, grandchild, grandparent and any unmarried child, including adopted child, a stepchild, or recognized natural child who lives with the employee in a regular parent-child relationship), or physical incapacity of the employee resulting from causes beyond the employee's control; or
2. Enforced quarantine of the employee in accordance with community health regulations; or
3. Medical appointments that cannot be scheduled during non-working hours shall be charged to sick leave.

4. Personal illness of an employee's parent that requires the employee to attend to their care.

5.1.4 *Advance of Sick Leave*

Whenever circumstances require, and with the approval of the City Manager, sick leave may be taken in advance of accrual up to a maximum determined by the City Manager, provided that any employee separated from the service who has been granted sick leave that is un-accrued at the time of such separation shall reimburse the City of all salary paid in connection with such un-accrued leave.

5.1.5 *Service Credit for Sick Leave*

Employees who retire from the City of San Rafael within 120 days of leaving City employment (excludes deferred retirements) shall receive employment service credit for retirement purposes only, for all hours of accrued, unused sick leave (exclusive of any sick leave hours they are eligible to receive and they elect to receive in compensation for at the time of retirement (see Section 5.1.6).

Employees hired on or after July 1, 2009 are not eligible to receive employment service credit of all accrued, unused sick leave for retirement purposes.

5.1.6 *Compensation for Unused Portion*

Upon termination of employment by resignation, retirement or death, a regular employee who leaves the City service in good standing shall receive compensation for all accumulated unused sick leave based upon the following formula: a rate of three percent (3%) for each year of service (i.e., 3% times number of employment service years). The maximum number of accumulated, unused sick leave an employee may be compensated for upon termination of employment is 600 hours. See Section 5.1.5 regarding service credit option for accumulated, unused sick leave that the employee is not compensated for upon termination.

5.2 VACATION LEAVE

5.2.1 *Eligibility*

Annual vacation with pay shall be granted each eligible employee. Vacation leave accrued shall be prorated for those employees working less than full time. Employees will be permitted to use accrued vacation leave after six (6) months of employment subject to the approval of the Department Director.

5.2.2 *Rate of Accrual*

Vacation benefits shall accrue during the probationary period. Each regular full-time employee (part time regular are prorated) shall accrue vacation at the following rate for continuous service. Each service year in the chart begins on the first working day and ends on the last day of the service year:

| Service Year | Annual Hours | Hours Per Month |
|--------------|---------------|-----------------|
| 1 | 75.000 hours | 6.2500 |
| 2 | 75.000 hours | 6.2500 |
| 3 | 75.000 hours | 6.2500 |
| 4 | 112.500 hours | 9.3750 |
| 5 | 117.867 hours | 9.8222 |
| 6 | 123.234 hours | 10.2695 |

| | | |
|---------|---------------|---------|
| 7 | 128.601 hours | 10.7167 |
| 8 | 133.968 hours | 11.1640 |
| 9 | 139.335 hours | 11.6110 |
| 10 | 144.702 hours | 12.0580 |
| 11 | 150.000 hours | 12.5000 |
| 12 | 157.500 hours | 13.1250 |
| 13 | 165.000 hours | 13.7500 |
| 14 | 172.500 hours | 14.3750 |
| 15 | 180.000 hours | 15.0000 |
| 16 plus | 187.500 hours | 15.6250 |

When an employee is on an approved leave without pay, vacation accrual is prorated based upon paid hours in the pay period.

5.2.3 Administration of Vacation Leave

The City Manager, upon the recommendation of the Department Director, may advance vacation credits to any permanent regular and permanent part time employee.

No employee may accrue more than 250 hours. Vacation accruals will resume once the employee's accumulated vacation balance falls below the allowable cap limit.

The time at which an employee may use his/her accrued vacation leave and the amount to be taken at any one time, shall be determined by employee's Department Director with particular regard for the needs of the City but also, insofar as possible, considering the wishes of the employee. In the event that one or more City holidays falls within an annual vacation leave, the vacation hours that shall be charged against any employee's accrued vacation shall be those hours that the employee is regularly scheduled to work.

Employees who terminate their employment shall be paid in a lump sum for all accrued vacation leave earned prior to the effective date of termination.

5.2.4 Vacation Cash-In

An employee who has taken at least ten (10) days of vacation in the preceding twelve (12) months may request that accrued vacation, not to exceed seven (7) days, be converted to cash payments and the request may be granted at the discretion of the City Manager. Employees cannot cash in more than seven (7) days of vacation in any one twelve (12) month period.

5.3 HOLIDAYS

All employees who are required to work on a day designated as an authorized holiday, other than a day on which an election is held throughout the state, shall be paid at the applicable rate of pay for the number of hours actually worked.

When a holiday falls on Saturday or Sunday, the Friday preceding a Saturday holiday or the Monday following a Sunday holiday shall be deemed to be a holiday in lieu of the day observed.

The following holidays will be observed:

| | |
|------------------------------|----------------------------|
| January 1 st | New Year's Day |
| The third Monday in January | Martin Luther King Jr. Day |
| The third Monday in February | Washington's Birthday |

| | |
|---------------------------------|------------------------|
| March 31 st | Cesar Chavez Day |
| The last Monday in May | Memorial Day |
| July 4 th | Independence Day |
| The first Monday in September | Labor Day |
| November 11 th | Veteran's Day |
| The fourth Thursday in November | Thanksgiving Day |
| The fourth Friday in November | Day after Thanksgiving |
| December 25 th | Christmas Day |

In addition to designated holidays, employees in this Bargaining Unit receive two (2) floating holidays. Floating holidays not used are added to employee's vacation balance.

5.4 OTHER LEAVE

5.4.1 *Bereavement Leave*

In the event of the death of an employee's spouse, registered domestic partner, child, parent, parent-in-law, sibling, grandparent, grandchild or relative who lives or has lived in the home of the employee to such an extent that the relative was considered a member of the immediate family and/or another individual who has a legal familial relationship to the employee and resided in the employee's household, up to five (5) days may be granted for bereavement leave.

In those cases where the death involves an individual who had such a relationship with the employee, as defined above, the employee shall sign a simple affidavit describing the relationship and submit this to the Department Director as part of the request for bereavement leave.

5.4.2 *Jury Duty*

Employees required to report to jury duty shall be granted a leave of absence with pay from their assigned duties until released by the court, provided that the employee provides advance notice to the Appointing Authority and remits to the City all per diem service fees except mileage or subsistence allowance within thirty days from the termination of such duty.

5.4.3 *Military Leave*

Military leave shall be granted in accordance with the State of California Military and Veteran's Code as amended from time to time. All employees entitled to military leave shall give the appointing authority and the Department Director an opportunity, within the limits of military regulations, to determine when such leave shall be taken.

5.4.4 *Leave of Absence Without Pay*

Leave of absence without pay may be granted by the City Manager upon the written request of the employee. Accrued vacation leave must be exhausted prior to the granting of leave without pay.

5.4.5 *Industrial Injury Leave*

For benefits under Workers Compensation, an employee should report any on the job injury to his/her supervisor as soon as possible, preferably within twenty-four (24) hours. The Human Resources Department coordinates benefits for Worker's Compensation claims. For further information, see the City's Workers' Compensation policy located on the Intranet at <https://intranet.cityofsanrafael.org>.

Employees of the City who have suffered any disability arising out of and in the course of their employment as defined by the Worker's Compensation Insurance and Safety Act of the State of California are entitled to all benefits allowed them by the Workers' Compensation Insurance and Safety Act of the State of California.

Temporary disability payments (TD) are made to all employees (full and part-time) when a physician reports an employee is unable to perform their job duties due to an industrial injury and the City cannot accommodate the restrictions mandated by their physician. TD is set by State law and is approximately two-thirds of full salary with state-mandated minimums and maximums. For full-time, regular employees, however, the City augments TD payments with salary continuation, as follows:

Workers Compensation leave payments shall not exceed the employee's regular full pay for the first three (3) calendar months and three-fourths (3/4) of the regular full pay for the following six (6) calendar months.

Sick Leave Usage Post Industrial Injury/Illness

The following rule applies to employees who have an accepted industrial injury/illness: Available accrued sick leave cannot be used for more than 60 calendar days after one of the following has been determined:

- a. The employee has reached maximum medical improvement and/or has been determined "permanent and stationary."
- b. The employee has been determined to be unable to return to their usual and customary occupation, with or without reasonable accommodation.

Given the above has occurred next steps would include:

- a. The interactive process; attempt to locate other appropriate employment within the City
- b. If none available proceed with termination process, including disability retirement application and/or Skelly process, if appropriate.

5.4.6 Family Medical Leave

Family leave shall be granted in accordance with the federal Family and Medical Leave Act of 1993 and the California Family Rights Act of 1991. Requests for Family Care Leave are submitted to the employee's Department Director for approval and reviewed by the Human Resources Director for consistency with the law prior to approval. Employees approved for this type of leave must use appropriate accrued and unused vacation leave and/or compensatory time before going on leave without pay status. Accrued and unused sick leave may be used if appropriate and requested. Sick leave usage is to be consistent with sick leave provisions of the MOU. To be eligible for this family leave benefit, an employee must have worked continuously for the City of San Rafael for at least 12 months and have worked a minimum of 1250 hours in the previous 12-month period. For details, please see the City's FMLA policy located on the Intranet at <https://intranet.cityofsanrafael.org>.

5.4.7 Catastrophic Leave

Catastrophic Leave shall be in accordance with the City-wide Catastrophic Leave Policy located on the City's Intranet at <https://intranet.cityofsanrafael.org>.

5.4.8 Administrative Leave

Employees filling positions designated as exempt from overtime shall receive five (5) days of Administrative Leave each calendar year subject to the approval of the Department Director and the City Manager. Unused Administrative Leave shall not carry over from one calendar year to

the next, nor shall unused Administrative Leave Balances be paid to an exempt confidential employee upon his/her resignation.

6 TERMS & CONDITIONS OF EMPLOYMENT

6.1 HOURS OF WORK

The WORK WEEK will reflect thirty-seven and one-half (37.5) hours for all represented job classes. Unless otherwise designated, the normal business hours for vacation, sick and administrative leave deduction and sick and administrative leave accrual purposes shall be 7.5 hours per day.

6.2 OVERTIME

Overtime shall mean actual time authorized and worked beyond thirty-seven and one half (37.5) hours in the regular work week. A work or duty week shall be defined as seven (7) consecutive calendar days. Overtime is compensable to the nearest half-hour and must have prior authorization and approval of the Department Director.

Each Department Director shall have the authority to designate certain job classifications for mandatory overtime in emergencies. In the event the Department Director determines that there is a staffing need during an emergency, the Department Director shall first make a reasonable effort to seek qualified volunteers to work overtime during the emergency. If the Department Director determines that there are an insufficient number of volunteers, or if time constraints prevent the soliciting of volunteers, the Department Director may order employees in the designated classifications to report to work in overtime status to address the emergency.

6.3 COMPENSATORY TIME POLICY

With the Department Director's approval, compensatory time, in lieu of overtime pay, may be taken subject to the following rules:

6.3.1 Accrual Limit

Employees may accrue up to 125 hours of compensatory time after which said employee must accept overtime pay in lieu of accruing additional compensatory time.

6.3.2 Overtime Rate

Employees who work overtime may be paid for it at the rate of time and one-half or may accrue compensatory time at a rate of time and one-half subject to the limitations in Section 6.3.1. Employees who elect compensatory time must take the time off, preferably within the quarter during which it was earned, and shall not be paid for it.

6.4 PROBATIONARY PERIOD

6.4.1 Purpose of Probation

After passing an examination and accepting appointment, each employee shall serve a period of probation beginning on the date of appointment. Such period shall be for the purpose of determining the employee's ability to perform satisfactorily the duties prescribed for the position.

6.4.2 Length of Probationary Period

The probationary period on original and promotional appointment shall be for one (1) year.

6.4.3 Rejection During Probation

During the probationary period an employee may be rejected at any time by the Appointing Authority without the right of appeal.

6.4.4 *Notification of Rejection*

On determining that a probationary employee's work is not satisfactory, the Appointing Authority shall notify the Human Resources Director in writing of his/her intention to terminate the employee. After discussion with the Human Resources Director, the Appointing Authority shall notify employee in writing of his/her rejection.

6.4.5 *Extension of Probationary Period*

The probationary period shall not be extended except in the case of extended illness or injury or compelling personal situation during which time the employee was unable to work. In such cases, the probationary period may be extended for the length of time the ill or injured employee was unable to work.

6.4.6 *Regular Status*

Regular status shall commence with the day following the expiration date of the probationary period.

6.4.7 *Promotion of Probationary Employee*

An employee serving a probationary period may be promoted to a position in a higher position classification provided he/she is certified from the appropriate Eligible List. The employee promoted in this manner shall serve a new probationary period for the position to which employee is promoted and the new probationary period and promotional appointment shall be effective the same date.

6.4.8 *Unsuccessful Passage of Promotional Probation*

An employee who does not successfully pass his/her promotional probationary period shall be reinstated to the position in which the employee held regular status prior to his/her promotion. Provided, however, that if the cause for not passing the promotional probationary period was sufficient grounds for dismissal, the employee shall be subject to dismissal without reinstatement to the lower position.

6.4.9 *Lateral Transfer Probation*

Voluntary transfers to another job classification, within the same salary range, shall require a six (6) month probationary period. In the event of unsuccessful passage of this period refer to Section 6.4.8.

6.5 TRANSFERS / REASSIGNMENTS

6.5.1 *Types of Transfers*

Transfers may be within the same department (intra-departmental) or between departments (inter-departmental). The requirements for each are as follows:

a. Intra-departmental transfers.

The Appointing Authority shall have the authority to transfer an employee from a position in one division of a department to a position in the same or similar classification with the same salary range, in the same division or to another division of the same department (at any time and for any duration).

b. Inter-departmental transfers.

An employee may transfer from a position in one (1) department to a position in the same or similar classification in another department, provided the consent of the two Appointing Authorities and the City Manager is obtained.

c. Voluntary Transfers.

An employee may make a written request for transfer to the Human Resources Director to a position in the same or similar classification with the same salary range. Such a transfer may be made on the recommendation of the affected Department Director(s) and the approval of the City Manager.

6.5.2 Minimum Qualifications & Probation

Any persons transferred to a different position shall possess the minimum qualifications for the position.

6.5.3 Transfer Procedures

The City Manager may authorize the transfer of an employee from one position to another of the same or comparable class of work and where the same general type of examination is given for entrance to such a position.

Transfers from one department to another department having a different jurisdiction or different function shall be done only with the consent of the Department Directors, involved, unless such a transfer is ordered by the City Manager for purpose of economy or efficiency.

Any person transferred to a different position shall possess the minimum qualifications for the position.

Employees who have completed their initial probation may seek voluntary transfers to positions within the same job class, and/or lower level job classes as long as the employee meets the minimum qualifications for the position. Employees seeking transfer should submit a completed application to the Human Resources Department. As vacancies occur, transfer candidates may receive consideration along with those on the eligibility list.

6.6 PERSONNEL RULES & REGULATIONS

AFSCME / Local 1 agrees to accept the City's Personnel Rules and Regulations.

6.6.1 Confidential Nature of Personnel Records

All personnel records and files and examination materials are confidential. The Human Resources Director shall take all necessary steps to protect the confidentiality of those materials. Disclosure of such records shall be governed by the Public Records Act, Government Code Sections 6250, et. seq. Individual employees may review their official personnel file maintained by Human Resources Department and/or respective appointing authority. With the written consent of the employee, the authorized representative of the recognized employee organization may also review that personnel file.

6.6.2 Confidential Nature of Medical Records

All medical records and files are the property of the City of San Rafael. These confidential records and files are to be maintained in a file separate from the employee's personnel file in the Human Resources Department. Disclosure of such records shall be governed by the Public Records Act, Government Code, Section 6250, et. seq.

6.6.3 Outside Employment Policy

AFSCME / Local 1 members should refer to the City wide Policy on outside employment, located on the City's Intranet (<https://intranet.cityofsanrafael.org>) for policies and procedures related to outside employment.

6.6.4 *Use of City Vehicle*

At the discretion of the Department Director, a AFSCME / Local 1 employee may be assigned a City vehicle for job related duties during regular working hours. Only in emergency conditions will an employee be allowed to take a City vehicle home and only with prior approval of the Department Director.

6.6.5 *Safety Policy*

The City of San Rafael is committed to providing a safe and healthy place to work. The City shall furnish safety devices and safeguards, and shall adopt and use methods and processes adequate to ensure that the work place is safe and healthy. Employees are expected to obey safety rules and make proper use of safety gear and equipment. The City's safety policies and procedures shall comply with all applicable state laws related to a safe work environment.

6.7 MISCELLANEOUS

6.7.1 *Hazardous Materials*

First responders at this level (awareness only) are those who are likely to witness or discover a hazardous substance release and who have been trained to initiate an emergency response operations level. "Awareness" individuals take no action beyond notifying the designated authorities of the release. The Deputy Fire Marshal is the Hazardous Materials Coordinator for the City of San Rafael.

It is understood and agreed by both parties that employees represented by AFSCME / Local 1 do not have any responsibility to clean up, mitigate or otherwise dispose of hazardous materials. The Fire Department personnel and/or contract personnel have the direct responsibility of dealing with hazardous materials.

6.7.2 *Gratuities / Solicitation of Contributions*

Gratuities and solicitation of gratuities shall be governed by the City's Personnel Rules and Regulations.

6.7.3 *Return of City Equipment*

Upon termination of employment, all tools, equipment, and other City property assigned to an employee shall be returned.

6.7.4 *Political Activity*

The political activity of City employees shall comply with pertinent provisions of State and Federal Law.

6.7.5 *Employment of Relatives*

Employment of relatives shall be governed by the City's Personnel Rules and Regulations.

6.7.6 *Labor / Management Meetings*

During the term of the Agreement, the City and the Bargaining Unit agree that consultation meetings may contribute to improved employer-employee relations. Issues relating to the usage of volunteers and temporary/part-time/seasonal employees, promotional opportunities and the implementation of safety programs will serve as a basis for initial agenda items to be discussed and acted upon.

The committee shall be comprised of two (2) AFSCME / Local 1 representatives and three (3) representatives from City Management. The parties agree that committee members may change depending on the subject matter.

Meetings may be requested by either party. The party requesting the meeting shall submit a proposed agenda and the receiving party shall acknowledge and confirm the date, time and location of the requested meeting. It is intended that the subject matter will not include issues subject to Article 7.4 Grievance Procedures.

6.7.7 *Contract Orientation Work Sessions*

The City and the Bargaining Unit agree that the individuals having responsibility for the enforcement of the Agreement, AFSCME / Local 1 Representatives and Department Directors/Supervisors, shall participate in an Annual Contract Orientation Work Session for the purpose of obtaining a better understanding of the provisions of the contract. These work sessions shall be held on City time and facilities.

6.7.8 *Harassment Policy*

Employees shall adhere to the City's Policy against Harassment, located on the City's Intranet (<https://intranet.cityofsanrafael.org>).

6.7.9 *Work Place Conduct*

Employees, managers and supervisors will treat each other, regardless of position or profession, with dignity, courtesy, trust and respect. Disputes over the interpretation or application of this section will not be subject to the arbitration process of this agreement.

7 PROCEDURES

7.1 DEMOTION & SUSPENSION

7.1.1 *Demotion*

The Appointing Authority may demote an employee when the following occurs:

- a. The employee FAILS to perform his/her required duties.
- b. An employee requests such a demotion. No employee shall be demoted to a classification for which he/she does not possess the minimum qualifications. When the action is initiated by the Appointing Authority, written notice of demotion shall be provided to an employee at least ten (10) working days before the effective date of the demotion, and a copy filed with the Human Resources Department.

Withholding a salary step increase or withdrawing a merit step increase within or above the salary range of the employee's position shall not be deemed a demotion.

Disciplinary demotion action shall be in accordance with Article 7.3, "Disciplinary Action."

7.1.2 *Suspension*

The Appointing Authority may suspend an employee from a position at any time for a disciplinary purpose. The intended suspension action shall be reported immediately to the Human Resources Director, and shall be taken in accordance with Article 7.3, "Disciplinary Action".

7.2 TERMINATION OF EMPLOYMENT

7.2.1 *Resignation*

An employee wishing to leave City service in good standing shall file with his/her immediate supervisor, at least fourteen (14) days before leaving the service, a written resignation stating the effective date and reason for leaving. A copy of the resignation shall be forwarded to the Appointing Authority and the Human Resources Department.

7.2.2 Termination - Layoff (Lack of work or funds)

The Appointing Authority may terminate an employee because of changes in duties or organization, abolishment of position, shortage of work or funds, or completion of work for which employment was made.

The City will not layoff any employees in the bargaining unit between July 1, 2011 and December 31, 2011, unless the City is subject to significant revenue reduction (a reduction of one percent (1%) or more in General Fund revenue) due to state cuts or reduction in other revenue sources.

7.2.3 Termination - Disciplinary Action

An employee may be terminated at any time for disciplinary action, as provided in Article 7.3, "Disciplinary Action".

7.2.4 Retirement

Retirement from City services shall, except as otherwise provided, be subject to the terms and conditions of the City's contract as amended from time to time, with the Marin County Retirement System.

7.2.5 Rejection During Probation

An employee may be terminated from their position during the probationary period of their initial appointment to the City's classified service without Right of Appeal.

7.3 DISCIPLINARY ACTION

7.3.1 Notification of Weingarten Rights

The City will inform all members of their rights to Union representation (Weingarten Rights) prior to any meetings in which disciplinary action may be a result.

7.3.2 Right to Discipline & Discharge

Upon completion of the designated probationary period an employee shall be designated as a non-probationary employee and the City shall have the right to discharge or discipline any such employee for dishonesty, insubordination, drunkenness, incompetence, negligence, failure to perform work as required or to observe the Department's safety rules and regulations or for engaging during the term of this Memorandum of Understanding, in strikes, individual or group slowdowns or work stoppages, or for violating or ordering the violation of the Memorandum of Understanding. The City shall use progressive disciplinary steps (i.e., reprimand, suspension, demotion, discharge) unless the violation is such as to justify termination. Disciplinary action shall mean discharge/dismissal, demotion, reduction in salary, and suspension resulting in loss of pay.

In addition, the City may discipline or discharge an employee for the following: Fraud in securing appointment; negligence of duty; violation of safety rules; unacceptable attendance record including tardiness, overstaying lunch or break periods; possession, distribution or under the influence of alcoholic beverages, non-prescription or unauthorized narcotics or dangerous drugs during working hours; inability, unwillingness, refusal or failure to perform work as assigned, required or directed; unauthorized soliciting on City property or time; conviction of a felony or conviction of a misdemeanor involving moral turpitude; unacceptable behavior toward (mistreatment of discourteousness to) the general public or fellow employees or officers of the City; falsifying employment application materials, time reports, records, or payroll documents or other City records; misuse of City property; violation of any of the provisions of these working rules and regulations or departmental rules and regulations; disorderly conduct, participation in

fights, horseplay or brawls; dishonesty or theft; establishment of a pattern of violations of any City policy or rules and regulations over an extended period of time in which a specific incident in and of itself would not warrant disciplinary action, however, the cumulative effect would warrant such action; failure to perform to an acceptable level of work quality and quantity; insubordination; other acts inimical to the public service; inability or refusal to provide medical statement on cause of illness or disability.

7.3.3 *Preliminary Notice*

A non-probationary employee shall receive a preliminary written notice from the employee's Supervisor of any proposed disciplinary action that involves the loss of pay. The notice must contain a specific statement of charges or grounds upon which the proposed disciplinary action is based and the date the disciplinary action will be effective.

Any known written materials, reports or documents upon which the disciplinary action is based must be attached to the notice.

Upon the receipt of the notice, the employee shall have five (5) days to appeal the matter in writing to Step 2 of the Grievance Procedure. If a written appeal is filed, no disciplinary action shall be imposed until the Department Director has conducted a hearing with the employee and employee's representative present and having heard the response of the employee. If no written appeal is filed within five (5) days, the employee shall be deemed to have waived his right to proceed with the steps for appeal in the Grievance Procedure.

7.3.4 *Disciplinary Action and Appeal*

After hearing the response of the employee, the Department Director may order that the proposed disciplinary action or modification thereof be imposed. Such notification shall be issued in writing within 10 days of the meeting.

If the employee elects to appeal the Department Director action, he/she may request a confidential settlement conference with the City Manager. Participation in the confidential settlement conference shall be voluntary. For pre-termination disciplinary action, the decision of the City Manager shall be final and binding.

For disciplinary discharges only, if the matter is still unresolved after the confidential settlement conference, the employee shall notify the City within ten (10) days that the discharge is appealed to Step 4 (Arbitration) of the Grievance Procedure. The discharge appeal shall then proceed in accordance with the Grievance Procedure.

7.4 GRIEVANCE PROCEDURE

7.4.1 *Definition*

1. **Grievance** is a dispute, which involves the interpretation or application of any provision of this Memorandum of Understanding. All ordinances, resolutions, rules and regulations, which are not specifically covered by the provisions of this Memorandum shall not be subject to the Grievance Procedure.
2. **Day** shall mean any day that the City Office is open for business, excluding Saturdays, Sundays and the holidays recognized by the City.
3. **Grievant** may be an individual employee or a group of employees or AFSCME / Local 1 on the behalf of a group of employees or AFSCME / Local 1 on its own behalf on matters involving the City and AFSCME / Local 1 relationship.

Time limits begin with the day following the event causing the grievance or the day following receipt of a grievance decision.

7.4.2 Procedure

Step 1

Within seven (7) working days of when the grievant knew or should have known of the act or omission causing the grievance the grievant shall present either in writing or verbally a clear and concise statement of the grievance to the immediate supervisor. Within five (5) working days thereafter the immediate supervisor shall investigate and respond to the allegations of the grievant.

Step 2

If the grievant is not satisfied with the resolution at Step 1 the grievant must reduce the grievance to writing and present it to the Department Director within five working (5) days. The written grievance shall contain a statement of facts about the nature of the grievance and shall identify the specific provisions of this Memorandum of Understanding alleged to be violated, applicable times, places and names of those involved, the remedy or relief requested, and shall be signed by the grievant. The Department Director shall confer with the grievant and within ten (10) working days respond to the allegations in writing.

Step 3

If the grievant is not satisfied with the resolution at Step 2, the grievant shall, within five (5) working days, appeal the matter to the City Manager.

The City Manager shall investigate the matter, conduct a hearing if the City Manager deems it appropriate and within ten (10) working days, thereafter, respond to the allegations in writing.

Step 4

If the grievance remains unresolved after Step 3, the Bargaining Unit may give written notice to the City's Human Resources Department within ten (10) working days after receipt of the response in Step 3; notify the City that AFSCME / Local 1 wishes to appeal the grievance to final and binding arbitration. The parties shall attempt to agree upon an arbitrator. If no agreement is reached, they shall request a list from the State Conciliation Service of nine (9) names. The selection process will include a review of the arbitrator's availability for the hearing. Each party shall then alternately strike a name until only one (1) name remains, said person to be the arbitrator. The order of striking shall be determined by the flip of a coin.

7.4.3 Arbitration

The arbitrator shall be empowered to conduct a hearing and to hear and receive evidence presented by the parties. The hearing should be held within 60 calendar days of the selection of the arbitrator. The hearing shall be informal and need not be conducted according to technical rules of evidence. Repetitious evidence may be excluded and oral evidence shall be taken only under oath. The arbitrator shall determine what evidence is relevant and pertinent, as well as any procedural matters, and he/she may call, recall and examine witnesses, as she/she deems proper.

The burden of proof shall be upon AFSCME / Local 1 in grievance matters and upon the City in disciplinary discharge matters.

After the conclusion of any hearing and the submission of any post hearing evidence or briefs agreed upon by the parties, the arbitrator shall render a written decision which shall be final and binding upon the City, AFSCME / Local 1 and any employee(s) involved in the grievance or disciplinary discharge.

The arbitrator shall not be empowered to add to, subtract from, or in any way modify or alter any provision of this Memorandum of Understanding. The arbitrator shall only determine whether a grievance exists in the manner alleged by the grievant, and what the proper remedy, if any, shall be, or in the case of disciplinary discharge matters, whether the City allegations are accurate and the appropriateness of the disciplinary discharge.

The fees and expenses of the arbitrator shall be shared equally by AFSCME / Local 1 and the City. All other expenses shall be borne by the party incurring them. The cost of the services for the court reporter shall be borne by the requesting party unless there is a mutual agreement to share the cost or unless the arbitrator so requests. Then the costs will be shared.

7.4.4 *General Provisions*

1. Employees who participate in the Grievance Procedure, by filing a grievance or acting, as a witness on the behalf of either party shall be free from discrimination by either AFSCME / Local 1 or the City.
2. A grievant has the right to be represented at each stage of the procedure, to cross examine witnesses, and have access to all information regarding the basis of the grievance upon which the City relies in making its determinations.
3. If the City management fails to respond within the specified time limits, the grievance shall, at the request of AFSCME / Local 1, be moved to the next step of the procedure. If AFSCME / Local 1 or a grievant fails to process or appeal a grievance within the specified time limits, the matter shall be deemed withdrawn with prejudice. The parties may, by mutual agreement, waive the steps in the procedure.
4. If a hearing is held during work hours of employee witnesses, such employees shall be released from duties without loss of pay or benefits to appear at the hearing. Witnesses requested by the parties shall be compelled to attend said hearings.
5. The Human Resources Department shall act as the central repository for all grievances.
6. Time limits contained herein may be extended by mutual agreement of the parties. Absence for bona fide reasons by a grievant, AFSCME / Local 1 Representative or any management official involved in responding to the grievance shall automatically extend the time limits by the same number of days of absence.

7.5 POSITION RECLASSIFICATION

The process by which an individual position may be audited to review the appropriateness of its classification is provided in this Article.

7.5.1 *Purpose*

This administrative procedure shall establish consistent guidelines for the creation and/or review of a position's job classification.

7.5.2 *Policy*

The City of San Rafael seeks to maintain a classification system and process whereby all positions are accurately classified on the basis of current and ongoing job responsibilities officially assigned to said position(s).

7.5.3 *Creation of New Position*

The Appointing Authority or their designee may during the budget process request the creation of a new job classification by:

1. Completion of prescribed personnel form(s) and a position description questionnaire form.

2. Completed forms shall be submitted to the City's Human Resources Department.
3. Human Resources Department staff shall within 60 calendar days of receipt of the forms complete a formal audit of the proposed job class and prepare a written report.
4. The written report shall be submitted to the City Manager and the City Council for final approval.
5. Creation of a new job classification shall be effective with the start of the new fiscal year.

7.5.4 *Reclassification*

The Appointing Authority or their designee or an incumbent of a position or AFSCME / Local 1 on behalf of an employee may request, in writing, a classification review. This classification review may be requested if the position has not been reviewed within the previous twelve (12) months and either permanent and substantial changes have been made in the duties and responsibilities assigned to the position or there is evidence that the majority (50% or more) of the work being performed is not appropriate for the position's current classification.

1. All requests for reclassification must be submitted to the Human Resources Department on prescribed personnel form(s) by the appointing authority. Reclassification requests must be accompanied by a current job description approved by the position's immediate supervisor and appointing authority.
2. Employee initiated reclassification requests must first be directed to the employee's Appointing Authority. The appointing authority shall forward the employee's request to the Human Resources Director within ten (10) days of receipt.
3. The Human Resources Director shall ensure the review (audit) of the employee's position is completed within sixty (60) calendar days of receipt of the request in the Human Resources Department.
4. Based upon the analysis and evaluation of a position, the Human Resources Department reviewer may recommend that the position be sustained in its current class or be reclassified (up or down) to the proper classification based upon the assigned work. The City Manager or their designee shall review all reclassification recommendations made by the Human Resources Department.
5. Within ten (10) days of receipt of the written audit decision the affected employee(s) may, in writing, submit a request for review of this decision to the City Manager. This request for review must show substantial error and/or omission on the part of the auditor. The City Manager may render a decision on the appeal on the basis of the written material or may interview the involved parties to discuss the specific error or omission prior to rendering a decision.
6. The City Manager shall have final decision-making authority on all reclassifications.
7. Reclassifications shall be effective the first of the month following final approval of the action. Any changes of pay as a result of the reallocation shall be in accordance with the City's Personnel Rules and Regulations in effect at the time.

7.6 FURLOUGH PROGRAM

Both the City of San Rafael and AFSCME / Local 1 recognize the unpredictable shifts in funding that affect City finances. Through this recognition and in a cooperative spirit the City of San Rafael and AFSCME / Local 1 have worked expeditiously on the development of a Furlough Program. This Agreement does not mean the City will necessarily implement furloughs; but in the event it is necessary to implement due to continued economic problems in the City of San Rafael, the City shall meet and consult with the Bargaining Unit at least 60 days prior to implementation of the Furlough Program. The procedures for this Furlough Program shall

provide for both Voluntary Time Off (herein described as VTO) and Mandatory Time Off (herein described as MTO).

7.6.1 *Voluntary Time Off (VTO)*

The needs of the City and the respective departments (as determined by the Department Director and City Manager) will need to be considered in the actual granting of VTO. Any VTO time granted and the resulting savings will have a corresponding impact on the time needed through MTO.

1. An employee's VTO time would count in determining how many hours of MTO an employee needed to take during the fiscal year.
2. An employee selecting at least a 5% reduction of hours through the VTO would receive "float days" as described in Section 7.6.2, item 4.b.
3. Employees who take VTO at a time other than when MTO is taken by other employees will have to take vacation leave, compensatory time off or leave without pay if the MTO results in the closure of the department.
4. Employees will be allowed to exceed a 5% reduction of hours through the VTO with review of the Department Director and approval of the City Manager and such approval shall be revocable should the City determine that the impact of the absence can not be absorbed by the Department. Prior to revoking approval, the City will contact the employee and review pertinent information which would impact the employee's ability to return to work. Should the City need to remove additional VTO, such removal would be considered a non-disciplinary action and would not be subject to any appeal/grievance procedure.

7.6.2 *Mandatory Time Off (MTO)*

MTO will be taken by the employee during the MTO period when feasible in their respective department (as determined by the Department Director and City Manager) and after consultation with AFSCME / Local 1.

1. Employees may not take paid vacation time in lieu of designated MTO time.
2. MTO time shall be considered time in pay status for the accrual of leave and eligibility for holidays. MTO time will not impact health, dental and life insurance benefits. At this time MTO time will not impact Marin County retirement calculations of average compensation or service credit as the City and employee will continue to fund the full amounts. If the Marin County Retirement Association changes its policy on this, the City will, effective the first of the month following notice from the Marin County Retirement Association, make the necessary change in the program's administration to correspond with the change in the policy.
3. MTO time shall apply toward time in service for step increases and completion of probation.
4. Other Terms and Conditions:
 - a. The MTO program shall be limited to a maximum five percent (5%) reduction in work hours/pay for the fiscal year. When the maximum MTO reduction (5%) is implemented, the involved employee shall be credited with three (3) days of float time.
 - b. Float time accrued through the MTO Program must be taken in the next fiscal year following the furlough, with supervisory approval or the leave will be forfeited. The float days have no cash value upon termination of employment. If an employee is laid off before having the opportunity to take unused furlough induced float time, said

employee would be eligible to take the unused float time during the thirty-day layoff notice period.

- c. Should the City of San Rafael experience a financial windfall during the fiscal year that furloughs are implemented, the City and AFSCME / Local 1 agree to re-open negotiations on this Furlough Plan.

7.7 REDUCTION IN FORCE

7.7.1 Authority

The Appointing Authority may lay off, without prejudice, any regular employee because of lack of work or funds, or organizational alterations, or for reasons of economy or organizational efficiency.

7.7.2 Notice

Regular employees designated for layoff or demotion shall be notified in writing at least thirty (30) calendar days prior to the anticipated date of termination or demotion. The employee organization shall also be notified.

7.7.3 Order of Layoff

Layoffs and/or reductions in force shall be made by classification. A classification is defined as a position or number of positions having the same title, job description and salary. Extra hire employees shall be laid off before permanent employees in the affected classification. In effecting the preceding order, a part-time permanent employee with more seniority can displace a full time permanent employee.

7.7.4 Seniority

If two or more employees within a classification have achieved permanent status, such employees will be laid off or reduced on the following basis:

- a. Seniority within the affected classification will be determinative. Such seniority shall include time served in higher classification(s). The computation of seniority for part-time employees will be credited on a pro rata basis to full time service. Time spent on a City Manager approved leave of absence without pay does not count toward seniority.
- b. If the seniority of two or more employees in the affected classification or higher classification(s) is equal, departmental seniority shall be determinative.
- c. If all of the above factors are equal, the date regular status in City service is achieved shall be determinative.
- d. If all of the above are equal, date of certification for appointment shall be determinative.

7.7.5 Bumping Rights

An employee designated to be laid off may bump into a class at the same salary level, or into the next lower classification in which such employee has previously held regular status. An employee who is bumped shall be laid off in the same manner as an employee whose position is abolished.

7.7.6 Transfer Rights

The Human Resources Director will make every effort to transfer an employee who is to be affected by a reduction in force to another vacant position for which such employee may qualify. The length of eligibility for such transfer will be the period of notification as provided in Section 7.7.3, but no longer than the effective date of such layoff or reduction.

7.7.7 *Layoff Procedure Notification*

Once the decision has been made to reduce the workforce per this MOU, the City will meet with the Bargaining Unit to review and receive feedback on the procedure to be used to inform and process the lay-offs. The information gained in this meeting from the Bargaining Unit by the City will be advisory and non-binding.

7.8 RE-EMPLOYMENT

7.8.1 *General Guidelines*

Individuals who have been laid off or demoted shall be offered re-appointment to the same or similar classification in which they held status in the order of seniority in the classification. Individuals demoted in lieu of reduction in force shall be offered restoration to the highest class in which they held status and in which there is a vacancy prior to the appointment of individuals who have been laid off.

7.8.2 *Right to Re-Employment*

Each person who has been laid off or demoted in lieu of a layoff from a position the person held, shall, in writing, be offered re-appointment in the same classification should a vacancy occur in the classification within two years after the layoff or demotion. Prior to being re-employed, the employee must pass a physical exam administered by a City appointed physician and must pass the background check administered by the City.

7.8.3 *Time Limits*

Should the person not accept the re-appointment within seven (7) calendar days after the date of the offer, or should the person decline or be unable to begin work within two weeks after the date of acceptance of the offer, the person shall be considered unavailable for employment, shall forfeit the right to re-employment and be removed from the re-employment list.

7.8.4 *Availability*

Whenever a person is unavailable for re-employment, the next senior person who is eligible on the re-employment list shall be offered re-employment.

7.8.5 *Probationary Status*

Employees re-appointed under the provisions above will not be required to complete a new probationary period if they had previously held permanent status in the classification. Employees who had not completed their probationary period shall serve the remainder of the probationary period upon re-appointment.

7.8.6 *Restoration of Benefits*

Employees restored to previously held positions shall be deemed to have returned from a leave of absence for the purpose of all rights and benefits legally permissible. Time not on the payroll will not count as time worked for the purposes of seniority accrual.

AFSCME / Local 1:

CITY OF SAN RAFAEL:

**Lisa Davis, Business Agent
AFSCME / Local 1**

**Tim Davis, Lead Negotiator
Attorney, Burke Williams Sorensen**

**Rhonda Castellucci, HR Representative II
AFSCME / Local 1**

Sylvia Gonzalez-Shelton, HR Operations Manager

**Laraine Gittens, Legal Assistant II
AFSCME / Local 1**

Thomas Wong, Analyst

**Anita Rose, Administrative Assistant to
the Police Chief, AFSCME / Local 1**

Date

Date

**AFSCME / LOCAL 1 - CONFIDENTIAL
SALARY SCHEDULE
Effective July 1, 2021**

| Grade | Position | A | B | C | D | E |
|--------------|-----------------------------------|----------|----------|----------|----------|----------|
| 7122 | ADMIN ASST I (CONFIDENTIAL) | \$4,655 | \$4,888 | \$5,133 | \$5,389 | \$5,659 |
| 7123 | ADMIN ASST II (CONFIDENTIAL) | \$5,133 | \$5,390 | \$5,659 | \$5,942 | \$6,239 |
| 7215 | ADMIN ASSISTANT TO THE CM | \$5,955 | \$6,253 | \$6,565 | \$6,893 | \$7,238 |
| 7207 | ADMIN ASST TO THE CHIEF OF POLICE | \$5,264 | \$5,527 | \$5,804 | \$6,094 | \$6,399 |
| 2106 | ASSOCIATE MANAGEMENT ANALYST | \$5,797 | \$6,087 | \$6,391 | \$6,711 | \$7,046 |
| TBD | HUMAN RESOURCES ANALYST I* | \$6,505 | \$6,830 | \$7,171 | \$7,530 | \$7,906 |
| TBD | HUMAN RESOURCES ANALYST II* | \$7,154 | \$7,512 | \$7,888 | \$8,282 | \$8,696 |
| TBD | HUMAN RESOURCES ASSISTANT* | \$5,455 | \$5,728 | \$6,015 | \$6,315 | \$6,631 |
| 2109 | HUMAN RESOURCES REPRESENTATIVE I | \$5,846 | \$6,138 | \$6,445 | \$6,768 | \$7,106 |
| 2110 | HUMAN RESOURCES REPRESENTATIVE II | \$6,440 | \$6,762 | \$7,100 | \$7,455 | \$7,828 |
| 7242 | LEGAL ASSISTANT I | \$5,926 | \$6,222 | \$6,533 | \$6,860 | \$7,203 |
| 9205 | LEGAL ASSISTANT II | \$6,530 | \$6,856 | \$7,199 | \$7,559 | \$7,937 |
| 7204 | MANAGEMENT ANALYST | \$6,377 | \$6,696 | \$7,031 | \$7,382 | \$7,751 |
| TBD | PAYROLL ADMINISTRATOR* | \$6,320 | \$6,636 | \$6,968 | \$7,316 | \$7,682 |
| 7203 | PAYROLL TECHNICIAN | \$5,989 | \$6,289 | \$6,603 | \$6,933 | \$7,280 |
| 7316 | PRINCIPAL ACCOUNTANT | \$7,920 | \$8,316 | \$8,732 | \$9,168 | \$9,627 |
| 2136 | SENIOR ADMIN ASST (CONFIDENTIAL) | \$5,527 | \$5,803 | \$6,093 | \$6,398 | \$6,718 |
| 2130 | SENIOR ACCOUNTANT | \$7,056 | \$7,409 | \$7,780 | \$8,169 | \$8,577 |

*New classification approved with 2021-2024 MOU

**AFSCME / LOCAL 1 - CONFIDENTIAL
SALARY SCHEDULE
Effective July 1, 2022**

| Grade | Position | A | B | C | D | E |
|--------------|-----------------------------------|----------|----------|----------|----------|----------|
| 7122 | ADMIN ASST I (CONFIDENTIAL) | \$4,772 | \$5,010 | \$5,261 | \$5,524 | \$5,800 |
| 7123 | ADMIN ASST II (CONFIDENTIAL) | \$5,261 | \$5,524 | \$5,801 | \$6,091 | \$6,395 |
| 7215 | ADMIN ASSISTANT TO THE CM | \$6,163 | \$6,471 | \$6,795 | \$7,135 | \$7,491 |
| 7207 | ADMIN ASST TO THE CHIEF OF POLICE | \$5,448 | \$5,721 | \$6,007 | \$6,307 | \$6,623 |
| 2106 | ASSOCIATE MANAGEMENT ANALYST | \$5,913 | \$6,209 | \$6,519 | \$6,845 | \$7,187 |
| TBD | HUMAN RESOURCES ANALYST I | \$6,700 | \$7,035 | \$7,386 | \$7,756 | \$8,143 |
| TBD | HUMAN RESOURCES ANALYST II | \$7,369 | \$7,738 | \$8,124 | \$8,531 | \$8,957 |
| TBD | HUMAN RESOURCES ASSISTANT | \$5,619 | \$5,900 | \$6,195 | \$6,505 | \$6,830 |
| 2109 | HUMAN RESOURCES REPRESENTATIVE I | \$5,992 | \$6,292 | \$6,606 | \$6,937 | \$7,284 |
| 2110 | HUMAN RESOURCES REPRESENTATIVE II | \$6,601 | \$6,931 | \$7,278 | \$7,641 | \$8,023 |
| 7242 | LEGAL ASSISTANT I | \$6,104 | \$6,409 | \$6,729 | \$7,066 | \$7,419 |
| 9205 | LEGAL ASSISTANT II | \$6,726 | \$7,062 | \$7,415 | \$7,786 | \$8,175 |
| 7204 | MANAGEMENT ANALYST | \$6,505 | \$6,830 | \$7,171 | \$7,530 | \$7,906 |
| TBD | PAYROLL ADMINISTRATOR* | \$6,509 | \$6,835 | \$7,177 | \$7,535 | \$7,912 |
| 7203 | PAYROLL TECHNICIAN | \$6,139 | \$6,446 | \$6,768 | \$7,107 | \$7,462 |
| 7316 | PRINCIPAL ACCOUNTANT | \$8,237 | \$8,649 | \$9,081 | \$9,535 | \$10,012 |
| 2136 | SENIOR ADMIN ASST (CONFIDENTIAL) | \$5,720 | \$6,006 | \$6,306 | \$6,622 | \$6,953 |
| 2130 | SENIOR ACCOUNTANT | \$7,339 | \$7,706 | \$8,091 | \$8,495 | \$8,920 |

**AFSCME / LOCAL 1 - CONFIDENTIAL
SALARY SCHEDULE
Effective July 1, 2023**

| Grade | Position | A | B | C | D | E |
|--------------|-----------------------------------|----------|----------|----------|----------|----------|
| 7122 | ADMIN ASST I (CONFIDENTIAL) | \$4,891 | \$5,136 | \$5,393 | \$5,662 | \$5,945 |
| 7123 | ADMIN ASST II (CONFIDENTIAL) | \$5,393 | \$5,662 | \$5,946 | \$6,243 | \$6,555 |
| 7215 | ADMIN ASSISTANT TO THE CM | \$6,379 | \$6,698 | \$7,033 | \$7,384 | \$7,754 |
| 7207 | ADMIN ASST TO THE CHIEF OF POLICE | \$5,639 | \$5,921 | \$6,217 | \$6,528 | \$6,854 |
| 2106 | ASSOCIATE MANAGEMENT ANALYST | \$6,031 | \$6,333 | \$6,649 | \$6,982 | \$7,331 |
| TBD | HUMAN RESOURCES ANALYST I | \$6,901 | \$7,246 | \$7,608 | \$7,988 | \$8,388 |
| TBD | HUMAN RESOURCES ANALYST II | \$7,590 | \$7,970 | \$8,368 | \$8,787 | \$9,226 |
| TBD | HUMAN RESOURCES ASSISTANT | \$5,788 | \$6,077 | \$6,381 | \$6,700 | \$7,035 |
| 2109 | HUMAN RESOURCES REPRESENTATIVE I | \$6,142 | \$6,449 | \$6,772 | \$7,110 | \$7,466 |
| 2110 | HUMAN RESOURCES REPRESENTATIVE II | \$6,766 | \$7,104 | \$7,459 | \$7,832 | \$8,224 |
| 7242 | LEGAL ASSISTANT I | \$6,287 | \$6,601 | \$6,931 | \$7,278 | \$7,642 |
| 9205 | LEGAL ASSISTANT II | \$6,928 | \$7,274 | \$7,638 | \$8,020 | \$8,421 |
| 7204 | MANAGEMENT ANALYST | \$6,635 | \$6,966 | \$7,315 | \$7,681 | \$8,065 |
| TBD | PAYROLL ADMINISTRATOR* | \$6,705 | \$7,040 | \$7,392 | \$7,761 | \$8,150 |
| 7203 | PAYROLL TECHNICIAN | \$6,293 | \$6,607 | \$6,938 | \$7,284 | \$7,649 |
| 7316 | PRINCIPAL ACCOUNTANT | \$8,566 | \$8,995 | \$9,444 | \$9,917 | \$10,412 |
| 2136 | SENIOR ADMIN ASST (CONFIDENTIAL) | \$5,920 | \$6,216 | \$6,527 | \$6,853 | \$7,196 |
| 2130 | SENIOR ACCOUNTANT | \$7,632 | \$8,014 | \$8,414 | \$8,835 | \$9,277 |

**Side Letter Between
AFSCME / Local 1 (Local 1)
and
The City of San Rafael**

July 19, 2021

In response to the global COVID-19 pandemic that began in the spring of 2020, the City of San Rafael declared a local state of emergency. Additionally, and in accordance with Governor Gavin Newsom's Executive Order(s), which severely curtailed and/or outright closed commercial establishments, the City temporarily closed its offices for an undetermined amount of time and established remote work options for its non-public safety workforce in order to continue serving the needs of the community. The City utilizes the services of HDL to provide sales tax forecasts and tax revenue projections. HDL advised the City in the Spring of 2020, that it should be prepared for unprecedented financial losses, in an amount upwards of \$12M over the next 18 months. In anticipation of these dire financial circumstances, the City exercised its management rights under MOU section 7.6 and implemented a Citywide furlough for all non-safety positions. Based on the best financial projections available at the time, it was necessary and prudent to implement the furlough in order to avoid the need to implement reductions in force in the future.

Two significant things changed during fiscal year 20-21:

1. In the fall of 2020, the Measure R passed, which is expected to increase the City's annual sales tax revenues by approximately \$4M, which the City will begin receiving at the end of FY 20-21, and
2. In the first quarter of 2021, HDL's sales tax revenue forecasts significantly changed for the better and the revenue losses initially expected due to the pandemic, luckily did not materialize.

Based on the two above changes in financial condition, the City is projecting a financial surplus for fiscal year 20-21, therefore the City is willing to issue repayments to employees who were furloughed over the last year. The City is pleased that it is in the financial position to do so.

The circumstances that make it possible for the City to reimburse employees for the furlough at this time are extremely unique in nature. The City retains the management right under MOU section 7.6 in the future to implement a furlough if needed. The City does not commit to any future reimbursement of the furlough monies and considers this one-time offer to reimburse the FY 20-21 as non-precedential. Thus, the City now grants to each employee in the bargaining group a one-time re-payment equal to the amount they would have received had the furlough not occurred. In exchange for receiving these funds, employees will not be entitled to 3 days of float under MOU section 7.6.2 subsection 4.

The furlough repayment amount for each employee will be calculated based on their individual actual furlough reduction amounts that were deducted from each employee's paycheck during FY 20-21. The furlough repayment amounts range from approximately \$2,000 - \$2,700, depending upon the individual position. The City already made MCERA pension contributions on each employee's regular (non-furloughed) payroll amount each pay period during FY 20-21, therefore the City will not make any additional contributions to Classic or PEPRAs employees' pensions and it is subject to

normal payroll taxation. The actual total dollar amount to be reimbursed to the members of this bargaining unit is \$14,250.

FOR AFSCME/LOCAL 1:

FOR THE CITY OF SAN RAFAEL:

Lisa A. Davis, Chief Negotiator
Senior Business Agent

Tim Davis, Burke Williams Sorensen

Laraine Gittens, Negotiator – Local 1

Sylvia Gonzalez-Shelton, HR Operations Mgr

Rhonda Castellucci, Negotiator – Local 1

Anita Rose, Negotiator – Local 1




Agenda Item No: 8.b
Meeting Date: July 19, 2021

SAN RAFAEL CITY COUNCIL AGENDA REPORT

Department: Human Resources

Prepared by: Sylvia Gonzalez-Shelton,
Human Resources Operations Manager

City Manager Approval: 

TOPIC: APPROVAL OF THE NEW MEMORANDUM OF UNDERSTANDING WITH WESTERN COUNCIL OF ENGINEERS (WCE) & FURLOUGH REIMBURSEMENT SIDE LETTER

SUBJECT: RESOLUTION APPROVING A MEMORANDUM OF UNDERSTANDING PERTAINING TO COMPENSATION AND WORKING CONDITIONS FOR WESTERN COUNCIL OF ENGINEERS (JULY 1, 2021 THROUGH JUNE 30, 2024) AND FURLOUGH REIMBURSEMENT SIDE LETTER

RECOMMENDATION: Adopt Resolution.

BACKGROUND:

Western Council of Engineers represents 11 full-time equivalent (FTE) positions in the Public Works Department and San Rafael Sanitation District. The most recent Memorandum of Understanding (“MOU”) for WCE expired on June 30, 2020 and was extended by side letter through June 30, 2021. Over the past several months, representatives of the City and WCE have met in good faith and worked diligently to negotiate the terms of a successor MOU. The City and WCE reached a tentative agreement on June 21, 2021, for a three-year successor MOU and WCE membership subsequently ratified the tentative agreement.

ANALYSIS:

The following are the highlights that reflect the terms and significant economic items included in the agreement between the City and WCE. In addition to the economic items, some operational items were also addressed in the final agreement, all of which can be found in the attached successor MOU.

1. **Term of the Agreement:** July 1, 2021 through June 30, 2024
2. **Salary Increase:** Individual classification salary increase percentages may be lower or higher than the percentages listed below, based on the amount of labor market adjustment agreed to for each position in the bargaining unit. The salary schedule included in the attached successor MOU authorizes the proposed new salary for each position.

FOR CITY CLERK ONLY

Council Meeting: _____

Disposition: _____

- a. Year 1: Value of a 3.5% base wage increase for the bargaining group, effective July 1, 2021
 - b. Year 2: Value of a 3.5% base wage increase for the bargaining group, effective July 1, 2022
 - c. Year 3: Value of a 3.5% base wage increase for the bargaining group, effective July 1, 2023
- 3. Prior year contract extension – restoration of 3% base wage:** For FY 20-21, all bargaining groups (except WCE, Local 1, Mid-Management and Executive Management) received a 3% base wage increase for the 1-year contract extension, which was implemented for FY 20-21. The timing of the COVID-19 pandemic and the associated financial losses which were projected at that time, resulted in an unintended disparate treatment of the bargaining groups. WCE, Local 1, Mid-Management and Executive Management did not receive this same 3% base wage increase for FY 20-21. However, the City is now in a financial position to “restore” the 3% base wage increase to those groups. The 3% base wage will apply to all WCE positions and is reflected in the attached revised salary schedules, effective on July 1, 2021.
- 4. One-Time Payment:** Employees represented by the bargaining group will receive a one-time, non-pensionable payment in the amount of \$2,250 in exchange for the elimination of Revenue Sharing. This payment will not contribute to Classic or PEPRA employees’ pensions and is subject to normal payroll taxation.
- 5. Eliminate Revenue Sharing:** The revenue sharing provision to be eliminated provides a formula upon which a percentage of excess general tax revenues must be shared with members where specific criteria are met to increase the salary of WCE job classes.
- 6. Non-Economic Items:** In addition to items discussed above, agreement was reached on other proposals, which reflect minor changes to existing provisions with no additional cost. The attached MOU includes all the changes agreed to by the parties. A brief overview of these negotiated MOU sections includes:
- Retiree Health Insurance (Section 4.2.2): Incorporate side letter language regarding Retiree Health Savings (RHS). For the annual July 1 conversion of sick leave to fund an employee’s retiree health care trust, the remaining sick leave balance requirement is 125 hours.
 - Sick Leave (Section 5.1.3): Update familial relationships under definition of “immediate family” to be more in line with definition under California Paid Family Leave.

Furlough Repayment Side Letter

In addition to the attached successor MOU, a side letter is attached that outlines the terms mutually agreed upon by the City and WCE regarding the repayment of the furlough which was implemented in fiscal year 20-21. In response to the global COVID-19 pandemic that began in the spring of 2020, the City of San Rafael declared a local state of emergency. In anticipation of dire financial circumstances, the City exercised its management rights under MOU section 7.6 and implemented a Citywide furlough for all non-safety positions. Based on the best financial projections available at the time, it was necessary and prudent to implement the furlough in order to avoid the need to implement reductions in force in the future.

Year-end review of the FY 20/21 budget shows that the City’s projected revenue losses anticipated due to the pandemic fortunately did not materialize as expected and the City is projecting a financial surplus for fiscal year 20-21. As a result, the City is in a financial position at this time to issue repayments to employees who were furloughed over the last year. The circumstances that make it possible for the City to reimburse employees for the furlough are extremely unique in nature and this one-time

reimbursement for FY 20-21 is non-precedential. The City will issue a one-time re-payment equal to the actual furlough reduction amount taken by each employee in the bargaining group for FY 20/21. The City already made MCERA pension contributions on each employee’s regular (non-furloughed) payroll amount each pay period during FY 20-21, therefore the City will not make any additional contributions to Classic or PEPRAs employees’ pensions and the repayment amount is subject to normal payroll taxation. The individual furlough repayment amounts range from approximately \$700 - \$4,000, depending upon the individual position. The total amount of the furlough repayment for the bargaining group is \$17,500.

FISCAL IMPACT:

The current total annual salary and benefit cost to the City for the 11 employees of WCE is \$1,956,376. The additional ongoing incremental cost of the successor MOU beyond the FY 20/21 budget is:

| | <u>Incremental</u> <u>FY 2021-22</u> | <u>Incremental</u> <u>FY 2022-23</u> | <u>Incremental</u> <u>FY 2023-24</u> |
|--------------------------------|---|---|---|
| Wages: | | | |
| Base Salary | \$63,261 | \$47,129 | \$39,228 |
| Other costs: | | | |
| Pension* | \$29,984 | \$22,336 | \$18,590 |
| Taxes, etc. (Medicare, W/C) | <u>\$ 2,252</u> | <u>\$ 1,678</u> | <u>\$ 1,397</u> |
| Total Incremental Cost: | \$95,497 | \$71,143 | \$59,215 |

***This incremental pension cost results only from the negotiated wage increase and does not include the cost of associated MCERA rate changes. The terms and conditions of the pension benefit plan remain unchanged.*

While the incremental cost is \$95,497 for fiscal year 2021-2022, \$71,143 for fiscal year 2022-2023, and \$59,214 for fiscal year 2023-24, the increases are compounding and therefore the projected wages and other costs total \$487,992 plus \$24,750 in one-time payment, totaling \$512,742, plus \$17,500 in one-time costs for the furlough repayment, totaling \$530,242 for the three-year term. The incremental cost for fiscal year 21-22 includes the prior year (fiscal year 20-21) contract extension restoration of a 3% base wage increase. The increase in compensation included in this resolution is in line with the City’s current budget projections. Funding for these positions is provided for in the City’s General Fund.

OPTIONS:

The City Council has the following options to consider in this matter:

- Staff’s recommendation to adopt the resolution.
- Adopt resolution with modifications.
- Direct staff to return with more information.
- Take no action.

RECOMMENDED ACTION:

Staff recommends that the City Council adopt the resolution to approve the successor Memorandum of Understanding between the City of San Rafael and Western Council of Engineers pertaining to compensation and working conditions (July 1, 2021 through June 30, 2024) and the Furlough Reimbursement Side Letter.

ATTACHMENTS:

1. Resolution with attached MOU between City of San Rafael and Western Council of Engineers for July 1, 2021 to June 30, 2024 (and all attachments).

2. Furlough Reimbursement Side Letter

RESOLUTION NO.

**RESOLUTION OF THE SAN RAFAEL CITY COUNCIL APPROVING A
MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF SAN RAFAEL AND
WESTERN COUNCIL OF ENGINEERS (WCE) PERTAINING TO COMPENSATION AND
WORKING CONDITIONS (JULY 1, 2021 THROUGH JUNE 30, 2024)
AND FURLOUGH REIMBURSEMENT SIDE LETTER**

WHEREAS, the Western Council of Engineers (WCE) labor agreement with the City expired on June 30, 2021, after a one-year extension; and

WHEREAS, the City of San Rafael and representatives of WCE have met and conferred in good faith with regard to wages, hours and working conditions in accordance with the provisions of the Meyers-Milias-Brown Act; and

WHEREAS, a Memorandum of Understanding (“MOU”) pertaining to the three-year period from July 1, 2021 through June 30, 2024 has been ratified by WCE members; and

WHEREAS, a side letter has been mutually agreed upon by the City and WCE regarding the repayment of the furlough which was implemented in fiscal year 20-21; and

WHEREAS, the circumstances that make it possible for the City to reimburse employees for the furlough are extremely unique in nature and this one-time reimbursement for FY 20-21 is non-precedential;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SAN RAFAEL DOES RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

Section 1: From and after the date of adoption of this Resolution, the City of San Rafael and Western Council of Engineers (WCE) shall utilize the MOU for the period beginning July 1, 2021, attached hereto, as the official document of reference respecting compensation and working conditions for employees represented by WCE.

Section 2: The schedules describing classes of positions and salary ranges are attached to said MOU and, together with the MOU itself, are hereby adopted and shall be attached hereto and incorporated in full.

Section 3: One-time repayment of the furlough shall be made per the agreed upon Furlough Reimbursement Side Letter.

I, Lindsay Lara, Clerk of the City of San Rafael, hereby certify that the foregoing Resolution was duly and regularly introduced and adopted at a regular meeting of the City Council of the City of San Rafael, held on Monday, the 19th of July 2021, by the following vote, to wit:

AYES: Councilmembers:

NOES: Councilmembers:

ABSENT: Councilmembers:

Lindsay Lara, City Clerk

MEMORANDUM OF UNDERSTANDING

between

CITY OF SAN RAFAEL

and

WESTERN COUNCIL OF ENGINEERS

JULY 1, 2021 - JUNE 30, 2024

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LIST OF EXHIBITS

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| Exhibit A | Salary Schedules for July 1, 2021 – June 30, 2024 |
| Exhibit B | Classification/Compensation Summary: Benchmark Linkages |

MEMORANDUM OF UNDERSTANDING
between
CITY OF SAN RAFAEL
and
WESTERN COUNCIL OF ENGINEERS

This Memorandum of Understanding is entered into pursuant to the provisions of 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 Memorandum of Understanding shall be presented to the City Council of the City of San Rafael as the joint recommendation of the undersigned parties for salary and employee benefit adjustments for the period commencing July 1, 2021 and ending June 30, 2024.

1 GENERAL PROVISIONS

1.1 INTRODUCTION

1.1.1 Scope of Agreement

The salaries, hours, fringe benefits and working conditions set forth have been mutually agreed upon by the designated bargaining representatives of the City of San Rafael (herein-after called "CITY") and the Engineering Unit employees as represented by the Western Council of Engineers (herein-after called "WCE") and shall apply to all employees of the City working in the classifications and bargaining unit set forth herein.

1.1.2 Term of MOU

This agreement shall be in effect from July 1, 2021 through June 30, 2024.

1.2 RECOGNITION

1.2.1 Bargaining Unit

The City hereby recognizes the Western Council of Engineers as the bargaining representative for purpose of establishing salaries, hours, fringe benefits and working conditions for all employees within the WCE. (As referenced in Exhibit "A" and "B" attached).

1.2.2 Notice to Employees

Whenever a person is hired in any of the job classifications set forth herein, the City shall notify such person that the Western Council of Engineers is the recognized bargaining representative for employees in that classification.

1.3 NON-DISCRIMINATION

1.3.1 In General

The parties to this contract agree that they shall not, in any manner, discriminate against any person whatsoever because of race, color, age, religion, ancestry, national origin, sex, sexual orientation, marital status, medical condition or disability. Any employee alleging such discrimination should use the internal administrative process explained in the City Policy against

Harassment, Discrimination and Retaliation which is available on the City's Intranet website to redress the situation. Such employees shall be entitled to WCE representation but are not entitled to seek redress using the grievance procedure of this MOU.

1.3.2 Union Discrimination

No member, official, or representative of the WCE shall, in any way, suffer any type of discrimination in connection with continued employment, promotion, or otherwise by virtue of membership in or representation of WCE.

1.4 INSPECTION OF MEMORANDUM OF UNDERSTANDING

Both the City and the WCE agree to keep duplicate originals of this Memorandum on file in a readily accessible location available for inspection by any employee or member of the public upon request.

1.5 EXISTING LAWS, REGULATIONS & POLICIES

This agreement is subject to all applicable laws of the State of California, and ordinances, regulations, and policies of the City of San Rafael.

1.6 STRIKES & LOCKOUTS

During the term of this Memorandum, the City agrees that it will not lock out employees, and the WCE agrees that it will not agree to, encourage or approve any strike or slowdown growing out of any dispute relating to the terms of this Agreement. The WCE will take whatever lawful steps are necessary to prevent any interruption of work in violation of this Agreement, recognizing with the City that all matters of controversy within the scope of this Agreement shall be settled by established procedures set forth in the City's charter, ordinances, and regulations, as may be amended from time to time.

1.7 SEVERABILITY

If any article, paragraph or section of this Memorandum shall be held to be invalid by operation of law, or by any tribunal of competent jurisdiction, or if compliance with or any enforcement of any provision hereof be restrained by such tribunal, the remainder of this Memorandum shall not be affected thereby, and the parties shall, if possible, enter into meet-and-confer sessions for the sole purpose of arriving at a mutually satisfactory replacement for such article, paragraph or section.

1.8 PREVAILING RIGHTS

All matters within the scope of meeting and conferring which have previously been adopted through rules, regulation, ordinance or resolution, which are not specifically superseded by this Memorandum of Understanding shall remain in full force and effect throughout the term of this Agreement.

1.9 FULL UNDERSTANDING, MODIFICATION, WAIVER

1.9.1 Understanding

The parties jointly represent to the City Council that this Memorandum of Understanding set forth the full and entire understanding of the parties regarding the matters set forth herein.

1.9.2 Waiver & Modification

Except as specifically otherwise provided herein, it is agreed and understood that each party hereto voluntarily and unqualifiedly waives its right and agrees that the other shall not be

required to meet and confer with respect to any subject or matter covered herein, nor as to wages or fringe benefits during the period of the term of this Memorandum.

The foregoing shall not preclude the parties hereto from meeting and conferring at any time during the term of this Agreement with respect to any subject matter within the scope of meeting and conferring by mutual agreement.

2 MMBA

2.1 UNION RIGHTS

2.1.1 Union Stewards Designation

The WCE shall, by written notice to the City Manager, designate certain of its members as WCE Officers. WCE Officers shall be permitted reasonable time for WCE activities including grievance representation. In all cases, the Officers shall secure permission from the Officer's supervisor before leaving a work assignment. Such permission shall not be unreasonably withheld.

WCE Officers for salary discussions shall be in accordance with the Meyers-Milias-Brown (MMB) Act.

2.1.2 Bulletin Boards

Authorized representatives of the WCE shall be allowed to post WCE notices on specified bulletin boards maintained on City premises.

2.1.3 Association Orientation of New Employees

Whenever the City hires an employee within any classification covered by this Memorandum of Understanding and represented by the Association, the City will inform the employee, as soon as possible, of the terms and provisions of this Memorandum of Understanding and will provide said employee with a copy of the current Memorandum of Understanding. The City shall make available up to two hours, at a mutually agreeable time, during the initial thirty (30) days of employment for new employee orientation by the Association. In addition, the City will also provide reasonable advance notice to the Association of all employee orientations conducted by the City for its members.

2.1.4 Employee Information

The City shall provide the Association with the name, job title, department, work location, work, home and personal cell phone numbers, home address and personal email address on file with the City for all employees within the Association every 120 days. In addition, a report with similar information of each Association new hire will be provided to the Association within 30 days of the hire date.

2.2 DUES DEDUCTION

2.2.1 Collection of Dues

The City agrees to deduct dues and voluntary WCE deductions selected by members as established by the WCE, from the salaries of its members. The sums so withheld shall be remitted by the City, without delay, along with a list of employees and their respective dues and voluntary deductions. The WCE bears responsibility for allocating dues and voluntary deductions pursuant to employees' requests.

2.2.2 *Dues Collection during Separation from Employment*

The provisions specified above (Section 2.2.1.) shall not apply during periods of separation from the WCE by any such employee but shall reapply to such employee commencing with the next full pay period following the return of the employee to the WCE. The term separation includes transfer out of the WCE, layoff, and leave without pay absences with a duration of more than five (5) working days.

2.2.3 *Agency Shop*

The parties hereto recognize that, within the Agency shop provisions of this agreement, WCE employees may opt to join the WCE or register as a fee payer during the first thirty (30) days of their employment. Neither the City nor the WCE will discriminate against any employee because of the exercise of their statutory rights. The WCE agrees to its obligation to represent all of the employees in the unit fairly and equally, without regard to their membership in the WCE.

All employees, as a condition of employment, either be required to belong to the WCE or to pay to the WCE an amount equal to a fair share percentage of that which would be paid by an employee who decides to become a member of the WCE at the time of employment. Note: The WCE is obligated to annually inform the City of the fair share amount.

The employee's earnings must be regularly sufficient after other legal and required deductions are made to cover the amount of the dues or service fees check off authorized. When an employee is in a non-pay status for an entire pay period, no withholding will be made to cover the pay period from future earnings. In the case of an employee who is in a non-pay status during only part of the pay period, and the salary is not sufficient to cover the full withholding, no deduction shall be made. In this connection, all other legal and required deductions have priority over WCE dues.

The WCE shall notify the City in writing as to the amount of such dues uniformly required of all members of the WCE.

2.2.4 *Indemnification*

Moneys withheld by the City shall be transmitted to the Treasurer of the WCE at the address specified. The WCE shall indemnify, defend, and hold the City harmless against any claims made, and against any suit instituted against the City on account of check off of employee organization dues or service fees. In addition, the WCE shall refund to the City any amount paid to it in error upon presentation of supporting evidence.

2.3 MANAGEMENT RIGHTS

The City reserves, retains, and is vested with, solely and exclusively, all rights of management which have not been expressly abridged by specific provision of this Memorandum of Understanding or by law to manage the City, as such rights existed prior to the execution of this Memorandum of Understanding. The sole and exclusive rights of management, as they are not abridged by this Agreement or by law, shall include, but not be limited to, the following rights:

1. To manage the City generally and to determine the issues of policy;
2. To determine the existence of facts which are the basis of the management decision;
3. To determine the necessity of any organization or any service or activity conducted by the City and expand or diminish services;
4. To determine the nature, manner, means, technology and extent of services to be provided to the public;

5. Methods of financing;
6. Types of equipment or technology to be used;
7. To determine and/or change the facilities, methods, technology, means and size of the work force by which the City operations are to be conducted;
8. To determine and change the number of locations, re-locations and types of operations, processes and materials to be used in carrying out all City functions including, but not limited to, the right (after effects bargaining) to contract for or subcontract any work or operation of the City;
9. To assign work to and schedule employees in accordance with requirements as determined by the City, and to establish and change work schedules and assignments;
10. To relieve employees from duties for lack of work or other legitimate reasons;
11. To discharge, suspend, demote or otherwise discipline employees for proper cause in accordance with the provisions and procedures set forth in City Personnel Rules and Regulations and this MOU;
12. To determine job classifications and to reclassify employees;
13. To hire, transfer, promote and demote employees in accordance with this Memorandum of Understanding and the City's Rules and Regulations;
14. To determine policies, procedures and standards for selection, training and promotion of employees;
15. To establish and modify employee and organizational performance and productivity standards and programs including but not limited to, quality and quantity standards; and to require compliance therewith;
16. To maintain order and efficiency in its facilities and operations;
17. To establish and promulgate and/or modify rules and regulations to maintain order and safety in the City which are not in contravention with this Agreement;
18. To take any and all necessary action to carry out the mission of the City in emergencies.

The City and the Union agree and understand that if, in the exercise of any of the rights set forth above, the effect of said exercise of rights by the City impacts an area within the scope of representation as set forth in the Meyers/Milias/Brown Act, case law interpreting said acts, and/or Federal law, the City shall have the duty to meet and confer with the Union regarding the impact of its decision/exercise of rights.

2.4 COMMENCEMENT OF NEGOTIATIONS

It is mutually agreed to begin the Meet and Confer process no later than three (3) months before the expiration date of this MOU, regarding the terms and conditions applicable to successor MOUs. The process will be initiated by the Union through the submittal of potential meeting dates.

3 COMPENSATION

3.1 GENERAL WAGES AND COMPENSATION

3.1.1 Pay Dates

City employees are paid twice per month on the 15th and the last working day of the month. When a holiday falls on a payday, the payday will be transferred to the following day of regular

business unless Finance is able to complete the payroll by the previous workday. The method of the distributing payroll shall be established by the Director of Finance. The City will modify its pay schedule to 26 pay periods effective when administratively feasible subject to addressing of technical issues and reaching of agreement with all bargaining groups.

3.1.2 *General Wage Increase*

Prior year contract extension – restoration of 3% base wage: For FY 20-21, all bargaining groups (except WCE, Local 1, Mid-Management and Executive Management) received a 3% base wage increase for the 1-year contract extension, which was implemented for FY 20/21. The timing of the COVID-19 pandemic and the associated financial losses which were projected at that time, resulted in an unintended disparate treatment of the bargaining groups. WCE, Local 1, Mid-Management and Executive Management did not receive this same 3% base wage increase for FY 20-21. However, the City is now in a financial position to “restore” the 3% base wage increase to those groups. The 3% base wage increase will apply to all WCE positions and is reflected in the attached revised salary schedules, effective on July 1, 2021.

The City shall provide the following salary increases for the listed positions in each year of the MOU, with Year 1 salary increases to become effective July 1, 2021; or, on the first pay period after Council’s approval – whichever occurs later in time.

Junior Engineer:

- 1.6% general salary increase plus 0.9% equity adjustment in Year 1 (2.50% total)
- 1.6% general salary increase plus 2.40% equity adjustment in Year 2 (4.00% total)
- 1.6% general salary increase plus 1.65% equity adjustment in Year 3 (3.25% total)

Assistant Engineer, Associate Civil Engineer, Engineering Technician I/II, Senior Civil Engineer (PW), Traffic Engineer and Traffic Engineering Technician I/II:

- 1.6% general salary increase plus 0.65% equity adjustment in Year 1 (2.25% total)
- 1.6% general salary increase plus 2.15% equity adjustment in Year 2 (3.75% total)
- 1.6% general salary increase plus 1.40% equity adjustment in Year 3 (3.00% total)

Salary rates for all bargaining unit positions are shown in the salary table attached as Exhibit A.

3.1.3 *One-Time Payments*

Effective the pay period including July 1, 2021 or the first full pay period following Council ratification of a new MOU, whichever occurs later, each employee in the bargaining unit will receive a one-time payment of \$2,250 in exchange for the elimination of the Revenue Sharing provision from the MOU. This payment will not contribute to Classic or PEPRA employees’ pensions and is subject to normal payroll taxation.

3.1.4 *Compensation Goal & Definitions*

It is the goal of the City Council to try to achieve a total compensation package for all employees represented by the WCE in an amount equal to the following:

1. The average plus one dollar to the total compensation paid to the same or similar classifications in the following nine (9) cities: Fairfield, Vallejo, Hayward, San Leandro, Alameda, Napa, Novato, Santa Rosa and,
2. The highest total compensation paid to the same or similar classifications in the following agencies in Marin County: Marin County, Novato and the Jr. Engineering class for the Marin Municipal Water District.

Total Compensation for survey purposes shall be defined as: Top step salary (excluding longevity pay steps), educational incentive pay, holiday pay, uniform allowance, employer paid deferred compensation (except for such portion that may be part of employee cafeteria plan), employer's contribution towards employees' share of retirement, employer's retirement contribution, employer paid contributions toward insurance premiums for health, life, long term disability, dental and vision plans, and employer paid cafeteria/flexible spending accounts.

The CPI shall be the percentage change in the San Francisco-Oakland-San Jose Area All Urban Consumer index as published by the Bureau of Labor Statistics for the one-year period ending each October during the term of the contract.

3.1.5 *Compensation Surveys*

To measure progress towards the above-stated goal, the City and WCE will jointly survey the identified benchmark position, Junior Engineer, in February of the final year of the contract.

Identified benchmark positions from other agencies include positions that are filled as well as those that may be unfilled, so long as the benchmark position is identified by the survey agency as being on the salary schedule and having a job class description. Other city/agency positions are established as benchmark positions in San Rafael's compensation survey based upon similar work and similar job requirements.

Survey data will include all salary and benefit increases, as defined in 'total compensation'. The City and the WCE shall review the benchmark and related survey data for accuracy and completeness.

3.1.6 *Compensation Plan*

The Compensation Plan adopted by the City Council shall provide for salary schedules, rates, ranges, steps and any other special circumstances or items related to the total compensation paid employees.

Each position within the classified services shall be allocated to its appropriate class in the classification plan on the basis of duties and responsibilities. Each class shall be assigned a salary range or a rate established in the salary plan. All persons entering the classified service shall be compensated in accordance with the salary plan then in effect.

All initial employments shall be at the first step of the salary range. The City Manager or his/her designee may authorize, upon the recommendation of the Appointing Authority, a position at an appropriate higher salary when, in his/her opinion, it is necessary to obtain qualified personnel or when it appears that the education or experience of a proposed employee is substantially superior to the minimum requirements of the class and justifies a beginning salary in excess of the first step

3.1.7 *Fair Labor Standards Act*

The City may reopen negotiations during the term of this Agreement to address changes in the law governing the regular rate of pay under the FLSA.

3.2 STEP INCREASES

3.2.1 *Entry Level Step*

All initial employment shall be at the first step of the salary range, provided that the Department Director may make an appointment to a position at an appropriate higher salary when, in his/her opinion, it is necessary to obtain qualified personnel, or when it appears that the education or experience of a proposed employee is substantially superior to the minimum requirements of

the class and justifies a beginning salary in excess of the first step. City Manager approval is required for entry level appointment above Step C for any position.

3.2.2 *Consideration for Step Increases*

An employee may be considered for a salary step increase in accordance with the time interval established in the salary plan, as referenced in Exhibit "A". Unless otherwise noted, salary step increases within established salary ranges are scheduled at yearly intervals. Advancement to a higher salary step within an established salary range is granted for continued improvements and efficient and effective work by the employee in the performance of his/her duties.

3.2.3 *Merit Increases*

Accelerated merit performance step increases of five percent (5%) may be granted an employee based upon the recommendation of the Department Director and approved by the City Manager. Employees at the maximum step of their salary range may be granted a merit performance step increase of five percent (5%) above and beyond their salary range. A merit step increase may be effective for up to one (1) year. A merit step increase may be withdrawn and is not a disciplinary action and is not appealable.

3.2.4 *Anniversary Date*

Based upon job performance as measured by a Performance Evaluation, employees may receive consideration for a step increase within their salary range on their anniversary date. When an employee is promoted or reclassified to a new position, the first pay date at the new position shall constitute the employee's new anniversary date for purposes of the annual Performance Evaluation.

3.2.5 *Promotions*

Employees promoted to higher-level positions shall be placed at the step in the new salary range that will provide, at a minimum, a five (5%) increase (unless that would exceed the top step in the salary range).

3.2.6 *Performance Evaluations*

Prior to the completion of the probationary period, a minimum of one performance evaluation report shall be reviewed with the employee, but such report and review shall not be required prior to separating an employee during the probationary period.

Upon completion of the probationary period, a performance report shall be prepared and reviewed yearly thereafter for each employee in the Classified Service, as a means of determining whether in-grade salary increases are merited, and/or as a means of improving employee performance and communication between supervisors and subordinates.

3.3 SALARY CHANGE ON RECLASSIFICATION

If an occupied position is reclassified, the incumbent shall be affected as outlined below:

3.3.1 *To a Lower Classification*

When a position is re-allocated to a lower classification the incumbent is either:

1. Transferred to a vacant position in the former classification; or
2. If the incumbent's current salary is greater than the top step of the lower classification, Y-rated at the current salary until the salary of the lower classification is at or above the Y-rate.

3.3.2 *To a Different Classification with the Same Salary Range*

When a position is reallocated to a different classification with the same salary range, the incumbent shall be granted the same status in the new classification, in which he/she shall be paid at the same step of the range and shall maintain the same salary rights.

3.3.3 *To a Higher Classification*

When a position is reclassified to a classification with a higher salary range, the incumbent is moved into the higher classification with the position, except in the circumstances prescribed below. Placement in the salary range shall be in accordance with the appropriate salary pay plan.

If the duties upon which the reclassification are based could have been assigned to any of a number of employees in that classification within the division or department, then a promotional exam is held for the reclassified position. Such an exam is a departmental only recruitment limited to employees within that classification. If the incumbent is not successful in this competitive process, she/he is assigned to the position vacated by the promotion.

3.4 SPECIFIED WAGE ADJUSTMENTS / DIFFERENTIALS

3.4.1 *Out of Class Compensation*

Employees assigned in writing by their supervisor to perform work in a higher paid classification, shall be compensated at a rate 5% greater than the employee's current base salary. Eligibility for Out-of-Class compensation requires a minimum assignment of five (5) consecutive workdays. The out-of-class increase shall be retroactive to the first day of the assignment. If the assignment extends beyond four consecutive weeks, then the employee shall be compensated at the lower step of the classification within which the duties fall if that is greater. The Department Director is required to complete a Personnel Action Report (PAR), located on the Human Resources page of the Intranet, to initiate Out-of-Class Compensation.

3.4.2 *Shift Differential Pay*

- A three percent (3%) shift differential shall be paid for all employees in these represented bargaining groups who are regularly scheduled to work fifty percent (50%) or more of their shift between the hours of 5:00 p.m. and 11:00 p.m.
- A five percent (5%) shift differential shall be paid for all employees in these represented bargaining groups who are regularly scheduled to work fifty percent (50%) or more of their shift between the hours of 11:00 p.m. and 7:00 a.m.
- Employees in job classes not identified in this section who are assigned to work the swing or graveyard shift time periods on a temporary basis and/or on an overtime basis are excluded from shift differential pay for those time periods.
- Shift differential shall not be considered an additional percentage on salary for personnel involved but shall apply only to hours actually worked; e.g., differential does not apply to sick leave, vacation or compensatory time, but does include overtime for employees regularly assigned to the swing or graveyard shifts.

3.5 ADDITIONAL PAY

3.5.1 *Required Professional Licenses and Registration*

The City shall continue to reimburse employees for the fee charged by the State of California for any renewal fees for their professional registration(s) as a Civil or Traffic Engineer, or for any other engineering registrations which employees may hereafter receive, which are required by

the employee's position. Verification of the renewal of the professional registration is required in order to receive the reimbursement.

3.5.2 *Professional Development*

For each year of this MOU, each employee shall receive reimbursement up to a maximum of five hundred dollars (\$500.00) for professional development. The monies allocated under this section shall be job-related and/or related to an employee's potential career advancement in his/her field. It is agreed that the Professional Development Expenditure is not a substitute for the Public Works' Department's training budget.

Bargaining Unit Members are eligible for up to two (2) working days per fiscal year to further their professional development that is directly relevant to their employment with the City. Employees must submit requests for the time out of the office at least three (3) weeks in advance and obtain supervisor and/or director approval. Should the request be denied, the employee may submit the request in advance to Human Resources for appeal, whose decision will be final. These two (2) days are intended to be used when an employee wants to pay for their own professional development opportunity. Professional development opportunities that the department agrees to sponsor will be considered separate from these two (2) days out of the office and will be designated as working time and will not be counted against the two additional working days described above in this section.

3.5.3 *Allowable Expenses*

Reimbursement under this Section is intended to include items which relate to an employee's job classification and/or which promote and enhance an employee's development of skills, expertise and education in her/his profession. The items may include, but are not limited to the following:

- Technical and educational books, including electronic books, publications and coursework;
- Subscriptions to professional journals or magazines, including on-line subscriptions;
- Membership dues to professional organizations which are related to current employment, including but not limited to the American Society of Civil Engineers, traffic engineering associations and water engineering issues-related associations;
- Registration, application, or examination fees for registration or certification within his/her profession, as well as for preparatory courses or materials for such a registration exam;
- Tuition, fees and books for successful completion of courses related to an employee's job or professional development including webinars and on-line courses. If the course is graded, reimbursement will be dependent upon at least a passing grade (C or better, Pass or Complete) in the course;

Registration fees, materials and expenses, including travel expenses, related to attendance at seminars and conferences to be job related and/or will assist the employee to prepare for career advancement, prior supervisor approval is necessary for this expense.

3.5.4 *Procedures for Reimbursement*

All receipts for reimbursement, whatever the aggregate value, must be submitted as soon as possible after the expense is incurred, but must, in any event, be submitted before the end of the fiscal year.

The decision as to whether expenditures under this section are eligible for reimbursement under this section will be made by the Department Director or designee, in consultation with the

Human Resources Director. Requests for reimbursements will not be unreasonably denied. If the request for reimbursement is denied, the Department Director or designee must state, in writing, the reasons for the denial. The employee and a representative of WCE, if requested by the employee, shall meet with the Department Director or designee and Human Resources Director to discuss the reasons for the denial, and the employee will have an opportunity to state why such reimbursement is appropriate.

3.5.5 *Bilingual Pay*

Within the job classifications represented by the WCE, provisions are hereby established whereby an employee may receive bilingual pay for full fluency in a foreign language.

Full fluency is defined as a skill level that will allow the employee to fully assist someone else who does not speak English in coping with situations or problems by translating for, conversing with and/or reading or writing written material.

An employee can petition to his/her Department Director for this bilingual pay incentive. With the Department Director's recommendation and on review by the Human Resources Director and approval of the City Manager the employee may begin to receive this bilingual pay incentive.

Criteria for approval of the bilingual pay incentive by the City Manager includes:

- a. Certification by a recognized school of the appropriate skill level; and/or
- b. Demonstrated ability of the proficiency level on the job; and
- c. Department Director's recommendation and statement that the bilingual skill of the employee can be of value to the department and the employee in the completion of their regular work assignments.

An employee approved for the bilingual pay incentive shall receive an additional \$150.00 per month above their base salary. Part-time employees will be pro-rated for this incentive based on their FTE.

This bilingual pay incentive shall be reviewed annually and shall continue as long as the employee demonstrates (by work experience or re-testing, as determined by the City of San Rafael) the full fluency skill level; and as long as the Department Director indicates the value of this skill to the department and the employee in the completion of their regular work assignments.

Removal of the bilingual pay incentive would be considered a non-disciplinary action and as such would not be subject to any appeal/grievance procedure.

3.5.6 *Uniform Allowance*

The safety shoe allowance of \$170.00/year will be discontinued and the \$170.00/year will be added to base pay effective July 2014.

4 BENEFITS

4.1 EMPLOYEE BENEFITS COMMITTEE

Both parties agree to continue to utilize the Employee Benefits Committee for ongoing review of benefit programs, cost containment and cost savings options. The Committee shall be made up of representatives of the SEIU, SEIU-Childcare, Western Council of Engineers, Local 1 - Confidential, Police, Police Mid-Management, Fire, Fire Mid-Management, Mid-Management and Management employees.

4.2 HEALTH & WELFARE

4.2.1 Full Flex Cafeteria Plan

Effective January 1, 2010, the City implemented a Full Flex Cafeteria plan for active employees, in accordance with IRS Code Section 125. Active employees participating in the City's full flex cafeteria plan shall receive a monthly flex dollar allowance to purchase benefits under the plan.

The monthly flex dollar allowance effective the paycheck of December 15, 2020 shall be:

| | |
|--|------------|
| For employee only: | \$ 835.94 |
| For employee and one dependent: | \$1,671.91 |
| For employee and two or more dependents: | \$1,814.57 |

The "employee only" allowance will be frozen at \$835.94. This amount is ineligible for the following flex dollar increase until this amount is less than 100% of the Kaiser premium. Flex dollar allowances shall increase on the December 15th paycheck of each subsequent year up to a maximum of three percent (3%) on an annual basis, based on but not to exceed the Kaiser Bay Area premium rate increase for the upcoming calendar year.

The City shall contribute to the cost of medical coverage for each eligible employee and his/her dependents, an amount not to exceed the California Public Employees' Medical and Hospital Care Act (PEMHCA) contribution, as determined by CalPERS on an annual basis. This portion of the monthly flex dollar allowance is identified as the City's contribution towards PEMHCA. The balance of the monthly flex dollar allowance (after the PEMHCA minimum contribution) may be used in accordance with the terms of the cafeteria plan to purchase health benefits or may be converted to taxable income.

Conditional Opt-Out Arrangement: An employee may elect to waive the City's health insurance coverage and receive a \$300 monthly Opt-Out payment in accordance with the terms of the cafeteria plan, and the Affordable Care Act, if the employee complies with the following conditions:

- 1) The employee certifies that the employee and all individuals in the employee's tax family for whom coverage is waived have alternative Minimum Essential Coverage as defined by the Patient Protection and Affordable Care Act through a provider other than a federal marketplace, a state exchange, or an individual policy.
- 2) During the City's annual open enrollment period, the employee must complete an annual written attestation confirming that the employee and the other members of the employee's tax family are enrolled in alternative Minimum Essential Coverage. The employee agrees to notify the City no later than 30 days if the employee or other member(s) of the employee's tax family lose coverage under the alternative Minimum Coverage Plan.
- 3) The employee understands that the City is legally required to immediately stop conditional opt-out payments if City learns that the employee and/or members of the employee's family do not have the alternative Minimal Essential Coverage.

The City reserves the right to modify at any time, the amount an employee is eligible to receive under this paragraph, if required by IRS Cafeteria Plan regulations, other legislation or Federal and/or California agency guidance.

The City shall be responsible for paying premiums for a life insurance and Accidental Death and Dismemberment (AD&D) policy for each employee. The life and AD&D policy shall provide a \$5,000 life insurance and a \$5,000 AD&D benefit.

The City shall be responsible for paying premiums for a Long-Term Disability Policy for each employee that satisfies the eligibility provisions of the long-term disability policy. The Long-Term Disability policy shall provide for salary replacement of 66.67% of an individual's salary up to a maximum disability benefit of \$1,000 per month.

4.2.2 *Retirees Health Insurance*

Employees represented by WCE who retire from the Marin County Employees' Retirement Association (MCERA) within 120 days of leaving their City of San Rafael position (and who comply with the appropriate retirement provisions under the MCERA laws and regulations) are eligible to continue in the City's retiree group health insurance program offered through PEMHCA. The City's contribution towards retiree coverage shall be the PEMHCA minimum contribution as determined by CalPERS on an annual basis.

a. Employees hired on or before January 1, 2010 - The City shall make a retiree health insurance payment on behalf of employees hired before January 1, 2010 and who retire from the City of San Rafael as described in this Section. The City's total payment, which includes the PEMHCA minimum contribution, shall not exceed \$752 per month. The City's retiree health contribution shall continue for the lifetime of the retiree and retiree's spouse, in accordance with PEMHCA eligibility provisions for coverage.

Employees receive the pro-rated amount based on their status at the time of retirement. For example: if an employee works part-time, and retires while working part-time, then the employee receives a pro-rated contribution based on the employee's part-time status at the point of retirement.

b. Employees hired on or after January 1, 2010 and who meet the eligibility requirements for retiree health insurance are eligible to continue in the City's group health insurance program. The City's maximum contribution towards retiree coverage under this subsection, 4.2.3 B, shall be the PEMHCA minimum contribution as determined by CalPERS on an annual basis. The City shall not be responsible for making any contributions towards the cost of coverage of the retiree's spouse, registered domestic partner, or dependents upon the employee's retirement from the City in excess of the PEMHCA minimum contribution as required by CalPERS.

The City shall additionally make available a retiree health care trust to enable these employees (hired after January 1, 2010) to prefund retiree health care premiums while employed by the City. The retiree health care trust shall be funded by annual conversion of 50 hours of sick time in service on July 1 of each year, provided an employee has a remaining balance of 125 hours of sick leave after the conversion.

4.2.3 *Pro Rata Benefit Rules*

Employees covered by this Agreement who work less than full time but more than twenty (20) hours per week on a regular basis shall be eligible to receive: a) pro-rated leave benefits; b) a pro-rated share of the monthly dollar contribution made by the City to be used for enrollment in City offered group health, life, and long term disability insurance plans which the employee may be eligible for based upon the regular hours the employee works, and c) pro-rated share shall be equivalent to the part time employee position's ratio of hours worked to full time equivalency.

4.2.4 *Health and Dependent Care Spending Accounts*

The City will offer as part of its Section 125 Plan, for as long as such a plan is desired by the WCE and available pursuant to the IRS Code, Health and Dependent Care Spending Accounts. The Flexible Spending Accounts offered by the City include:

- a. Healthcare Spending Account: Out-of-pocket medical expenses that qualify under the IRS Code effective January 1, 2003 at IRS Code limit, not to exceed \$2,500. Employees are responsible to pay the monthly administrative fee and any increase established by the third-party administrator.
- b. Dependent Care Spending Account: Dependent care expenses that qualify under the IRS Code at the IRS Code limit (currently \$5,000 per calendar year). Employees are responsible to pay the monthly administrative fee and any increase established by the third-party administrator.
- c. Premium Only Plan: Excess Medical premiums shall be deducted from employee's pay with pre-tax dollars as long as such deduction is allowable under the applicable IRS Code.

The City shall establish an annual enrollment period and each employee must re-enroll annually for either plan noted in a. and/or b. The City shall have the authority to implement changes to the 125 Programs to comply with changes in applicable IRS laws without having to go through the meet and confer process.

4.2.5 *Health Insurance Providers*

The City shall have the option, after meeting and consulting with WCE representatives, of either contracting with the Public Employees Retirement System (PERS) Health Benefits Division for health insurance or contracting directly with some or all of the providers of health insurance under the PERS program; provided, however, contracting directly with the providers shall not cause any material reduction in insurance benefits from those benefits available under the PERS program.

4.3 DENTAL PLAN

4.3.1 *Dental Plan*

The City will provide a dental insurance program which offers 100% coverage for diagnostic and preventative care; \$25.00 deductible on corrective care (80/20); and an 80% payment of eligible costs associated with crown and cast restoration per patient per calendar year and orthodontic coverage for eligible dependents (50/50). The dental provider will provide payments for covered services at the percentage indicated in the plan booklet up to a maximum of \$1,500 for each enrollee in each calendar year.

Dental insurance enrollment is available to part time, regular, permanent employees working at least 20 hours per week. The City's contribution towards the monthly dental insurance premium will be prorated based on the FTE level of the part time employee.

4.4 VISION PLAN

The City will contract for a vision plan for employee only vision benefits. Employees will be eligible to enroll qualified family members and will pay the premium costs for such enrollment.

4.5 RETIREMENT CONTRIBUTION

4.5.1 *Member Contribution*

WCE members shall pay the full share of the employee's contribution to the Marin County Retirement System.

Effective when feasible in accordance with MCERA and City administrative requirements, all unit employees will pay an additional contribution of one percent (1%) of pensionable compensation toward the normal cost of pension provided by the Marin County Employees

Retirement Association, in addition to the current employee contribution towards pension as determined by MCERA.

The City of San Rafael acknowledges that, under its current practice, the employee's share of their retirement contribution is deducted with pretax dollars. This practice will continue until changed through the Meet and Confer process or until IRS regulations change.

4.5.2 *Retirement Plans*

On July 1, 2004, the City provided the Marin County Employee Retirement Association 2.7% at 55-retirement program to all miscellaneous members, as defined under the 1937 Act Government Code Section 31676, subject to Marin County Employee Retirement Association procedures and regulations and applicable 1937 Act laws that govern such plans. This is based on an employee's single highest year of compensation.

Employees hired on or after July 1, 2011 will receive an MCERA retirement benefit at the formula 2% at 55, calculated based on the average of their highest three years of compensation, in accordance with MCERA regulations. The annual pension adjustment shall be a maximum of 2% COLA. Minimum retirement age is 55.

Employees hired by the City on or after January 1, 2013 who are defined as "new members" of MCERA in accordance with the Public Employees' Pension Reform Act (PEPRA) of 2013, shall be enrolled in the MCERA 2% @ 62 plan for Miscellaneous members. The employee is responsible for paying the employee contribution of half of the total normal cost of the plan, as defined by MCERA, through a payroll deduction. Final compensation will be based upon the highest annual average compensation earnable during the thirty-six (36) consecutive months of employment immediately preceding the effective date of his or her retirement or some other period designated by the retiring employee.

4.5.3 *Member Cost of Living Rates*

Association members who are eligible to participate in the Marin County Employee Retirement Association will pay their full share of members' cost of living rates as allowed under Articles 6 and 6.8 of the 1937 Retirement Act. Miscellaneous and safety member contribution rates include both the basic and COLA portions (50% of COLA is charged to members as defined in the 1937 Act).

4.5.4 *Service Credit for Sick Leave*

Employees who retire from the City of San Rafael within 120 days of leaving City employment (excludes deferred retirements) shall receive employment service credit for retirement purposes only for all hours of accrued, unused sick leave (exclusive of any sick leave hours they are eligible to receive and they elect to receive in compensation at the time of retirement pursuant to Section 5.1.5. Compensation for Unused Sick Leave).

Employees hired on or after July 1, 2009 are not eligible to receive employment service credit of any accrued, unused sick leave for retirement purposes.

4.5.5 *Pension Committee*

A representative of the Union will participate in the City-wide pension committee.

4.6 STATE DISABILITY INSURANCE (SDI)

Employees will have the full premium cost for SDI or PFL coverage automatically deducted from their paycheck and no City contribution will be made toward participation in the plan.

It is incumbent upon the employee to keep the City advised of their medical status, within HIPAA guidelines, and eligibility for SDI or PFL. With this notification, SDI or PFL benefits, as

determined by the State, shall be integrated with accrued sick and vacation leave in the following manner:

1. Employee notifies supervisor of disability and need for time off. At the same time, employee files for SDI or PFL through the State Office.
2. Supervisor verifies from leave records the employee's accrual balances and projects whether or not employee would, under normal circumstances, be placed in a leave without pay status during the time off period.
3. Personnel Action Report (PAR) is completed by the supervisor to document request and approval of extended leave.
4. Human Resources Department, on receipt of the PAR, contacts employee and supervisor to discuss availability of coordination of SDI or PFL with leave benefits.
5. Once the employee begins receiving SDI or PFL compensation, the City will begin its integration. The City will do this by reducing the amount of SDI or PFL compensation from the employee's normal compensation. The balance will be paid using available sick hours. If an employee exhausts sick leave, the balance will be paid using vacation or other accrued leave.
6. When an employee receives the first SDI or PFL payment (issued via an EDD debit card) and statement, the employee must provide a copy of the statement and a personal check to the City for the amount of the SDI or PFL payment that is received. The City will then restore the sick or other accrued leave hours reflected in the SDI or PFL payment. To determine the leave hours to be restored, the City will divide the SDI or PFL payment by the employee's hourly rate.
7. Once the City has determined the amount of the ongoing SDI or PFL payment, the City will automatically reduce the employee's compensation by the amount of the state payment and apply the necessary amount of sick leave or other accrued leave as appropriate to equal full pay for the duration of the leave. The employee's combined compensation from SDI or PFL and accrued leave may not exceed 100% of regular pay.
8. The Human Resources Department, after notification from Payroll, notifies the employee when they have used all accrued sick and/or vacation time and when leave without pay status (LWOP) begins. Excluding qualifying FMLA/CFRA leave, once the employee is on LWOP they will keep any SDI payments received and would be fully responsible for the monthly health, dental and life insurance premiums if they chose to remain in the group plans. FMLA/CFRA provide an exception and are referenced under Section 5.4.6.

4.7 DEFERRED COMPENSATION

Effective simultaneously with the above-described increase in employee contribution by one percent (1%) to be contributed toward the normal cost of pension benefits provided by MCERA as described in Article 4.4.1, the City will contribute one percent (1%) of pensionable compensation toward a City-provided, deferred compensation plan.

5 LEAVES

5.1 SICK LEAVE

5.1.1 Eligibility

Sick leave with pay shall be granted to each eligible employee. Sick leave may not be used at an employee's discretion but shall be allowed only in case of necessity and actual sickness or disability. The employee is required to notify employee's immediate supervisor or Department Director according to department Rules and Regulations at the beginning of his/her daily duties. The City has the right to request a medical verification from an employee who is absent from his/her duties for two (2) or more consecutive workdays. The verification shall be either a physician's certificate or the employee's personal affidavit verifying the employee's eligibility for sick leave.

5.1.2 Sick Leave Accrual

All eligible full-time employees shall earn sick leave credits at the rate of one (1) working day per month commencing with the date of employment. Unused sick leave may be accumulated to any amount, but a cap exists for payoff purposes (see Section 5.1.5.). The sick leave accrual rate is prorated for eligible part time employees.

5.1.3 Use of Sick Leave

An employee may use accrued sick leave during their probationary period. An employee eligible for sick leave with pay shall be granted such leave for the following reasons:

- 1) Personal illness or physical incapacity of the employee or illness within the immediate family. Family is defined as an employee's spouse, registered domestic partner, parent, parent-in-law, grandparent, grandchild, sibling or unmarried children including adopted children, stepchildren, or recognized natural children who live with the employee in a regular parent-child relationship.;
- 2) Enforced quarantine of the employee in accordance with community health regulations;
- 3) Medical appointments that cannot be scheduled during non-working hours.

5.1.4 Advance of Sick Leave

Whenever circumstances require, and with the approval of the City Manager, sick leave may be taken in advance of accrual up to a maximum determined by the City Manager, provided that any employee separated from the service who has been granted sick leave that is un-accrued at the time of such separation shall reimburse the City of all salary paid in connection with such un-accrued leave.

5.1.5 Compensation for Unused Sick Leave

Upon termination of employment by resignation, retirement or death, a regular employee who leaves the City service in good standing shall receive compensation for all accumulated unused sick leave based upon the following formula: a rate of three percent (3%) for each year of service (i.e., 3% times number of employment service years). The maximum number of accumulated, unused sick leave an employee may be compensated for upon termination of employment is 600 hours. See Section 4.5.4 regarding Service Credit option for accumulated, unused sick leave that the employee is not compensated for upon termination.

5.2 VACATION LEAVE

5.2.1 Eligibility

Annual vacation with pay shall be granted each eligible employee. Vacation leave accrual shall be prorated for those employees working less than full time. Employees will be permitted to use accrued vacation leave after six (6) months of employment subject to the approval of the Department Director.

5.2.2 Rate of Accrual

Vacation benefits shall accrue during the probationary period. Each regular full-time employee (part time regular are prorated) shall accrue vacation at the following rate for continuous service. (Each service year in the chart begins on the first working day and ends on the last days of the service year.)

| Service Year | Annual Hours | Hours/Month |
|---------------------|---------------------|--------------------|
| 1-3 | 75.000 | 6.2500 |
| 4 | 112.500 | 9.3700 |
| 5 | 117.867 | 9.8222 |
| 6 | 123.234 | 10.2695 |
| 7 | 128.601 | 10.7167 |
| 8 | 133.968 | 11.1640 |
| 9 | 139.335 | 11.6110 |
| 10 | 144.702 | 12.0580 |
| 11 | 150.000 | 12.5000 |
| 12 | 157.500 | 13.1250 |
| 13 | 165.000 | 13.7500 |
| 14 | 172.500 | 14.3750 |
| 15 | 180.000 | 15.0000 |
| 16+ | 187.500 | 15.6250 |

When an employee is on an approved leave without pay, vacation accrual is prorated based upon paid hours in the pay period.

5.2.3 Administration of Vacation Leave

The City Manager, upon the recommendation of the Department Director, may advance vacation credits to any permanent regular and permanent part-time employee.

No employee may accrue more than 250 hours. Vacation accruals will resume once the employee's accumulated vacation balance falls below the allowable cap limit.

The time at which an employee may use his/her accrued vacation leave and the amount to be taken at any one time, shall be determined by employee's Department Director with particular regard for the needs of the City but also, insofar as possible, considering the wishes of the employee.

The maximum amount of vacation leave that may be taken at any given time shall be that amount that has accrued to the employee concerned, subject to the Department Director's approval. The minimum amount of vacation that may be taken at any given time shall be one-half (1/2) hour. Vacation leave granted by the City and used by an employee shall be deducted from the employee's vacation leave bank.

In the event that one or more City holidays falls within an annual vacation leave, only those hours that the employee is regularly scheduled to work shall be charged against any employee's accrued vacation.

Upon termination, an employee shall be compensated in cash at his/her current rate of pay for any vacation accrued but not taken, up to the maximum accrual cap, provided that the employee has successfully completed his/her initial probationary period.

5.2.4 *Vacation Cash-In*

An employee who has taken at least ten (10) days of vacation in the preceding twelve (12) months may request, in any fiscal year that accrued vacation, not to exceed seven (7) days, be converted to cash payments and the request may be granted at the discretion of the City Manager. Employees cannot cash in more than seven (7) days of vacation in any one twelve (12) month period.

5.3 HOLIDAYS

5.3.1 *Paid Holidays*

All employees who are required to work on a day designated as an authorized holiday, other than a day on which an election is held throughout the state, shall be paid at the applicable rate of pay for the number of hours actually worked.

When a holiday falls on Saturday or Sunday, the Friday preceding a Saturday holiday or the Monday following a Sunday holiday shall be deemed to be a holiday in lieu of the day observed.

The following holidays will be observed:

| | |
|---------------------------------|----------------------------|
| January 1 st | New Year's Day |
| The third Monday in January | Martin Luther King Jr. Day |
| The third Monday in February | Washington's Birthday |
| March 31 st | Cesar Chavez Day |
| The last Monday in May | Memorial Day |
| July 4 th | Independence Day |
| The first Monday in September | Labor Day |
| November 11 th | Veteran's Day |
| The fourth Thursday in November | Thanksgiving Day |
| The fourth Friday in November | Day after Thanksgiving |
| December 25 th | Christmas Day |

In addition to designated holidays, employees in this Unit receive two (2) floating holidays. Floating holidays not used are added to employee's vacation balance. Part-time employees will be paid for holidays on a pro-rated basis.

5.4 OTHER LEAVES

5.4.1 *Bereavement Leave*

In the event of the death of an employee's spouse, registered domestic partner, child, parent, sibling, in-laws, relative who lives or has lived in the home of the employee to such an extent that the relative was considered a member of the immediate family and/or another individual who has a legal familial relationship to the employee and resided in the employee's household, up to five (5) days may be granted for bereavement leave.

In those cases where the death involves an individual who had such a relationship with the employee, as defined above, the employee shall sign a simple affidavit describing the relationship and submit this to the Department Director as part of the request for bereavement leave.

5.4.2 *Jury Duty*

Employees required to report to jury duty shall be granted a leave of absence with pay from their assigned duties until released by the court, provided that the employee provides advance notice to the Appointing Authority and remits to the City all per diem service fees except mileage or subsistence allowance within thirty days from the termination of such duty.

5.4.3 *Military Leave*

Military leave shall be granted in accordance with the State of California Military and Veteran's Code as amended from time to time. All employees entitled to military leave shall give the appointing authority and the Department Director an opportunity, within the limits of military regulations, to determine when such leave shall be taken.

5.4.4 *Leave of Absence Without Pay*

Leave of absence without pay may be granted by the City Manager upon the written request of the employee. Accrued vacation leave must be exhausted prior to the granting of leave without pay.

5.4.5 *Industrial Injury Leave*

For benefits under Workers' Compensation, an employee should report any on the job injury to his/her supervisor as soon as possible, preferably within twenty-four (24) hours. The Human Resources' Department coordinates benefits for Workers' Compensation claims. For further information, see the City's Workers' Compensation policy located on the Intranet (<https://intranet.cityofsanrafael.org>).

All regular, full time employees of the City who have suffered any disability arising out of and in the course of their employment as defined by the Workers' Compensation Insurance and Safety Act of the State of California, may be entitled to compensation, as follows:

Temporary disability payments (TD) are made when a physician reports an employee is unable to perform their job duties and the City cannot accommodate any restrictions. The employee is not entitled to TD for the first 3 days of disability unless the employee is hospitalized as an in-patient, or off for more than 14 days. In this case, the employee shall be entitled to remain absent from duty with pay for these first 3 days. TD is set by State law and is based on potential wages lost (full or partial) due to the injury. It is approximately two-thirds of full salary with state-mandated minimums and maximums. The City, however, augments regular employees' disability payments to bring them to full salary for the first three (3) calendar months and to $\frac{3}{4}$ pay for the next 6 months. Compensation leave payments shall not exceed the employee's regular full pay for the first three (3) calendar months and three-fourths ($\frac{3}{4}$) of the regular full pay for the following six (6) calendar months.

All other employees shall be entitled to such compensation as may be allowed them by the Workers' Compensation Insurance and Safety Act of the State of California.

Sick Leave Usage Post Industrial Injury/Illness

The following rule applies to employees who have an accepted industrial injury/illness: Available accrued sick leave cannot be used for more than 60 calendar days after one of the following has been determined:

- The employee has reached maximum medical improvement and/or has been determined “permanent and stationary.”
- The employee has been determined to be unable to return to their usual and customary occupation, with or without reasonable accommodation.

Given the above has occurred, next steps would include:

- The interactive process; attempt to locate other appropriate employment within the City
- If none available, proceed with termination process, including disability retirement application and/or Skelly process, if appropriate.

5.4.6 *Family Medical Leave*

Union members agree to adhere to the provisions of the City’s Family Medical Leave Policy which is available on the City’s Intranet Website.

5.4.7 *Catastrophic Leave*

Catastrophic leave shall be in accordance with City Catastrophic Leave Policy which is available on the City’s Intranet website.

6 TERMS & CONDITIONS OF EMPLOYMENT

6.1 HOURS OF WORK

The WORK WEEK will reflect thirty-seven and one-half (37.5) hours for all represented job classes. Unless otherwise designated, the normal business hours for vacation, sick and administrative leave deduction and sick and administrative leave accrual purposes shall be 7.5 hours per day.

6.2 OVERTIME

Overtime shall mean actual time authorized and worked beyond thirty-seven and one-half (37.5) hours in a regular work week. A work or duty week shall be defined as seven (7) consecutive calendar days. Overtime is compensable to the nearest half-hour, and must have prior authorization and approval of the Department Director.

Each Department Director shall have the authority to designate certain job classifications for mandatory overtime in emergencies. In the event the Department Director determines that there is a staffing need during an emergency, the Department Director shall first make a reasonable effort to seek qualified volunteers to work overtime during the emergency. If the Department Director determines that there are an insufficient number of volunteers, or if time constraints prevent the soliciting of volunteers, the Department Director may order employees in the designated classifications (may vary depending on the emergency but primarily relates to job classifications in the Street Division of Public Works) to report to work in overtime status to address the emergency.

6.3 COMPENSATORY TIME POLICY

With the Department Director's approval, compensatory time, in lieu of overtime pay, may be taken subject to the following rules:

6.3.1 Accrual Limit

Employees may accrue up to 125 hours of compensatory time after which said employee must accept overtime pay in lieu of accruing additional compensatory time.

6.3.2 *Overtime Rate*

Employees who work overtime may be paid for it at the rate of time and one-half or may accrue compensatory time at a rate of time and one-half, subject to the limitations in Section 6.3.1. Employees who elect compensatory time must take the time off, preferably within the quarter during which it was earned, and shall not be paid for it.

6.4 STAND BY OR CALL BACK DUTY

6.4.1 *Compensation When Not Assigned to Call Back Duty*

When an employee not assigned to standby duty is called back to duty, the employee shall receive compensation for a minimum of four (4) hours.

6.5 PROBATIONARY PERIOD

6.5.1 *Purpose of Probation*

After passing an examination and accepting appointment, each employee shall serve a period of probation beginning on the date of appointment. Such period shall be for the purpose of determining the employee's ability to perform satisfactorily the duties prescribed for the position.

6.5.2 *Probationary Period*

The probationary period on original and promotional appointment shall be for one (1) year. Employees shall receive verbal feedback from their immediate supervisor throughout the probationary period.

6.5.3 *Rejection During Probation*

During the probationary period, an employee may be rejected at any time by the Appointing Authority without the right of appeal.

6.5.4 *Notification of Rejection*

On determining that a probationary employee's work is not satisfactory, the Appointing Authority shall notify the Human Resources Director of his/her intention to terminate the employee. After discussion with the Human Resources Director, the Appointing Authority shall notify employee in writing of his/her rejection.

6.5.5 *Extension of Probationary Period*

The probationary period shall not be extended except in the case of extended illness or injury or compelling personal situation during which time the employee was unable to work. In such cases, the probationary period may be extended for the length of time the ill or injured employee was unable to work.

6.5.6 *Regular Status*

Regular status shall commence with the day following the expiration date of the probationary period.

6.5.7 *Promotion of Probationary Employee*

An employee serving a probationary period may be promoted to a position in a higher position classification provided he/she is certified from the appropriate Eligible List. The employee promoted in this manner shall serve a new probationary period for the position to which employee is promoted and the new probationary period and promotional appointment shall be effective the same date.

6.5.8 *Unsuccessful Passage of Promotional Probation*

An employee who does not successfully pass his/her promotional probationary period shall be reinstated to the position in which the employee held regular status prior to his/her promotion. Provided, however, that if the cause for not passing the promotional probationary period was sufficient grounds for dismissal, the employee shall be subject to dismissal without reinstatement to the lower position.

6.5.9 *Lateral Transfer Probation*

Voluntary transfers to another job classification, within the same salary range, shall require a six (6) month probationary period. In the event of unsuccessful passage of this period refer to Section 6.5.8.

6.6 TRANSFERS / REASSIGNMENTS

Transfers may be within the same department (intra-departmental) or between departments (inter-departmental). The requirements for each are as follows:

a. **Intra-departmental transfers.**

The Appointing Authority shall have the authority to transfer an employee from a position in one division of a department to a position in the same or similar classification with the same salary range, in the same division or to another division of the same department (at any time and for any duration).

b. **Inter-departmental transfers.**

An employee may transfer from a position in one (1) department to a position in the same or similar classification in another department, provided the consent of the two Appointing Authorities and the City Manager is obtained.

c. **Voluntary Transfers.**

An employee may make a written request for transfer to the Human Resources Director to a position in the same or similar classification with the same salary range. Such a transfer may be made on the recommendation of the affected Department Director(s) and the approval of the City Manager.

6.6.1 *Minimum Qualifications & Probation*

Any persons transferred to a different position shall possess the minimum qualifications for the position.

6.6.2 *Transfer Procedures*

The City Manager may authorize the transfer of an employee from one position to another of the same or comparable class of work and where the same general type of examination is given for entrance to such a position.

Transfers from one department to another department having a different jurisdiction or different function shall be done only with the consent of the Department Directors, involved, unless such a transfer is ordered by the City Manager for purpose of economy or efficiency.

Employees who have completed their initial probation may seek voluntary transfers to positions within the same job class, and/or lower level job classes as long as the employee meets the minimum qualifications for the position. Employees seeking transfer should submit a completed application to the Human Resources Department. As vacancies occur, transfer candidates may receive consideration along with those on the eligibility list.

6.7 PERSONNEL RULES & REGULATIONS

The WCE agrees to adhere to the City's Personnel Rules and Regulations located on the City's Intranet website.

6.7.1 Drug & Alcohol Policy

The City and the WCE agree to the non-DOT general drug and alcohol policy. A copy is available with the City's policies and on the City's Intranet website.

6.7.2 Confidential Nature of Personnel Records

All personnel records and files and examination materials are confidential. The Human Resources Director shall take all necessary steps to protect the confidentiality of those materials. Disclosure of such records shall be governed by the Public Records Act, Government Code Sections 6250, et. seq. Individual employees may review their official personnel file maintained by the Human Resources Department and/or respective appointing authority. With the written consent of the employee, the authorized representative of the recognized employee organization may also review that personnel file.

6.7.3 Confidential Nature of Medical Records

All medical records and files are the property of the City of San Rafael. These confidential records and files are to be maintained in a file separate from the employee's personnel file in the Human Resources Department. Disclosure of such records shall be governed by the Public Records Act, Government Code, Section 6250, et. seq.

6.7.4 Outside Employment Policy

Outside Employment shall be in accordance with the City's Outside Employment Policy which is available on the City's Intranet website.

6.7.5 Use of City Vehicle

Public Works Supervisors, at the direction of the Department Director, will be allowed to take a City vehicle home in emergency conditions.

6.7.6 Safety Policy

The City of San Rafael is committed to providing a safe and healthy place to work. The City shall furnish safety devices and safeguards and shall adopt and use methods and processes adequate to ensure that the work place is safe and healthy. Employees are expected to obey safety rules and make proper use of safety gear and equipment. The City's safety policies and procedures shall comply with all applicable state laws related to a safe work environment.

6.8 MISCELLANEOUS

6.8.1 Gratuities/Solicitation of Contributions

Gratuities and/or solicitation of contributions are not allowed. Employees should refer to the City's Personnel Rules and Regulations.

6.8.2 Return of City Equipment

Upon termination of employment, all tools, equipment, and other City property assigned to an employee shall be returned to the employee's supervisor before leaving City employment.

6.8.3 Political Activity

The political activity of City employees shall comply with pertinent provisions of State and Federal Law.

6.8.4 *Employment of Relatives*

Employment of relatives shall be governed by the City's Personnel Rules and Regulations.

6.8.5 *Labor / Management Meetings*

During the term of the Agreement, the City and the WCE agree that consultation meetings may contribute to improved employer-employee relations. Issues relating to the usage of volunteers and temporary/part-time/seasonal employees, promotional opportunities, and the implementation of safety programs will serve as a basis for initial agenda items to be discussed and acted upon.

The committee shall be comprised of two (2) representatives from the Western Council of Engineers and representatives from City Management as well as the WCE Executive Director and the Human Resources Director. The parties agree that committee members may change depending on the subject matter.

Meetings may be requested by either party. The party requesting the meeting shall submit a proposed agenda and the receiving party shall acknowledge and confirm the date, time and location of the requested meeting. It is intended that the subject matter will not include issues subject to Article 7.4 Grievance Procedures.

6.8.6 *Contract Orientation Work Sessions*

The City and the WCE agree that the individuals having responsibility for the enforcement of the Agreement, WCE Stewards and Department Directors/Supervisors shall participate in an Annual Contract Orientation Work Session for the purpose of obtaining a better understanding of the provisions of the contract. These work sessions shall be held on City time and facilities.

6.8.7 *Gym Reimbursement*

Employees are eligible to receive up to \$16.50 per month reimbursement for paid gym membership, personal recreation league fees or fitness-related recreation facility fees. Such reimbursement shall be processed annually and reported as taxable income to the employee.

7 PROCEDURES

7.1 DEMOTION & SUSPENSION

7.1.1 Demotion

The Appointing Authority may demote an employee when the following occurs:

- a. The employee FAILS to perform his/her required duties.
- b. An employee requests such a demotion. No employee shall be demoted to a classification for which he/she does not possess the minimum qualifications. When the action is initiated by the Appointing Authority, written notice of demotion shall be provided to an employee at least ten (10) working days before the effective date of the demotion, and a copy shall be filed with the Human Resources Department.

Withholding a salary step increase or withdrawing a merit step increase within or above the salary range of the employee's position shall not be deemed a demotion.

Disciplinary demotion action shall be in accordance with Article 7.3, "Disciplinary Action."

7.1.2 Suspension

The Appointing Authority may suspend an employee from a position at any time for a disciplinary purpose. Intended suspension action shall be reported immediately to the Human Resources Director, and shall be taken in accordance with Article 7.3, "Disciplinary Action".

7.2 TERMINATION OF EMPLOYMENT

7.2.1 Resignation

An employee wishing to leave the City service in good standing shall file with his/her immediate supervisor, at least fourteen (14) days before leaving the service, a written resignation stating the effective date and reason for leaving. A copy of the resignation shall be forwarded to the Appointing Authority and Human Resources Department.

7.2.2 Termination - Layoff (Lack of work or funds)

The City will not layoff any employees in the bargaining unit between July 1, 2011 and December 31, 2011, unless the City is subject to significant revenue reduction (a reduction of one percent (1%) or more in General Fund revenue) due to state cuts or reduction in other revenue sources.

The Appointing Authority may terminate an employee because of changes in duties or organization, abolishment of position, shortage of work or funds, or completion of work for which employment was made.

7.2.3 Termination - Disciplinary Action

An employee may be terminated at any time for disciplinary action, as provided in Article 7.3, "Disciplinary Action".

7.2.4 Retirement

Retirement from the City services shall, except as otherwise provided, be subject to the terms and conditions of the City's contract as amended from time to time, with the Marin County Retirement System.

7.2.5 Rejection During Probation

An employee may be terminated from their position during the probationary period of their initial appointment to the City's classified service without Right of Appeal.

7.3 DISCIPLINARY ACTION

7.3.1 Right to Discipline & Discharge

Upon completion of the designated probationary period, an employee shall be designated as a non-probationary employee and the City shall have the right to discharge or discipline any such employee for dishonesty, insubordination, drunkenness, incompetence, negligence, failure to perform work as required or to observe the Department's safety rules and regulations or for engaging during the term of this Memorandum of Understanding in strikes, individual or group slowdowns or work stoppages, or for violating or ordering the violation of the Memorandum of Understanding. The City shall use progressive disciplinary steps (i.e., reprimand, suspension, demotion, discharge) unless the violation is such as to justify termination. Disciplinary action shall mean discharge/dismissal, demotion, reduction in salary, and suspension resulting in loss of pay.

In addition, the City may discipline or discharge an employee for the following: Fraud in securing appointment; negligence of duty; violation of safety rules; unacceptable attendance record including tardiness, overstaying lunch or break periods; possession, distribution or under the influence of alcoholic beverages, non-prescription or unauthorized narcotics or dangerous drugs during working hours; inability, unwillingness, refusal or failure to perform work as assigned, required or directed; unauthorized soliciting on City property or time; conviction of a felony or conviction of a misdemeanor involving moral turpitude; unacceptable behavior toward (mistreatment of discourteousness to) the general public or fellow employees or officers of the City; falsifying employment application materials, time reports, records, or payroll documents or

other City records; misuse of City property; violation of any of the provisions of these working rules and regulations or departmental rules and regulations; disorderly conduct, participation in fights, horseplay or brawls; dishonesty or theft; establishment of a pattern of violations of any City policy or rules and regulations over an extended period of time in which a specific incident in and of itself would not warrant disciplinary action, however, the cumulative effect would warrant such action; failure to perform to an acceptable level of work quality and quantity; insubordination; other acts inimical to the public service; inability or refusal to provide medical statement on cause of illness or disability.

7.3.2 Preliminary Notice

A non-probationary employee shall receive a preliminary written notice from the employee's Supervisor of any proposed disciplinary action that involves the loss of pay. The notice must contain a specific statement of charges or grounds upon which the proposed disciplinary action is based and the date the disciplinary action will be effective.

Any known written materials, reports or documents upon which the disciplinary action is based must be attached to the notice.

Upon the receipt of the notice, the employee shall have five (5) days to appeal the matter in writing to Step 2 of the Grievance Procedure. If a written appeal is filed, no disciplinary action shall be imposed until the Department Director has conducted a hearing with the employee and employee's representative present and having heard the response of the employee. If no written appeal is filed within five (5) days, the employee shall be deemed to have waived his right to proceed to Step 4 of the Grievance Procedure.

7.3.3 Disciplinary Action and Appeal

After hearing the response of the employee, the Department Director may order that the proposed disciplinary action or modification thereof be imposed. Thereafter, the employee shall have ten (10) days to appeal this matter to the City Manager. The City Manager shall investigate the matter, conduct an informal hearing if the City Manager deems it appropriate and, within ten (10) days thereafter, respond to the allegations in writing. For pre-termination disciplinary action of suspension and reduction in pay, the decision of the City Manager shall be final and binding.

For disciplinary demotions and discharges only, if this matter remains unresolved, the WCE may, by written notice to the Human Resources Director within ten (10) days after the receipt of the City Manager's response, inform the City that the WCE wishes to appeal the decision to demotion or discharge to final and binding arbitration. The parties shall attempt to agree upon an arbitrator. If no agreement is reached, they shall request a list from the State Mediation and Conciliation Service containing nine (9) names. The selection process will include a review of the arbitrator's availability for the hearing. Each party shall then alternately strike a name until only one (1) name remains, said person to be the arbitrator. The order of striking shall be determined by the flip of a coin. As used herein, the word "days" shall be deemed to mean City established working days for non-safety employees.

7.3.4 Harassment Policy

It is the City's intent and purpose to provide all officials, employees, applicants, and contractors with an environment that is free from any form of harassment, discrimination or retaliation. Employees shall refer to the City Policy against Harassment, Discrimination and Retaliation which is available on the City's Intranet website.

7.4 GRIEVANCE PROCEDURE

7.4.1 Definition

- 1) **Grievance** is a dispute, which involves the interpretation or application of any provision of this Memorandum of Understanding. All ordinances, resolutions, rules and regulations, which are not specifically covered by the provisions of this Memorandum shall not be subject to the Grievance Procedure.
- 2) **Day** shall mean any that the City Office is open for business, excluding Saturdays, Sundays and the holidays recognized by the City.
- 3) **Grievant** may be an individual employee or a group of employees or the Union on the behalf of a group of employees or the Union on its own behalf on matters involving the City and Union relationship.
- 4) **Time limits** begin with the day following the event causing the grievance or the day following receipt of a grievance decision.

7.4.2 Procedure

Step 1.

Within seven (7) days of when the grievant knew or should have known of the act or omission causing the grievance the grievant shall present either in writing or verbally a clear and concise statement of the grievance to the immediate supervisor.

Within five (5) days thereafter the immediate supervisor shall investigate and respond to the allegations of the grievant.

Step 2.

If the grievant is not satisfied with the resolution at Step 1 the grievant must reduce the grievance to writing and present it to the Department Director within five (5) days.

The written grievance shall contain a statement of facts about the nature of the grievance, and shall identify the specific provisions of this Memorandum of Understanding alleged to be violated, applicable times, places and names of those involved, the remedy or relief requested, and shall be signed by the grievant.

The Department Director shall confer with the grievant and within ten (10) days respond to the allegations in writing.

Step 3.

If the grievant is not satisfied with the resolution at Step 2, the grievant shall within five (5) days appeal the matter to the City Manager.

The City Manager shall investigate the matter, conduct a hearing if the City Manager deems it appropriate and within ten (10) days, thereafter, respond to the allegations in writing.

Step 4.

If the grievance remains unresolved after Step 3, the Union may, by written notice to the City Human Resources Department within ten (10) days after the receipt of the response in Step 3, notify the City that the Union wishes to appeal the grievance to final and binding arbitration. The parties shall attempt to agree upon an arbitrator. If no agreement is reached, they shall request a list from the State Conciliation Service of nine (9) names. The selection process will include a review of the arbitrator's availability for the hearing.

Each party shall then alternately strike a name until only one (1) name remains, said person to be the arbitrator. The order of striking shall be determined by the flip of a coin.

7.4.3 Arbitration

The arbitrator shall be empowered to conduct a hearing and to hear and receive evidence presented by the parties. The hearing should be held within 60 calendar days of the selection of the arbitrator. The hearing shall be informal and need not be conducted according to technical rules of evidence. Repetitious evidence may be excluded and oral evidence shall be taken only under oath. The arbitrator shall determine what evidence is relevant and pertinent, as well as any procedural matters, and he/she may call, recall and examine witnesses, as he/she deems proper.

The burden of proof shall be upon the WCE in grievance matters and upon the City in disciplinary discharge matters.

After the conclusion of any hearing and the submission of any post hearing evidence or briefs agreed upon by the parties, the arbitrator shall render a written decision which shall be final and binding upon the City, the WCE and any employee(s) involved in the grievance or disciplinary demotion or discharge.

The arbitrator shall not be empowered to add to, subtract from, or in any way modify or alter any provision of this Memorandum of Understanding. The arbitrator shall only determine whether a grievance exists in the manner alleged by the grievant and what the proper remedy, if any, shall be, or, in the case of disciplinary discharge matters, whether the City allegations are accurate and the appropriateness of the disciplinary demotion or discharge.

The fees and expenses of the arbitrator shall be shared equally by the WCE and the City. All other expenses shall be borne by the party incurring them. The cost of the services of court reporter shall be borne by the requesting party unless there is a mutual agreement to share the cost or unless the arbitrator so requests; then the costs will be shared equally.

7.4.4 General Provisions

1. Employees who participate in the Grievance Procedure by filing a grievance or acting as a witness on the behalf of either party shall be free from discrimination by either the WCE or the City.
2. A grievant has the right to be represented at each stage of the procedure, to cross examine witnesses, and to have access to all information regarding the basis of the grievance upon which the City relies in making its determinations.
3. If a grievant, or the WCE on behalf of the grievant, fails to carry his/her grievance forward to the next level within the prescribed time period, the grievance shall be deemed withdrawn unless the parties have mutually agreed to an extension of timelines. If a supervisor or manager fails to respond with an answer within the given period of time, the grievant may appeal to the next higher level. The parties may by mutual agreement waive the steps in the procedure.
4. If a hearing is held during work hours of employee witnesses, such employees shall be released from duties, without loss of pay or benefits, to appear at the hearing. Witnesses requested by the parties shall be compelled to attend said hearings.
5. The Human Resources Department shall act as the central repository for all grievances.
6. Time limits contained herein may be extended by mutual agreement of the parties. Absence for bona fide reasons by a grievant, the WCE Executive Director or any

management official involved in responding to the grievance shall automatically extend the time limits by the same number of days of absence.

7.5 POSITION RECLASSIFICATION

Reclassification of positions covered by this MOU shall be in accordance with the City's Reclassification Policy available on the City's Intranet website

7.6 FURLOUGH PROGRAM

Both the City of San Rafael and the WCE recognize the current economic condition of the State of California and the City of San Rafael. Through this recognition and in a cooperative spirit, the City of San Rafael and the WCE have worked expeditiously on the development of a Furlough Program. This Agreement does not mean the City will necessarily implement furloughs, however, in the event it is necessary to implement due to continued economic problems in the City of San Rafael, the procedures for this Furlough Program shall provide for both Voluntary Time Off (herein described as VTO) and Mandatory Time Off (herein described as MTO).

7.6.1 Voluntary Time Off (VTO)

The needs of the City and the respective departments (as determined by the Department Director and City Manager) will need to be considered in the actual granting of VTO. Any VTO time granted and the resulting savings will have a corresponding impact on the time needed through MTO.

1. An employee's VTO time would count in determining how many hours of MTO an employee needed to take during the fiscal year.
2. An employee selecting at least a 5% reduction of hours through the VTO would receive "float" days as described in Section 7.6.2. (4.a.).
3. Employees who take VTO at a time other than when MTO is taken by other employees will have to take vacation leave, compensatory time off or leave without pay if the MTO results in the closure of the department.
4. Employees will be allowed to exceed a 5% reduction of hours through the VTO with review of the Department Director and approval of the City Manager and such approval shall be revocable should the City determine that the impact of the absence can not be absorbed by the Department. Prior to revoking approval, the City will contact the employee and review pertinent information which would impact the employee's ability to return to work. Should the City need to remove additional VTO, such removal would be considered a non-disciplinary action and would not be subject to any appeal/grievance procedure.

7.6.2 Mandatory Time Off (MTO)

MTO will be taken by the employee during the MTO period when feasible in their respective department (as determined by the Department Director and City Manager) and after consultation with WCE.

- a. Employees may not take paid vacation time in lieu of designated MTO time.
2. MTO time shall be considered time in pay status for the accrual of leave and eligibility for holidays. MTO time will not impact health, dental and life insurance benefits. At this time MTO time will not impact Marin County retirement calculations of average compensation or service credit as the City and employee will continue to fund the full amounts. If the Marin County Retirement Association changes its policy on this, the City will, effective the first of the month following notice from the Marin County Retirement Association,

make the necessary change in the program's administration to correspond with the change in the policy.

3. MTO time shall apply toward time in service for step increases and completion of probation.
4. Other Terms and Conditions:
 - a) The MTO program shall be limited to a maximum five percent (5%) reduction in work hours/pay for the fiscal year. When the maximum MTO reduction (5%) is implemented, the involved employee shall be credited with three (3) days of float time.
 - b) Float time accrued through the MTO Program must be taken in the next fiscal year following the furlough, with supervisory approval, or the leave will be forfeited. The float days have no cash value upon termination of employment. If an employee is laid off before having the opportunity to take unused furlough induced float time, said employee would be eligible to take the unused furlough induced float time during the thirty-day layoff notice period.
 - c) Should the City of San Rafael experience a financial windfall during the fiscal year that furloughs are implemented, the City and WCE agree to re-open negotiations on this Furlough Plan.

7.7 REDUCTION IN FORCE

7.7.1 Authority

The Appointing Authority may lay off, without prejudice, any regular employee because of lack of work or funds, or organizational alterations, or for reasons of economy or organizational efficiency.

7.7.2 Notice

Regular employees designated for layoff or demotion shall be notified in writing at least thirty (30) calendar days prior to the anticipated date of termination or demotion. The employee organization shall also be notified.

7.7.3 Order of Layoff

Layoffs and/or reductions in force shall be made by classification. A classification is defined as a position or number of positions having the same title, job description and salary. For WCE represented engineering positions, the classifications will be Engineering Technician I/II, Traffic Engineering Technician I/II, Assistant Engineer, Associate Engineer, Senior Associate Engineer, Land Development Engineer, Civil Engineer, Traffic Engineer separately. Each classification stands alone for purpose of layoffs. Any layoff will be based on seniority within the classification and will be implemented in the following order: extra hire employees, probationary employees and regular employees. In effecting the preceding order, a part-time regular employee with more seniority can displace a full-time regular employee.

7.7.4 Seniority

Probationary employees will always be laid off before employees who have regular status in a classification. If two or more employees within a classification have achieved regular status, such employees will be laid off or reduced on the following basis:

- a. Seniority within the classification will be determinative. Any layoffs in these classes will be based on overall seniority in the classification, not on the basis of any working title or currently assigned duties.

- b. If the seniority of two or more employees in the affected classification or higher classification(s) is equal, departmental seniority shall be determinative.
- c. If all of the above factors are equal, the date regular status in City service is achieved shall be determinative.
- d. If all of the above are equal, date of certification for appointment shall be determinative.

7.7.5 Bumping Rights

An employee designated to be laid off may bump into a class at the same salary level, for which he or she qualifies or into the next lower classification in which such employee has previously held regular status. An employee who is bumped shall be laid off in the same manner as an employee whose position is abolished.

7.7.6 Transfer Rights

The Human Resources Director will make every effort to transfer an employee who is to be affected by a reduction in force to another vacant position for which such employee may qualify. The length of eligibility for such transfer will be the period of notification as provided in Section 7.7.2, but no longer than the effective date of such layoff or reduction.

7.8 RE-EMPLOYMENT

7.8.1 General Guidelines

Individuals who have been laid off or demoted shall be offered re-appointment to the same classification in which they held status in the order of seniority in the classification. Individuals demoted in lieu of reduction in force shall be offered restoration to the highest class in which they held status and in which there is a vacancy prior to the appointment of individuals who have been laid off.

7.8.2 Right to Re-Employment

Each person who has been laid off or demoted in lieu of a layoff from a position the person held, shall, in writing, be offered re-appointment in the same classification should a vacancy occur in the classification within two years after the layoff or demotion. Prior to being re-employed, the employee must pass a physical exam administered by a City appointed physician and must pass the background check administered by the City.

7.8.3 Time Limits

Should the person not accept the re-appointment within seven (7) calendar days after the date of the offer, or should the person decline or be unable to begin work within two weeks after the date of acceptance of the offer, the person shall be considered unavailable for employment, shall forfeit the right to re-employment and be removed from the re-employment list.

7.8.4 Availability

Whenever a person is unavailable for re-employment, the next senior person who is eligible on the re-employment list shall be offered re-employment.

7.8.5 Probationary Status

Employees re-appointed under the provisions above will not be required to complete a new probationary period if they had previously held permanent status in the classification. Employees who had not completed their probationary period shall serve the remainder of the probationary period upon re-appointment.

7.8.6 Restoration of Benefits

Employees restored to previously held positions shall be deemed to have returned from a leave of absence for the purpose of all rights and benefits legally permissible. Time not on the payroll will not count as time worked for the purposes of seniority accrual.

7.8.7 Layoff Procedure Notification

Once the decision has been made to reduce the workforce per this MOU, the City will meet with the union to review and receive feedback on the procedure to be used to inform and process the lay-offs. The information gained in this meeting from the union by the City will be advisory and not binding.

WESTERN COUNCIL OF ENGINEERS

CITY OF SAN RAFAEL

Nancy Watson, Western Council of Engineers

**Tim Davis, Lead Negotiator
Attorney, Burke Williams Sorensen**

Shawn Graf, Junior Engineer

**Sylvia Gonzalez-Shelton
HR Operations Manager**

Willie Lagleva, Traffic Engineering Technician

Thomas Wong, Analyst

Date

Date

WCE - San Rafael
Salary Schedule
Effective July 1, 2021

| Grade | Position | A | B | C | D | E |
|--------------|-----------------------------------|-----------|-----------|-----------|-----------|-----------|
| 7333 | Assistant Engineer | \$ 7,871 | \$ 8,265 | \$ 8,678 | \$ 9,112 | \$ 9,568 |
| 7229 | Associate Civil Engineer | \$ 8,689 | \$ 9,123 | \$ 9,580 | \$ 10,059 | \$ 10,562 |
| 7277 | Engineering Technician I | \$ 5,579 | \$ 5,858 | \$ 6,150 | \$ 6,458 | \$ 6,781 |
| 7230 | Engineering Technician II | \$ 6,304 | \$ 6,619 | \$ 6,950 | \$ 7,298 | \$ 7,663 |
| 7330 | Junior Engineer | \$ 6,319 | \$ 6,635 | \$ 6,967 | \$ 7,316 | \$ 7,681 |
| 2311 | Senior Civil Engineer (PW) | \$ 10,062 | \$ 10,565 | \$ 11,093 | \$ 11,648 | \$ 12,230 |
| 7331 | Traffic Engineer | \$ 8,689 | \$ 9,123 | \$ 9,580 | \$ 10,059 | \$ 10,562 |
| 4793 | Traffic Engineering Technician I | \$ 5,579 | \$ 5,858 | \$ 6,150 | \$ 6,458 | \$ 6,781 |
| 4792 | Traffic Engineering Technician II | \$ 6,304 | \$ 6,619 | \$ 6,950 | \$ 7,298 | \$ 7,663 |

WCE - San Rafael
Salary Schedule
Effective July 1, 2022

| Grade | Position | A | B | C | D | E |
|--------------|-----------------------------------|-----------|-----------|-----------|-----------|-----------|
| 7333 | Assistant Engineer | \$ 8,167 | \$ 8,575 | \$ 9,004 | \$ 9,454 | \$ 9,927 |
| 7229 | Associate Civil Engineer | \$ 9,015 | \$ 9,466 | \$ 9,939 | \$ 10,436 | \$ 10,958 |
| 7277 | Engineering Technician I | \$ 5,788 | \$ 6,077 | \$ 6,381 | \$ 6,700 | \$ 7,035 |
| 7230 | Engineering Technician II | \$ 6,540 | \$ 6,867 | \$ 7,211 | \$ 7,571 | \$ 7,950 |
| 7330 | Junior Engineer | \$ 6,572 | \$ 6,901 | \$ 7,246 | \$ 7,608 | \$ 7,989 |
| 2311 | Senior Civil Engineer (PW) | \$ 10,439 | \$ 10,961 | \$ 11,509 | \$ 12,085 | \$ 12,689 |
| 7331 | Traffic Engineer | \$ 9,015 | \$ 9,466 | \$ 9,939 | \$ 10,436 | \$ 10,958 |
| 4793 | Traffic Engineering Technician I | \$ 5,788 | \$ 6,077 | \$ 6,381 | \$ 6,700 | \$ 7,035 |
| 4792 | Traffic Engineering Technician II | \$ 6,540 | \$ 6,867 | \$ 7,211 | \$ 7,571 | \$ 7,950 |

WCE - San Rafael
Salary Schedule
Effective July 1, 2023

| Grade | Position | A | B | C | D | E |
|--------------|-----------------------------------|-----------|-----------|-----------|-----------|-----------|
| 7333 | Assistant Engineer | \$ 8,412 | \$ 8,832 | \$ 9,274 | \$ 9,737 | \$ 10,224 |
| 7229 | Associate Civil Engineer | \$ 9,285 | \$ 9,750 | \$ 10,237 | \$ 10,749 | \$ 11,286 |
| 7277 | Engineering Technician I | \$ 5,961 | \$ 6,260 | \$ 6,572 | \$ 6,901 | \$ 7,246 |
| 7230 | Engineering Technician II | \$ 6,737 | \$ 7,074 | \$ 7,427 | \$ 7,799 | \$ 8,188 |
| 7330 | Junior Engineer | \$ 6,786 | \$ 7,125 | \$ 7,481 | \$ 7,855 | \$ 8,248 |
| 2311 | Senior Civil Engineer (PW) | \$ 10,753 | \$ 11,290 | \$ 11,855 | \$ 12,447 | \$ 13,070 |
| 7331 | Traffic Engineer | \$ 9,285 | \$ 9,750 | \$ 10,237 | \$ 10,749 | \$ 11,286 |
| 4793 | Traffic Engineering Technician I | \$ 5,961 | \$ 6,260 | \$ 6,572 | \$ 6,901 | \$ 7,246 |
| 4792 | Traffic Engineering Technician II | \$ 6,737 | \$ 7,074 | \$ 7,427 | \$ 7,799 | \$ 8,188 |

**City of San Rafael
Engineering Unit Employees as represented by WCE
Classification/Compensation Summary**

| Current Benchmark | Title | % Difference from Benchmark |
|--------------------------|----------------------------|------------------------------------|
| | Senior Civil Engineer (PW) | 59.62% |
| | Associate Civil Engineer | 37.83% |
| | Traffic Engineer | 37.83% |
| | Senior Associate Engineer | 31.18% |
| | Assistant Civil Engineer | 24.86% |
| Junior Engineer | Engineering Technician II | 0 |
| | Traffic Technician II | 0 |
| | Engineering Technician I | -11.51% |
| | Traffic Technician I | -11.51% |

**Side Letter Between
Western Council of Engineers (WCE)
and
The City of San Rafael**

July 19, 2021

In response to the global COVID-19 pandemic that began in the spring of 2020, the City of San Rafael declared a local state of emergency. Additionally, and in accordance with Governor Gavin Newsom's Executive Order(s), which severely curtailed and/or outright closed commercial establishments, the City temporarily closed its offices for an undetermined amount of time and established remote work options for its non-public safety workforce in order to continue serving the needs of the community. The City utilizes the services of HDL to provide sales tax forecasts and tax revenue projections. HDL advised the City in the Spring of 2020, that it should be prepared for unprecedented financial losses, in an amount upwards of \$12M over the next 18 months. In anticipation of these dire financial circumstances, the City exercised its management rights under MOU section 7.6 and implemented a Citywide furlough for all non-safety positions. Based on the best financial projections available at the time, it was necessary and prudent to implement the furlough in order to avoid the need to implement reductions in force in the future.

Two significant things changed during fiscal year 20-21:

1. In the fall of 2020, the Measure R passed, which is expected to increase the City's annual sales tax revenues by approximately \$4M, which the City will begin receiving at the end of FY 20-21, and
2. In the first quarter of 2021, HDL's sales tax revenue forecasts significantly changed for the better and the revenue losses initially expected due to the pandemic, luckily did not materialize.

Based on the two above changes in financial condition, the City is projecting a financial surplus for fiscal year 20-21, therefore the City is willing to issue repayments to employees who were furloughed over the last year. The City is pleased that it is in the financial position to do so.

The circumstances that make it possible for the City to reimburse employees for the furlough at this time are extremely unique in nature. The City retains the management right under MOU section 7.6 in the future to implement a furlough if needed. The City does not commit to any future reimbursement of the furlough monies and considers this one-time offer to reimburse the FY 20-21 as non-precedential. Thus, the City now grants to each employee in the bargaining group a one-time re-payment equal to the amount they would have received had the furlough not occurred. In exchange for receiving these funds, employees will not be entitled to 3 days of float under MOU section 7.6.2 subsection 4.

The furlough repayment amount for each employee will be calculated based on their individual actual furlough reduction amounts that were deducted from each employee's paycheck during FY 20-21. The furlough repayment amounts range from approximately \$700 - \$4,000, depending upon the individual position. The City already made MCERA pension contributions on each employee's regular (non-furloughed) payroll amount each pay period during FY 20-21, therefore the City will not make any additional contributions to Classic or PEPRAs employees' pensions and it is subject to

normal payroll taxation. The actual total dollar amount to be reimbursed to the members of this bargaining unit is \$17,500.

FOR WCE:

FOR THE CITY OF SAN RAFAEL:

Nancy Watson, Chief Negotiator
Western Council of Engineers (WCE)

Cristine Alilovich, Chief Negotiator
Assistant City Manager

Willie Lagleva
Traffic Engineering Technician II

Sylvia Gonzalez-Shelton
HR Operations Manager

Shawn Graf
Junior Engineer



SAN RAFAEL CITY COUNCIL AGENDA REPORT

Department: Human Resources

Prepared by: Sylvia Gonzalez-Shelton,
Human Resources Operations Manager

City Manager Approval: _____

TOPIC: APPROVAL OF THE NEW MEMORANDUM OF UNDERSTANDING WITH SEIU LOCAL 1021 & FURLOUGH REIMBURSEMENT SIDE LETTER

SUBJECT: RESOLUTION APPROVING A MEMORANDUM OF UNDERSTANDING PERTAINING TO COMPENSATION AND WORKING CONDITIONS FOR SEIU LOCAL 1021 (JULY 1, 2021 THROUGH JUNE 30, 2024) AND FURLOUGH REIMBURSEMENT SIDE LETTER

RECOMMENDATION: Adopt Resolution.

BACKGROUND:

SEIU Local 1021 represents 125.36 full-time equivalent (FTE) positions in departments across the City. The most recent Memorandum of Understanding (“MOU”) for SEIU expired on June 30, 2020 and was extended by side letter through June 30, 2021. Over the past several months, representatives of the City and SEIU have met in good faith and worked diligently to negotiate the terms of a successor MOU. The City and SEIU Local 1021 reached a tentative agreement on June 24, 2021, for a three-year successor MOU and SEIU Local 1021 membership subsequently ratified the tentative agreement.

ANALYSIS:

The following are the highlights that reflect the terms and significant economic items included in the agreement between the City and SEIU. In addition to the economic items, some operational items were also addressed in the final agreement, all of which can be found in the attached successor MOU.

1. **Term of the Agreement:** July 1, 2021 through June 30, 2024
2. **Salary Increase:** Individual classification salary increase percentages may be lower or higher than the percentages listed below, based on the amount of labor market adjustment agreed to for each position in the bargaining unit. The salary schedule included in the attached successor MOU authorizes the proposed new salary for each position.
 - a. Year 1: Value of a 3.5% base wage increase for the bargaining group, effective July 1, 2021
 - b. Year 2: Value of a 3.5% base wage increase for the bargaining group, effective July 1, 2022

FOR CITY CLERK ONLY

Council Meeting: _____

Disposition: _____

c. Year 3: Value of a 3.5% base wage increase for the bargaining group, effective July 1, 2023

3. **New Positions:** During successor MOU negotiations, the City proposed a reorganization of the Finance Department and the Digital Service and Open Government Department. Certain SEIU classifications were proposed to be deleted and added through the reorganization. The Parties satisfied their obligations to meet and confer over the impacts of the City’s planned reorganization in good faith and in accordance with the Meyers-Miliias-Brown Act (“MMBA”) and agreed to the reorganization implementation steps via a side letter agreement. The new position classification/job descriptions and salary ranges are included in the attachments to the proposed MOU.
4. **Non-Economic Items:** In addition to items discussed above, agreement was reached on other proposals, which reflect minor changes to existing provisions with no additional cost. The attached MOU includes all the changes agreed to by the parties.

Furlough Repayment Side Letter

In addition to the attached successor MOU, a side letter is attached that outlines the terms mutually agreed upon by the City and SEIU regarding the repayment of the furlough which was implemented in fiscal year 20-21. In response to the global COVID-19 pandemic that began in the spring of 2020, the City of San Rafael declared a local state of emergency. In anticipation of dire financial circumstances, the City exercised its management rights under MOU section 7.6 and implemented a Citywide furlough for all non-safety positions. Based on the best financial projections available at the time, it was necessary and prudent to implement the furlough in order to avoid the need to implement reductions in force in the future.

Year-end review of the FY 20/21 budget shows that the City’s projected revenue losses anticipated due to the pandemic fortunately did not materialize as expected and the City is projecting a financial surplus for fiscal year 20-21. As a result, the City is in a financial position at this time to issue repayments to employees who were furloughed over the last year. The circumstances that make it possible for the City to reimburse employees for the furlough are extremely unique in nature and this one-time reimbursement for FY 20-21 is non-precedential. The City will issue a one-time re-payment equal to the actual furlough reduction amount taken by each employee in the bargaining group for FY 20/21. The City already made MCERA pension contributions on each employee’s regular (non-furloughed) payroll amount each pay period during FY 20-21, therefore the City will not make any additional contributions to Classic or PEPRA employees’ pensions and the repayment amount is subject to normal payroll taxation. The individual furlough repayment amounts range from approximately \$350 - \$5,500, depending upon the individual position. The total amount of the furlough repayment for the bargaining group is \$304,200.

FISCAL IMPACT:

The current total annual salary and benefit cost to the City for the 125.36 FTE employees of SEIU Local 1021 is \$16,654,895. The additional ongoing incremental cost of the successor MOU beyond the FY 20/21 budget is:

| | <u>Incremental FY 2021-22</u> | <u>Incremental FY 2022-23</u> | <u>Incremental FY 2023-24</u> |
|---------------------|--|--|--|
| Wages: | | | |
| Base Salary | \$348,866 | \$339,611 | \$329,770 |
| Other costs: | | | |
| Pension* | \$164,806 | \$160,441 | \$156,365 |

| | | | |
|--------------------------------|------------------|------------------|------------------|
| Taxes (Medicare, W/C) | <u>\$ 20,014</u> | <u>\$ 19,524</u> | <u>\$ 19,298</u> |
| Total Incremental Cost: | \$533,686 | \$519,576 | \$505,433 |

**This incremental pension cost results only from the negotiated wage increase and does not include the cost of associated MCERA rate changes. The terms and conditions of the pension benefit plan remain unchanged.*

While the incremental cost is \$533,686 for fiscal year 2021-2022, \$519,576 for fiscal year 2022-2023, and \$505,433 for fiscal year 2023-24, the increases are compounding and therefore the projected wages and other costs total \$3,145,643, plus \$304,200 in one-time costs for the furlough repayment, totaling \$3,449,843 for the three-year term. The increase in compensation included in this resolution is in line with the City's current budget projections. Funding for these positions is provided for in the City's General Fund.

OPTIONS:

The City Council has the following options to consider in this matter:

- Staff's recommendation to adopt the resolution.
- Adopt resolution with modifications.
- Direct staff to return with more information.
- Take no action.

RECOMMENDED ACTION:

Staff recommends that the City Council adopt the resolution to approve the Memorandum of Understanding between the City of San Rafael and SEIU Local 1021 pertaining to compensation and working conditions (July 1, 2021 through June 30, 2024) and the Furlough Reimbursement Side Letter.

ATTACHMENTS:

1. Resolution with attached MOU between City of San Rafael and SEIU Local 1021 for July 1, 2021 to June 30, 2024 (and all attachments).
2. Furlough Reimbursement Side Letter

RESOLUTION NO.

RESOLUTION OF THE SAN RAFAEL CITY COUNCIL APPROVING A MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF SAN RAFAEL AND SEIU LOCAL 1021 (SEIU) PERTAINING TO COMPENSATION AND WORKING CONDITIONS (JULY 1, 2021 THROUGH JUNE 30, 2024) AND FURLOUGH REIMBURSEMENT SIDE LETTER

WHEREAS, the SEIU Local 1021 (SEIU) labor agreement with the City expired on June 30, 2021 after a one-year extension; and

WHEREAS, the City of San Rafael and representatives of SEIU have met and conferred in good faith with regard to wages, hours and working conditions in accordance with the provisions of the Meyers-Milias-Brown Act; and

WHEREAS, a Memorandum of Understanding (“MOU”) pertaining to the three-year period from July 1, 2021 through June 30, 2024 has been ratified by SEIU members; and

WHEREAS, a side letter has been mutually agreed upon by the City and SEIU regarding the repayment of the furlough which was implemented in fiscal year 20-21; and

WHEREAS, the circumstances that make it possible for the City to reimburse employees for the furlough are extremely unique in nature and this one-time reimbursement for FY 20-21 is non-precedential;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SAN RAFAEL DOES RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

Section 1: From and after the date of adoption of this Resolution, the City of San Rafael and SEIU Local 1021 (SEIU) shall utilize the MOU for the period beginning July 1, 2021, attached hereto, as the official document of reference respecting compensation and working conditions for employees represented by SEIU.

Section 2: The schedules describing classes of positions and salary ranges are attached to said MOU and, together with the MOU itself, are hereby adopted and shall be attached hereto and incorporated in full.

Section 3: One-time repayment of the furlough shall be made per the agreed upon Furlough Reimbursement Side Letter.

I, Lindsay Lara, Clerk of the City of San Rafael, hereby certify that the foregoing Resolution was duly and regularly introduced and adopted at a regular meeting of the City Council of the City of San Rafael, held on Monday, the 19th of July 2021, by the following vote, to wit:

AYES: Councilmembers:

NOES: Councilmembers:

ABSENT: Councilmembers:

Lindsay Lara, City Clerk

MEMORANDUM OF UNDERSTANDING

between

CITY OF SAN RAFAEL

and

SEIU Local 1021

JULY 1, 2021 - JUNE 30, 2024

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MEMORANDUM OF UNDERSTANDING
between
CITY OF SAN RAFAEL
and
SEIU LOCAL 1021

This Memorandum of Understanding is entered into pursuant to the provisions of 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 Memorandum of Understanding shall be presented to the City Council of the City of San Rafael as the joint recommendation of the undersigned parties for salary and employee benefit adjustments for the period commencing July 1, 2021 and ending June 30, 2024.

1 GENERAL PROVISIONS

1.1 INTRODUCTION

1.1.1 Scope of Agreement

The salaries, hours, fringe benefits and working conditions set forth have been mutually agreed upon by the designated bargaining representatives of the City of San Rafael (herein-after called "CITY") and SEIU 1021 (herein-after called "UNION") and shall apply to all employees of the City working in the classifications and bargaining unit set forth herein.

1.1.2 Term of MOU

This agreement shall be in effect from July 1, 2021 through June 30, 2024

1.2 RECOGNITION

1.2.1 Bargaining Unit

City hereby recognizes Union as bargaining representative for purpose of establishing salaries, hours, fringe benefits and working conditions for all employees within the Miscellaneous and Supervisory Bargaining Units. (As referenced in Exhibit "A" attached).

1.2.2 Notice to Employees

Whenever a person is hired in any of the job classifications set forth herein, City shall notify such person that the Union is the recognized bargaining representative for employees in that classification.

1.3 NON-DISCRIMINATION

1.3.1 In General

The parties to this contract agree that they shall not, in any manner, discriminate against any person whatsoever because of race, color, age, religion, ancestry, national origin, sex, sexual orientation, perceived sexual orientation, gender, gender expression, gender identity, marital status, medical condition (cancer-related or genetic characteristics), genetic information (including family medical history) or physical or mental disability. Any employee alleging such

discrimination should use the internal, administrative process explained in the City of San Rafael's Policy against Harassment, Discrimination and Retaliation to redress the situation. Such employees shall be entitled to Union representation.

1.3.2 *Union Discrimination*

No member, official, or representative of the Union shall, in any way suffer any type of discrimination in connection with continued employment, promotion, or otherwise by virtue of membership in or representation of Union.

1.4 INSPECTION OF MEMORANDUM OF UNDERSTANDING

Both the City and the Union agree to keep duplicate originals of this Memorandum on file in a readily accessible location available for inspection by any employee or member of the public upon request.

1.5 EXISTING LAWS, REGULATIONS & POLICIES

This agreement is subject to all applicable laws of the State of California, ordinances, regulations, and policies of the City of San Rafael.

1.6 STRIKES & LOCKOUTS

During the term of this Memorandum, the City agrees that it will not lock out employees, and the Union agrees that it will not agree to, encourage or approve any strike or slowdown growing out of any dispute relating to the terms of this Agreement. The Union will take whatever lawful steps are necessary to prevent any interruption of work in violation of this Agreement, recognizing with the City that all matters of controversy within the scope of this Agreement shall be settled by established procedures set forth in the City's charter, ordinances, and regulations, as may be amended from time to time.

1.7 SEVERABILITY

If any article, paragraph or section of this Memorandum shall be held to be invalid by operation of law, or by any tribunal of competent jurisdiction, or if compliance with or any enforcement of any provision hereof be restrained by such tribunal, the remainder of this Memorandum shall not be affected thereby, and the parties shall, if possible, enter into meet-and-confer sessions for the sole purpose of arriving at a mutually satisfactory replacement for such article, paragraph or section.

1.8 PREVAILING RIGHTS

All matters within the scope of meeting and conferring which have previously been adopted through rules, regulation, ordinance or resolution, which are not specifically superseded by this Memorandum of Understanding, shall remain in full force and effect throughout the term of this Agreement.

1.9 FULL UNDERSTANDING, MODIFICATION, WAIVER

1.9.1 *Understanding*

The parties jointly represent to the City Council that this Memorandum of Understanding sets forth the full and entire understanding of the parties regarding the matters set forth herein.

1.9.2 *Waiver & Modification*

Except as specifically otherwise provided herein, it is agreed and understood that each party hereto voluntarily and unqualifiedly waives its right and agrees that the other shall not be

required to meet and confer with respect to any subject or matter covered herein, nor as to wages or fringe benefits during the period of the term of this Memorandum.

The foregoing shall not preclude the parties hereto from meeting and conferring at any time during the term of this Agreement with respect to any subject matter within the scope of meeting and conferring by mutual agreement.

2 MMBA

2.1 UNION RIGHTS

2.1.1 Union Stewards Designation

The Union shall, by written notice to the City Manager, designate certain of its members as Union Stewards. Union Stewards shall be permitted reasonable time for Union activities including grievance representation. In all cases, the Stewards shall secure permission from the Stewards' supervisor before leaving a work assignment. Such permission shall not be unreasonably withheld.

Union Stewards for salary discussions shall be in accordance with the Meyers-Milias-Brown (MMBA) Act.

2.1.2 Bulletin Boards

Authorized representatives of the Union shall be allowed to post Union notices on specified bulletin boards maintained on City premises.

2.1.3 New Members

Whenever the City hires an employee within any classification covered by this Memorandum of Understanding and represented by the Union, the City will inform the employee, as soon as possible, of the terms and provisions of this Memorandum of Understanding and will provide said employee with a copy of the current Memorandum of Understanding. The City shall make available up to 30 minutes, at a mutually agreeable time, during the initial thirty (30) days of employment for new employee orientation by the Union. The City and the Union intend that time (i.e., up to 30 minutes) will occur at employee orientation whenever possible. The City will provide reasonable advance notice to the Union of employee orientations conducted by the City.

2.1.4 Employee Information

The City shall provide the Union with the name, job title, department, work location, work, home and personal cell phone numbers, home address and personal email address on file with the City for all employees within the Union every 120 days. In addition, a report with similar information of each Union new hire will be provided to the Union within 30 days of the hire date.

2.2 DUES DEDUCTION

2.2.1 Collection of Dues

City agrees to deduct dues and voluntary union deductions selected by members, as established by the Union, from the salaries of its members. The sums so withheld shall be remitted by City, without delay, along with a list of employees and their respective dues and voluntary deductions. Union bears responsibility for allocating dues and voluntary deductions pursuant to employees' requests.

2.2.2 Dues Collection during Separation from Employment

The provisions specified above (Section 2.2.1.) shall not apply during periods of separation from the representation Unit by any such employee but shall reapply to such employee commencing

with the next full pay period following the return of the employee to the representation Unit. The term "separation" includes transfer out of the Unit, layoff, and leave without pay absences with a duration period of more than five (5) working days.

2.2.3 *Indemnification*

Moneys withheld by the City shall be transmitted to the Treasurer of the Union at the address specified. The Union shall indemnify, defend, and hold the City harmless against any claims made, and against any suit instituted against the City on account of check off of employee organization dues or service fees. In addition, the Union shall refund to the City any amount paid to it in error upon presentation of supporting evidence.

2.3 MANAGEMENT RIGHTS

The City reserves, retains, and is vested with, solely and exclusively, all rights of management which have not been expressly abridged by specific provision of this Memorandum of Understanding or by law to manage the City, as such rights existed prior to the execution of this Memorandum of Understanding. The sole and exclusive rights of management, as they are not abridged by this Agreement or by law, shall include, but not be limited to, the following rights:

1. To manage the City generally and to determine the issues of policy;
2. To determine the existence of facts which are the basis of the management decision;
3. To determine the necessity of any organization or any service or activity conducted by the City and expand or diminish services;
4. To determine the nature, manner, means, technology and extent of services to be provided to the public;
5. Methods of financing;
6. Types of equipment or technology to be used;
7. To determine and/or change the facilities, methods, technology, means and size of the work force by which the City operations are to be conducted;
8. To determine and change the number of locations, re-locations and types of operations, processes and materials to be used in carrying out all City functions including, but not limited to, the right (after effect bargaining) to contract for or subcontract any work or operation of the City;
9. To assign work to and schedule employees in accordance with requirements as determined by the City, and to establish and change work schedules and assignments;
10. To relieve employees from duties for lack of work or other legitimate reasons;
11. To discharge, suspend, demote or otherwise discipline employees for proper cause in accordance with the provisions and procedures set forth in City Personnel Rules and Regulations and this MOU;
12. To determine job classifications and to reclassify employees;
13. To hire, transfer, promote and demote employees in accordance with this Memorandum of Understanding and the City's Rules and Regulations;
14. To determine policies, procedures and standards for selection, training and promotion of employees;

15. To establish and modify employee and organizational performance and productivity standards and programs including but not limited to, quality and quantity standards; and to require compliance therewith;
16. To maintain order and efficiency in its facilities and operations;
17. To establish and promulgate and/or modify rules and regulations to maintain order and safety in the City which are not in contravention with this Agreement;
18. To take any and all necessary action to carry out the mission of the City in emergencies.

The City and the Union agree and understand that if, in the exercise of any of the rights set forth above, the effect of said exercise of rights by the City impacts an area within the scope of representation as set forth in the Meyers/Milias/Brown Act, case law interpreting said acts, and/or Federal law, the City shall have the duty to meet and confer with the Union regarding the impact of its decision/exercise of rights.

2.4 COMMENCEMENT OF NEGOTIATIONS

It is mutually agreed to begin the Meet and Confer process no later than three (3) months before the expiration date of this MOU, regarding the terms and conditions applicable to successor MOUs. The process will be initiated by the Union through the submittal of potential meeting dates.

3 COMPENSATION

3.1 GENERAL WAGES AND COMPENSATION

3.1.1 Pay Dates

City employees are paid twice per month on the 15th and the last working day of the month. When a payday falls on a holiday, the payday will be transferred to the following day of regular business unless Finance is able to complete the payroll by the previous workday. The method of the distributing payroll shall be established by the Finance Director.

The City calculates 1,950 hours as the annual number of work hours per year (37.5 hours per work week times 52 weeks per year equals 1,950 hours). Each semi-monthly pay period is calculated at 81.25 hours (1,950 hours divided by 24 pay periods). The hourly rate of pay is calculated by multiplying the monthly rate of pay identified in Appendix A times 12 months to equal the annual rate of pay, divided by 1,950 hours in a work year, to equal the hourly rate of pay.

The City will modify its pay schedule to 26 pay periods effective when administratively feasible subject to addressing technical issues and reaching agreement with all bargaining groups.

3.1.2 General Wage Increase

The City shall provide the following salary increases at the following rates by benchmark in each year of the MOU:

Accounting Assistant II

- Effective July 1, 2021, a 1.6% general salary increase plus 1.65% equity adjustment (a 3.25% total wage increase).
- Effective July 1, 2022, a 1.6% general salary increase plus 1.4% equity adjustment (a 3% total wage increase).
- Effective July 1, 2023, a 1.6% general salary increase plus 1.4% equity adjustment (a 3% total wage increase).

Administrative Assistant II

- Effective July 1, 2021, a 1.6% general salary increase plus 1.65% equity adjustment (a 3.25% total wage increase).
- Effective July 1, 2022, a 1.6% general salary increase plus 1.4% equity adjustment (a 3% total wage increase).
- Effective July 1, 2023, a 1.6% general salary increase plus 1.4% equity adjustment (a 3% total wage increase).

Associate Planner

- Effective July 1, 2021, a 1.6% general salary increase plus 2.4% equity adjustment (a 4% total wage increase).
- Effective July 1, 2022, a 1.6% general salary increase plus 2.15% equity adjustment (a 3.75% total wage increase).
- Effective July 1, 2023, a 1.6% general salary increase plus 1.65% equity adjustment (a 3.25% total wage increase).

Library Assistant II

- Effective July 1, 2021, a 1.6% general salary increase plus 2.4% equity adjustment (a 4% total wage increase).
- Effective July 1, 2022, a 1.6% general salary increase plus 2.15% equity adjustment (a 3.75% total wage increase).
- Effective July 1, 2023, a 1.6% general salary increase plus 1.65% equity adjustment (a 3.25% total wage increase).

Parking Enforcement Officer

- Effective July 1, 2021, a 1.6% general salary increase plus 1.65% equity adjustment (a 3.25% total wage increase).
- Effective July 1, 2022, a 1.6% general salary increase plus 1.4% equity adjustment (a 3% total wage increase).
- Effective July 1, 2023, a 1.6% general salary increase plus 1.4% equity adjustment (a 3% total wage increase).

Street Maintenance Supervisor

- Effective July 1, 2021, a 1.6% general salary increase plus 2.10% equity adjustment (a 3.70% total wage increase).
- Effective July 1, 2022, a 1.6% general salary increase plus 1.9% equity adjustment (a 3.50% total wage increase).
- Effective July 1, 2023, a 1.6% general salary increase plus 1.9% equity adjustment (a 3.50% total wage increase).

3.1.3 Compensation Goal & Definitions

It is the goal of the City to try to achieve a total compensation package for all employees represented by the Union in an amount equal to the following:

1. The average plus one dollar to the total compensation paid to the same or similar classifications in the following nine (9) cities: Fairfield, Vallejo, Hayward, San Leandro, South San Francisco, Alameda, Napa, Novato and Santa Rosa; and,
2. The highest total compensation paid to the same or similar classifications in the following agencies in Marin County: Corte Madera, Larkspur, Marin County, Mill Valley, Novato, and San Anselmo.

Total Compensation for survey purposes shall be defined as: Top step salary (excluding longevity pay steps), educational incentive pay, holiday pay, uniform allowance, employer paid deferred compensation (except for such portion that may be part of employee cafeteria plan),

employer's contribution towards employees' share of retirement, employer's retirement contribution, employer paid contributions toward insurance premiums for health, life, long term disability, dental and vision plans, and employer paid cafeteria/flexible spending accounts.

3.1.4 *Compensation Surveys*

To measure progress towards the above-stated goal, the City and the Union will jointly survey the identified benchmark positions, which are identified in the SEIU 1021 Represented Benchmarks and Internal Relationships Table attached as Exhibit "B" and included as part of this MOU, in September of the final year of this Agreement.

Identified benchmark positions from other agencies include positions that are filled as well as those that may be unfilled, so long as the benchmark position is identified by the survey agency as being on the salary schedule and having a job class description. Other city/agency positions are established as benchmark positions in San Rafael's compensation survey based upon similar work and similar job requirements.

Survey data will include all salary and benefit increases, as defined in 'total compensation'. The City and the Union shall review the benchmark and related survey data for accuracy and completeness.

3.1.5 *Compensation Plan*

The Compensation Plan adopted by the City Council shall provide for salary schedules, rates, ranges, steps and any other special circumstances or items related to the total compensation paid employees.

Each position within the classified services shall be allocated to its appropriate class in the classification plan on the basis of duties and responsibilities. Each class shall be assigned a salary range or a rate established in the salary plan. All persons entering the classified service shall be compensated in accordance with the salary plan then in effect.

3.2 STEP INCREASES

3.2.1 *Entry Level Step*

All initial employment shall be at the first step of the salary range, provided that the Department Director may make an appointment to a position at an appropriate higher salary when, in his/her opinion, it is necessary to obtain qualified personnel, or when it appears that the education or experience of a proposed employee is substantially superior to the minimum requirements of the class and justifies a beginning salary in excess of the first step. City Manager approval is required for entry level appointment above Step C for any position.

3.2.2 *Consideration for Step Increases*

An employee may be considered for a salary step increase in accordance with the time interval established in the salary plan as referenced in Exhibit "A". Unless otherwise noted, salary step increases within established salary ranges are scheduled at yearly intervals. Advancement to a higher salary step within an established salary range is granted for continued improvements and efficient and effective work by the employee in the performance of his/her duties.

3.2.3 *Merit Increases*

Accelerated merit performance step increases of five percent (5%) may be granted an employee based upon the recommendation of the Department Director and approval of the City Manager. Employees at the maximum step of their salary range may be granted a merit performance step increase of five percent (5%) above and beyond their salary range. A merit

step increase may be effective for up to one (1) year. A merit step increase may be withdrawn and is not a disciplinary action and is not appealable.

3.2.4 *Anniversary Date*

Based upon job performance, as measured by a Performance Evaluation, employees may receive consideration for a step increase within their salary range on their anniversary date. When an employee is promoted or reclassified to a new position, the first pay date at the new position shall constitute the employee's new anniversary date for purposes of the annual Performance Evaluation.

3.2.5 *Promotions*

Employees promoted to higher-level positions shall be placed at the step in the new salary range that will provide, at a minimum, a five (5%) increase (unless that would exceed the top step in the salary range).

3.2.6 *Performance Evaluations*

Upon completion of the probationary period, a performance evaluation shall be prepared and reviewed on or before the anniversary date and yearly thereafter as a means of determining whether a step increase is merited, and/or as a means of improving employee performance and communication between supervisors and subordinates.

Employees who receive a satisfactory or above rating on their performance evaluation shall receive a step increase. In the event the performance evaluation occurs after the anniversary date and the evaluation is rated satisfactory or above, the step increase shall be retroactive to the anniversary date.

If a performance evaluation is past due by more than 60 days the City shall process a Personnel Action Report (PAR) moving the employee to the next step in the salary range provided the Department Director provides a written statement to the Human Resources Director indicating that the employee's performance is satisfactory or above. The Human Resources Director will work with the employee's supervisor to have a performance evaluation completed as soon as possible.

3.3 SALARY CHANGE ON RECLASSIFICATION

If an occupied position is reclassified, the incumbent shall be affected as outlined below:

3.3.1 *To a Lower Classification*

When a position is re-allocated to a lower classification the incumbent is either:

1. Transferred to a vacant position in the former classification; or

If the incumbent's current salary is greater than the top step of the lower classification, Y-rated at the current salary until the salary of the lower classification is at or above the Y-rate.

3.3.2 *To a Different Classification with the Same Salary Range*

When a position is reallocated to a different classification with the same salary range, the incumbent shall be granted the same status in the new classification, in which he/she shall be paid at the same step of the range and shall maintain the same salary rights.

3.3.3 *To a Higher Classification*

When a position is reclassified to a classification with a higher salary range, the incumbent is moved into the higher classification with the position, except in the circumstances prescribed

below. Placement in the salary range shall be in accordance with the appropriate salary pay plan.

If the duties upon which the reclassification are based could have been assigned to any of a number of employees in that classification within the division or department, then a promotional exam is held for the reclassified position. Such an exam is a departmental only recruitment limited to employees within that classification. If the incumbent is not successful in this competitive process, she/he is assigned to the position vacated by the promotion.

3.4 SPECIFIED WAGE ADJUSTMENTS / DIFFERENTIALS

3.4.1 *Out of Class Compensation*

Employees assigned in writing by their supervisor to perform work in a higher paid classification, shall be compensated at a rate 5% greater than the employee's current base salary. Eligibility for out-of-class compensation requires a minimum assignment of five (5) consecutive days. The out-of-class increase shall be retroactive to the first day of the assignment. However, when an employee is moving from a nonlead/supervisory to a lead/supervisory role, the out-of-class pay becomes effective on the first day of the assignment and the five (5) day minimum requirement does not apply. If the assignment extends beyond four consecutive weeks, then the employee shall be compensated at the lower step of the classification within which the duties fall if that is greater. The Department Director is required to complete a Personnel Action Report (PAR), located on the HR page of the Intranet, to initiate out-of-class compensation.

In the event a Parking Enforcement Officer is assigned "field training" duties, the City shall consider this as "out of class" work and the assigned Parking Enforcement Officer will receive 5% of their current pay as compensation for the hours worked in this assignment.

3.4.2 *Shift Differential Pay*

- a. A three percent (3%) shift differential shall be paid for all employees in the represented bargaining group who are regularly scheduled to work fifty percent (50%) or more of their shift between the hours of 5:00 p.m. and 11:00 p.m.
- b. A five percent (5%) shift differential shall be paid for all employees in the represented bargaining group who are regularly scheduled to work fifty percent (50%) or more of their shift between the hours of 11:00 p.m. and 7:00 a.m.
- c. Employees in job classes not identified in this section who are assigned to work the swing or graveyard shift time periods on a temporary basis and/or on an overtime basis are excluded from shift differential pay for those time periods.
- d. Shift differential shall not be considered an additional percentage on salary for personnel involved but shall apply only to hours actually worked; e.g., differential does not apply to sick leave, vacation or compensatory time, but does include overtime for employees regularly assigned to the swing or graveyard shifts.

3.4.3 *Court Pay*

Parking Enforcement Officers who are required, in the course and scope of their official employment, to appear in court or other official hearings other than during his/her work week schedule, shall receive a minimum of four hours pay if that appearance is on a scheduled day off. If a court appearance is required on a scheduled work day, and such appearance commences one half (1/2) hour after completion of an employee's shift, then the employee shall be compensated at the overtime rate for actual time spent, beginning at the conclusion of the regular shift hours and ending upon his/her release from the court or hearing office.

3.5 ADDITIONAL PAY

3.5.1 Educational Reimbursement – Miscellaneous Unit

The Educational Reimbursement is \$200/fiscal year, maximum, with the City's payment not to exceed 75% of the cost. Educational Reimbursement is available to employees who satisfactorily (grade of C or better, Pass or Complete) complete a course or courses that are pre-determined to be job related and/or that will assist the employee to prepare for career advancement in his/her field. To be eligible, employees must have completed probation at the time of the reimbursement, which is made at the end of the semester.

The Educational Reimbursement Program will include reimbursement for professional membership dues for work-related organizations for employees in the "Administrative" or "Professional" sections of the Miscellaneous Bargaining Unit. Prior supervisory approval is necessary to be eligible for reimbursement. The total reimbursable amount remains at \$200/fiscal year.

3.5.2 Educational Reimbursement – Supervisory Unit

The Educational Reimbursement Program is \$225 per fiscal year. This reimbursement is available to employees who have satisfactorily (grade of C or better, Pass or Complete) completed a course or courses that are predetermined to be job-related and/or that will assist the employee to prepare for career advancement in his/her field. To be eligible, employees must have completed probation at the time of the reimbursement, which is made at the end of the semester.

The Educational Reimbursement Program will accommodate reimbursement of up to \$100 per fiscal year for professional membership dues for work-related organizations for employees in the "Administrative", "Professional", or "Library" sections of the Supervisory Bargaining Unit. Prior supervisory approval is necessary to be eligible for reimbursement. The total reimbursable amount remains at \$225 per fiscal year.

3.5.3 Bilingual Pay – Miscellaneous Employees

Within the job classifications represented by the Union provisions are hereby established whereby an employee may receive bilingual pay for full fluency in a foreign language.

Full fluency is defined as a skill level that will allow the employee to fully assist someone else who does not speak English in coping with situations or problems by translating for, conversing with and/or reading or writing written material.

An employee can petition to his/her Department Director for this bilingual pay incentive. With the Department Director's recommendation and on review by the Human Resources Director and approval of the City Manager the employee may begin to receive this bilingual pay incentive.

Criteria for approval of the bilingual pay incentive by the City Manager includes:

- a. Certification by a recognized school of the appropriate skill level; and/or
- b. Demonstrated ability of the proficiency level on the job; and
- c. Department Director's recommendation and statement that the bilingual skill of the employee can be of value to the department and the employee in the completion of their regular work assignments.

An employee approved for the bilingual pay incentive shall receive an additional \$150.00 per month above their base salary. Part-time employees will be pro-rated for this incentive based on their full-time equivalency (FTE).

This bilingual pay incentive shall be reviewed annually and as long as the employee demonstrates (by work experience or re-testing, as determined by the City of San Rafael) the full fluency skill level; and as long as the Department Director indicates the value of this skill to the department and the employee in the completion of their regular work assignments.

Removal of the bilingual pay incentive would be considered a non-disciplinary action however removal of bilingual pay is appealable to the Human Resources Director. The determination of the Human Resources Director is not subject to any appeal/grievance procedure.

3.5.4 Bilingual Pay – Supervisory Unit

Within the Supervising Librarian and the Librarian I/II classification, the Library Director shall establish one position eligible to receive \$150.00 per month Bilingual Pay Differential. This bilingual pay shall become effective the first payroll period after the designated employee takes and passes an approved proficiency examination.

The employee must be certified as sufficiently fluent in a language deemed to be of work value to the Library as determined by the Library Director and approved by the City Manager. Fluency certification may be obtained by either passing a department approved proficiency test or submitting a current (no more than one year old) certificate of satisfactory proficiency/fluency from a department approved agency or school. It is agreed that annual re-certification of fluency is required to continue receiving the Bilingual Pay Differential. Fluency in more than one foreign language does not entitle an employee to more than one \$150.00 per month differential.

3.5.5 Garage Employees Uniform Maintenance Program

Uniform shirts, pants and coveralls will be provided. The City installed laundered facilities on-site and the maintenance employees of the Garage work units will self-laundry their uniforms.

3.5.6 Sewer Employees Uniform Maintenance Program

Uniform shirts, pants and coveralls will be provided and laundered for the maintenance employees of the Sanitation Department.

3.5.7 Uniform Allowance

Maintenance employees in Parks, Streets, Building Maintenance and Community Services who must wear uniforms shall receive a uniform allowance in the amount of \$157.50 at the completion of each six (6) months of service ending June 30th and December 31st. A pro-ration at the rate of \$26.25/month may be given with the recommendation of the Department Director and the approval of the City Manager. Uniforms and gear must be in accordance with the departmental dress code and safety requirements.

Parking lot attendants and parking maintenance staff will be provided with shirts, hats and jackets by the City if they are required by the City to wear them.

The Environmental Management Coordinator, the Emergency Management Coordinator, Parking Maintenance staff and Fire Prevention Inspector I/II employees, if required to wear a uniform which is not provided by the City, shall receive an annual uniform allowance of \$445 per year, paid in two installments, in June and December.

Parking Enforcement Officers (PEOs) shall receive an annual uniform allowance of \$445 per year, paid in two installments, in June and December. PEOs shall have utility and rain gear provided by the City.

Note: While the 6-month periods end June 30th and December 31st, the actual payments of the uniform allowance are provided on the first paycheck in June and the first paycheck in December.

A safety boot allowance of \$200 per year payable on the first paycheck in December shall be issued to employees in the following job classifications who shall be required to wear safety boots:

2119 CONSTRUCTION INSPECTOR- SRSD
7224 CUSTODIAN
7120 EMERGENCY MANAGEMENT COORDINATOR
1201 ENVIRONMENTAL MANAGEMENT COORDINATOR
7231 EQUIPMENT SERVICE ATTENDANT
7232 FACILITY REPAIR SUPERVISOR
7291 FACILITY REPAIR WORKER I
7233 FACILITY REPAIR WORKER II
7294 FACILITY REPAIR WORKER III
7108 FIRE PREVENTION INSPECTOR I
7107 FIRE PREVENTION INSPECTOR II
6212 PARKING EQUIPMENT TECHNICIAN
7256 PARK EQUIPMENT MECHANIC
7271 PARKS MAINT. SUPERVISOR
7236 PARKS MAINTENANCE WORKER I
7238 PARKS MAINTENANCE WORKER II
2123 PARKS LEAD MAINTENANCE WORKER
6208 PARKING ENFORCEMENT OFFICER
7290 PUBLIC WORKS DISPATCHER
7253 PUBLIC WORKS INSPECTOR
7266 SEWER MAINTENANCE WORKER I
7267 SEWER MAINTENANCE WORKER II
2204 SEWER LEAD MAINTENANCE WORKER
7281 SEWERS SUPERVISOR
7269 SHOP & EQUIPMENT SUPERVISOR
7209 STREET MAINTENANCE SUPERVISOR
7250 STREET MAINTENANCE WORKER I
7251 STREET MAINTENANCE WORKER II
7280 STREET LEAD MAINTENANCE WORKER
7288 SUPERVISING VEHICLE EQUIPMENT MECHANIC
7283 SWEEPER OPERATOR
7286 VEHICLE EQUIPMENT MECHANIC I
7287 VEHICLE EQUIPMENT MECHANIC II

3.5.8 *Uniform Jacket Cleaning Allowance*

Maintenance employees of the Sewer work unit, including the Sewer Maintenance Supervisor, will receive a work jacket cleaning allowance of \$60.00 at the completion of each six (6) months of service ending June 30th (paid on the June 15th paycheck) and December 31st (paid on the December 15th paycheck). A pro-ration of \$10.00/month may be given with the approval of the Department Director.

3.5.9 *Mechanical Tool Allowance*

The City will provide a tool allowance of \$400/fiscal year for Vehicle Equipment Mechanics, the Equipment Service Attendant, the Shop and Equipment Supervisor, and the Parks Mechanic for tools purchased for use in the course of City work. This tool allowance will be issued during the month of July. Employees who receive the tool allowance are not eligible to receive reimbursement for lost or broken tools.

3.5.10 *Holiday Pay*

Parking Enforcement Officers shall receive holiday pay if a holiday falls on their regular day off. If the holiday falls on a day which they are scheduled to work, they will be paid for the holiday automatically. The employee will use additional hours of vacation, comp, float or unpaid leave to complete his or her regularly scheduled work day.

4 BENEFITS

4.1 EMPLOYEE BENEFITS COMMITTEE

Both parties agree to continue to utilize the Employee Benefits Committee for ongoing review of benefit programs, cost containment and cost savings options. The Committee shall be made up of representatives of the SEIU, Western Council of Engineers, Local 1 - Confidential, Police Officers Association, Police Mid-Managers Association, Firefighters' Association, Fire Chief Officers Association, Mid-Management and Management employees.

4.2 HEALTH & WELFARE

4.2.1 *Full Flex Cafeteria Plan*

Effective January 1, 2010, the City implemented a Full Flex Cafeteria plan (known as the Flexible Benefits Plan) for active employees, in accordance with IRS Code Section 125. Active employees participating in the City's Full Flex Cafeteria plan shall receive a monthly flex dollar allowance to purchase benefits under the plan. The monthly flex dollar allowance effective the paycheck of December 15, 2020 shall be:

| | |
|--|-------------|
| For employee only: | \$ 780.93 |
| For employee and one dependent: | \$ 1,477.20 |
| For employee and two or more dependents: | \$ 1,618.71 |

Flex dollar allowances shall increase on the December 15th paycheck of each subsequent year up to a maximum of three percent (3%) on an annual basis, based on but not to exceed the Kaiser Bay Area premium rate increase for the upcoming calendar year.

The City shall contribute to the cost of medical coverage for each eligible employee and his/her dependents, an amount not to exceed the California Public Employees' Medical and Hospital Care Act (PEMHCA) Minimum Employer contribution, as determined by CalPERS on an annual basis. This portion of the monthly flex dollar allowance is identified as the City's contribution towards PEMHCA. The monthly flex dollar allowance (including the PEMHCA minimum contribution) may be used in accordance with the terms of the cafeteria plan to purchase health benefits or may be converted to taxable income.

Conditional Opt-Out Payment: An employee may elect to waive the City's health insurance coverage and receive a \$300 monthly Opt-Out payment in accordance with the terms of the cafeteria plan and the Affordable Care Act if the employee complies with the following conditions:

- 1) The employee certifies that the employee and all individuals in the employee's tax family for whom coverage is waived, have alternative Minimum Essential Coverage as defined by the Patient Protection and Affordable Care Act through a provider other than a federal marketplace, a state exchange, or an individual policy.
- 2) During the City's annual open enrollment period, the employee must complete an annual written attestation confirming that the employee and the other members of the employee's tax family are enrolled in alternative Minimum Essential Coverage. The employee agrees to notify the City no later than 30 days if the employee or other member(s) of the employee's tax family lose coverage under the alternative Minimum Essential Coverage Plan.
- 3) The employee understands that the City is legally required to immediately stop conditional opt-out payments if the City learns that the employee and/or members of the employee's family do not have the alternative Minimal Essential Coverage.

The City reserves the right to modify at any time, the amount an employee is eligible to receive under this paragraph, if required by IRS Cafeteria Plan regulations or other legislation or agency guidance.

Unless a greater benefit is required by law, part-time, regular, permanent employees working at least 53.3% FTE shall be eligible to receive: a) pro-rated leave benefits; and b) a pro-rated flex dollar monthly allowance based upon the regular hours the employee works. The pro-rated share shall be equivalent to the part time employee position's ratio of hours worked to full time equivalency.

For those part time employees hired prior to January 1, 2010 electing "Employee Only" coverage, the flex dollar allowance shall be prorated based off \$1,264. The maximum benefit shall be \$700 per month, unless a greater benefit is required by law.

4.2.2 *Retirees Health Insurance*

Employees represented by SEIU who retire from the Marin County Employees' Retirement Association (MCERA) within 120 days of leaving their City of San Rafael position (and who comply with the appropriate retirement provisions under the MCERA laws and regulations) are eligible to continue in the City's retiree group health insurance program offered through PEMHCA. The City's contribution towards retiree coverage shall be the PEMHCA minimum contribution as determined by CalPERS on an annual basis.

a. Employees hired on or before January 1, 2010

The City shall make a monthly retiree health insurance contribution on behalf of employees hired before January 1, 2010 and who retire from the City of San Rafael as described in this Section. The City's total monthly contribution, which includes the PEMHCA minimum contribution, shall not exceed \$752 per month. The City's retiree health contribution shall continue for the lifetime of the retiree and retiree's spouse, in accordance with PEMHCA eligibility provisions for coverage. Employees receive the pro-rated amount based on their status at the time of retirement. For example: if an employee works part-time, and retires while working part-time, then the employee receives a pro-rated contribution based on the employee's part-time status at the point of retirement.

b. Employees hired on or after January 1, 2010, and who meet the eligibility requirements for retiree health insurance, are eligible to continue in the City's group health insurance program. The City's maximum contribution towards retiree coverage under this subsection, 4.2.5b, shall be the PEMHCA minimum contribution

as determined by CalPERS on an annual basis. The City shall not be responsible for making any contributions towards the cost of coverage of the retiree's spouse, registered domestic partner, or dependents upon the employee's retirement from the City in excess of the PEMHCA minimum contribution as required by CalPERS.

The City shall additionally make available a retiree health care trust to enable these employees to prefund retiree health care premiums while employed by the City. The retiree health care trust shall be funded by annual conversion of 50 hours of sick time in service on July 1 of each year, provided an employee has a remaining balance of 75 hours of sick leave after the conversion.

4.2.3 *Health and Dependent Care Spending Accounts*

City will offer Flexible Spending Accounts as part of its Section 125 Plan for as long as such a plan is desired by the Union and available pursuant to the IRS Code. The Flexible Spending Accounts offered by the City include:

- a. Healthcare Spending Account: Out-of-pocket medical expenses that qualify under the IRS Code up to the IRS Code limit. Employees are responsible to pay the monthly administrative fee and any increase established by the third-party administrator.
- b. Dependent Care Spending Accounts: Dependent care expenses that qualify under the IRS Code up to the IRS Code limit. Employees are responsible to pay the monthly administrative fee and any increase established by the third-party administrator.
- c. Premium Only Plan: Employee's share of medical insurance premiums shall be deducted from employee's pay with pre-tax dollars as long as such deduction is allowable under the applicable IRS Code.

City shall establish an annual enrollment period and each employee must re-enroll annually for either plan noted in a. and/or b. above. City shall have the authority to implement changes to the 125 Programs to comply with changes in applicable IRS laws without having to go through the meet and confer process.

4.2.4 *Health Insurance Providers*

The City shall have the option, after meeting and consulting with representatives of The Union Stewards' Council, of either contracting with the Public Employees Retirement System (PERS) Health Benefits Division for health insurance or contracting directly with some or all of the providers of health insurance under the PERS program; provided, however, contracting directly with the providers shall not cause any material reduction in insurance benefits from those benefits available under the PERS program.

4.3 DENTAL PLAN

The City will provide a dental insurance program which offers 100% coverage for diagnostic and preventative care; \$25.00 deductible on corrective care (80/20); and an 80% payment of eligible costs associated with crown and cast restoration per patient per calendar year and orthodontic coverage for eligible dependents (50/50). The dental provider will provide payments for covered services at the percentage indicated in the plan booklet up to a maximum of \$1,500 for each enrollee in each calendar year.

Dental insurance enrollment is available to part time, regular, permanent employees working at least 53.3% FTE. The City's contribution towards the monthly dental insurance premium will be prorated based on the FTE level of the part time employee.

4.4 VISION CARE PLAN

The City will provide vision care benefits for employee only coverage. Employees may enroll qualified family members and pay the premium costs for such enrollment.

4.5 LIFE INSURANCE

The City shall be responsible for paying premiums for a life insurance and Accidental Death & Dismemberment (AD&D) policy for each employee. The life and AD&D policy shall provide a \$5,000 life insurance and a \$5,000 AD&D benefit. The City shall also make available a voluntary life insurance program at employee expense.

4.6 LONG TERM DISABILITY INSURANCE

The City shall be responsible for paying premiums for a Long-Term Disability Policy for each employee that satisfies the eligibility provisions of the long-term disability policy. The Long-Term Disability policy shall provide for salary replacement of 66.67% of an individual's salary up to a maximum disability benefit of \$1,000 per month.

4.7 RETIREMENT CONTRIBUTION

4.7.1 City Paid Employee Retirement (City Paid Member Contribution)

Bargaining unit members shall pay the full share of the employee's contribution to the Marin County Retirement System.

The City of San Rafael acknowledges that under its current practice, the employee's share of their retirement contribution is deducted with pretax dollars. This practice will continue until changed through the Meet and Confer process or until IRS regulations change.

4.7.2 Retirement Plans

The City shall provide the Marin County Employee Retirement Association 2.7% at 55-retirement program to all miscellaneous members, as defined under the 1937 Act Government Code Section 31676, subject to Marin County Employee Retirement Association procedures and regulations and applicable 1937 Act laws that govern such plans. This is based on an employee's single highest year of compensation.

Employees hired on or after July 1, 2011 will receive an MCERA retirement benefit at the formula 2% at 55, calculated based on the average of their highest three years of compensation, in accordance with MCERA regulations. The annual pension adjustment shall be a maximum of 2% COLA. Minimum retirement age is 55.

Employees hired by the City on or after January 1, 2013 who are defined as "new members" of MCERA in accordance with the Public Employees' Pension Reform Act (PEPRA) of 2013, shall be enrolled in the MCERA 2% @ 62 plan for Miscellaneous members. The employee is responsible for paying the employee contribution of half of the total normal cost of the plan, as defined by MCERA, through a payroll deduction. Final compensation will be based upon the highest annual average compensation earnable during the thirty-six (36) consecutive months of employment immediately preceding the effective date of his or her retirement or some other period designated by the retiring employee.

4.7.3 Member Cost of Living Rates

Bargaining unit members who are eligible to participate in the Marin County Employee Retirement Association will pay their full share of members' cost of living rates as allowed under Articles 6 and 6.8 of the 1937 Retirement Act. Miscellaneous and safety member contribution

rates include both the basic and COLA portions (50% of COLA is charged to members as defined in the 1937 Act).

4.8 STATE DISABILITY INSURANCE (SDI)

Employees will have the full premium cost for SDI coverage automatically deducted from their paycheck and no City contribution will be made toward participation in the plan.

It is incumbent upon the employee to keep the City advised of their medical status, within HIPAA guidelines, and eligibility for SDI. With this notification, SDI benefits, as determined by the State, shall be integrated with accrued sick and vacation leave in the following manner:

- a. Employee notifies supervisor of disability and need for time off. At the same time employee files for SDI through the State Office.
- b. Supervisor verifies from leave records the employee's accrual balances and projects whether or not employee would, under normal circumstances, be placed in a leave without pay status during the time off period.
- c. Personnel Action Report (PAR) is completed by the supervisor to document request and approval of extended leave.
- d. Human Resources Department, on receipt of the PAR, contacts employee and supervisor to discuss availability of coordination of SDI with leave benefits.
- e. Employee's time off is recorded as sick leave and if necessary then vacation leave on time cards submitted by the supervisor to the Payroll Office.
- f. Upon receipt of the SDI payments, the employee must endorse the payments over to the City of San Rafael to receive credit for leave taken.
- g. Based upon the employee's hourly rate of pay, the Payroll Office computes how much used sick and/or vacation leave time the employee will be credited and credits the employee with those hours. NOTE: The employee may not be credited more than accrued at or during the time of the disability.
- h. The Human Resources Department, after notification from Payroll, notifies the employee when they have used all accrued sick and/or vacation time and when leave without pay status (LWOP) begins. Once the employee is on LWOP they would keep any SDI payments received and would be fully responsible for the monthly health, dental and life insurance premiums if they chose to remain in the group plans. FMLA/CFRA provide an exception and are referenced under Section 5.4.8.

5 LEAVES

5.1 SICK LEAVE

5.1.1 Eligibility

Sick leave with pay shall be granted to each eligible employee. Sick leave may not be used at an employee's discretion but shall be allowed only in case of necessity and actual sickness or disability. The employee is required to notify employee's immediate supervisor or Department Director according to department Rules and Regulations or as soon as the employee is aware of the need for the absence and no later than at the beginning of his/her daily duties. The City may request verification from a medical provider from any employee who is absent for three (3) or more consecutive days.

If an employee has documented sick leave abuse, the employee may be placed on an attendance management plan, which will require the employee to submit verification from a medical provider for all future use of sick leave. The employee shall be taken off an attendance management plan after twelve (12) months unless the pattern of sick leave abuse has continued.

5.1.2 *Sick Leave Accrual*

All eligible full-time employees shall earn sick leave credits at the rate of one (1) working day per month commencing with the date of employment. Unused sick leave may be accumulated to any amount but a cap exists for payoff purposes (see Section 5.1.6). The sick leave accrual rate is prorated for eligible part time employees.

5.1.3 *Use of Sick Leave*

An employee may use accrued sick leave during their probationary period. An employee eligible for sick leave with pay shall be granted such leave for the following reasons:

1. Personal illness of the employee or illness within the immediate family (family member means an employee's spouse, registered domestic partner, any unmarried child, including adopted child, a stepchild, or recognized natural child who lives with the employee in a regular parent-child relationship, parent, including in-laws, and grandparent), or for any physical incapacity of the employee resulting from causes beyond the employee's control; or
2. Enforced quarantine of the employee in accordance with community health regulations; or
3. Medical appointments that cannot be scheduled during non-working hours.

5.1.4 *Advance of Sick Leave*

Whenever circumstances require, and with the approval of the City Manager, sick leave may be taken in advance of accrual up to a maximum determined by the City Manager, provided that any employee separated from the service who has been granted sick leave that is un-accrued at the time of such separation shall reimburse the City of all salary paid in connection with such un-accrued leave.

5.1.5 *Service Credit for Sick Leave*

Employees who retire from the City of San Rafael within 120 days of leaving City employment (excludes deferred retirements) shall receive employment service credit for retirement purposes only for all hours of accrued, unused sick leave (exclusive of any sick leave hours they are eligible to receive and they elect to receive in compensation for at the time of retirement pursuant to Section 5.1.6 Compensation for Unused Portion (Sick Leave Payoff).

Employees hired on or after July 1, 2009 are not eligible to receive employment service credit of any accrued, unused sick leave for retirement purposes.

5.1.6 *Compensation for Unused Portion*

Upon termination of employment by resignation, retirement or death, a regular employee who leaves the City service in good standing shall receive compensation for all accumulated unused sick leave based upon the following formula: a rate of three percent (3%) for each year of service (i.e., 3% times number of employment service years). The maximum number of accumulated, unused sick leave an employee may be compensated for upon termination of employment is 600 hours. See Section 5.1.5 regarding service credit option for accumulated, unused sick leave that the employee is not compensated for upon termination.

5.2 VACATION LEAVE

5.2.1 Eligibility

Annual vacation with pay shall be granted each eligible employee. Vacation leave accrual shall be prorated for those employees working less than full time. Employees will be permitted to use accrued vacation leave after six (6) months of employment subject to the approval of the Department Director.

5.2.2 Rate of Accrual

Vacation benefits shall accrue during the probationary period. Each regular full-time employee (part time regular are prorated) shall accrue vacation at the following rate for continuous service. Each service year in the chart begins on the first working day and ends on the last day of the service year:

| Service Year | Annual Hours | Hours Per Month |
|--------------|---------------|-----------------|
| 1 | 75.000 hours | 6.2500 |
| 2 | 75.000 hours | 6.2500 |
| 3 | 75.000 hours | 6.2500 |
| 4 | 112.500 hours | 9.3750 |
| 5 | 117.867 hours | 9.8222 |
| 6 | 123.234 hours | 10.2695 |
| 7 | 128.601 hours | 10.7167 |
| 8 | 133.968 hours | 11.1640 |
| 9 | 139.335 hours | 11.6110 |
| 10 | 144.702 hours | 12.0580 |
| 11 | 150.000 hours | 12.5000 |
| 12 | 157.500 hours | 13.1250 |
| 13 | 165.000 hours | 13.7500 |
| 14 | 172.500 hours | 14.3750 |
| 15 | 180.000 hours | 15.0000 |
| 16 plus | 187.500 hours | 15.6250 |

When an employee is on an approved leave without pay, vacation accrual is prorated based upon paid hours in the pay period. Upon the City's modification of its pay schedule to 26 pay periods, the above accrual rates shall be adjusted to a pay period basis.

5.2.3 Administration of Vacation Leave

The City Manager, upon the recommendation of the Department Director, may advance vacation credits to any permanent regular and permanent part-time employee.

No employee may accrue more than 250 hours. Vacation accruals will resume once the employee's accumulated vacation balance falls below the allowable cap limit.

The time at which an employee may use his/her accrued vacation leave and the amount to be taken at any one time, shall be determined by employee's Department Director with particular regard for the needs of the City but also, insofar as possible, considering the wishes of the employee.

The Maximum amount of vacation leave that may be taken at any given time shall be that amount that has accrued to the employee concerned, subject to the Department Director's approval. The minimum amount of vacation that may be taken at any given time shall be one-half (1/2) hour (except that as permitted by law, the City shall authorize the use of vacation time in smaller increments to coordinate disability or workers compensation leaves with employee accrued paid time). Vacation leave granted by the City and used by an employee shall be deducted from the employee's vacation leave bank.

In the event that one or more City holidays falls within an annual vacation leave, such holiday shall not be charged as vacation leave, and the vacation leave shall be extended accordingly.

Employees who terminate their employment shall be paid in a lump sum for all accrued vacation leave earned prior to the effective date of termination.

Employees may request a temporary waiver of their vacation cap, should a work-related injury prevent use of vacation time. Such requests would need to be in writing, submitted through the department, and receive the approval of the Department Director and the City Manager.

5.2.4 Vacation Cash-In

An employee, who has taken at least ten (10) days of vacation in the preceding twelve (12) months, may request in any fiscal year that accrued vacation, not to exceed seven (7) days, be converted to cash payments and the request may be granted at the discretion of the City Manager. Employees cannot cash in more than seven (7) days of vacation in any one twelve (12) month period.

5.3 HOLIDAYS

5.3.1 Paid Holidays

All employees who are required to work on a day designated as an authorized holiday, other than a day on which an election is held throughout the state, shall be paid at the applicable rate of pay for the number of hours actually worked.

When a holiday falls on Saturday or Sunday, the Friday preceding a Saturday holiday or the Monday following a Sunday holiday shall be deemed to be a holiday in lieu of the day observed.

By written agreement between the employee and supervisor, an employee working an alternative work schedule can bank the holiday time to be scheduled as paid time off at a later date. Holidays will be lost if not used within the same fiscal year, and will not be cashed out at any time during employment or upon separation.

The following holidays will be observed:

| | |
|---------------------------------|----------------------------|
| January 1 st | New Year's Day |
| The third Monday in January | Martin Luther King Jr. Day |
| The third Monday in February | Washington's Birthday |
| March 31 st | Cesar Chavez Day |
| The last Monday in May | Memorial Day |
| July 4 th Holiday | Independence Day |
| The first Monday in September | Labor Day |
| November 11 th | Veteran's Day |
| The fourth Thursday in November | Thanksgiving Day |

| | |
|-------------------------------|------------------------|
| The fourth Friday in November | Day after Thanksgiving |
| December 25 th | Christmas Day |

In addition to designated holidays, employees in this Unit receive two (2) floating holidays. Floating holidays not used are added to employee's vacation balance. Part-time employees will be paid for holidays on a pro-rated basis.

5.4 OTHER LEAVE

5.4.1 *Personal Leave – Supervisory Unit*

Up to two (2) days of Personal Leave per fiscal year shall be granted to Supervisory Unit employees, with prior supervisory approval. Employees must submit leave requests two (2) weeks in advance. Unused Personal Leave does not carry over and cannot be cashed out.

5.4.2 *Safety Holiday*

A Safety Holiday Incentive Program is established for maintenance employees. Employees will be placed in one of the following units. The units are: (1) Park Division; (2) Street Division; (3) Sewer Division; (4) Garage Division; (5) Building Maintenance Division; or (6) Community Services Custodians. For part-time employees in these units who are eligible for benefits, any safety holiday will be pro-rated. If all employees of a designated unit complete six (6) months without a work-related injury or illness resulting in one full day of lost time, a Safety Holiday will be granted to all employees of that unit, with specific time off granted with prior Supervisory approval. Note: Multiple days of lost time for the same injury or illness shall be considered as one incident.

5.4.3 *Bereavement Leave*

In the event of the death of an employee's spouse, child, parent, sibling, registered domestic partner, grandchild, grandparent, in-laws, relative who lives or has lived in the home of the employee to such an extent that the relative was considered a member of the immediate family and/or another individual who has a legal familial relationship to the employee and resided in the employee's household, up to five (5) days may be granted for bereavement leave.

In those cases where the death involves an individual who had such a relationship with the employee, as defined above, the employee shall sign a simple affidavit describing the relationship and submit this to the Department Director as part of the request for bereavement leave.

5.4.4 *Jury Duty*

Employees required to report to jury duty shall be granted a leave of absence with pay from their assigned duties until released by the court, provided that the employee provides advance notice to the Appointing Authority and remits to the City all per diem service fees except mileage or subsistence allowance within thirty days from the termination of such duty.

5.4.5 *Military Leave*

Military leave shall be granted in accordance with the State of California Military and Veteran's Code as amended from time to time. All employees entitled to military leave shall give the appointing authority and the Department Director an opportunity, within the limits of military regulations, to determine when such leave shall be taken.

5.4.6 *Leave of Absence Without Pay*

Leave of absence without pay may be granted by the City Manager upon the written request of the employee. Accrued vacation leave must be exhausted prior to the granting of leave without pay.

5.4.7 *Industrial Injury Leave*

For benefits under Workers Compensation, an employee should report any on the job injury to his/her supervisor as soon as possible, preferably within twenty-four (24) hours. The Human Resources department coordinates benefits for Worker's Compensation claims. For further information see the City's Workers' Compensation policy located on the Intranet (<https://intranet.cityofsanrafael.org>).

Employees of the City who have suffered any disability arising out of and in the course of their employment as defined by the Worker's Compensation Insurance and Safety Act of the State of California are entitled to all benefits allowed them by the Workers' Compensation Insurance and Safety Act of the State of California.

Temporary disability payments (TD) are made to all employees (full and part-time) when a physician reports an employee is unable to perform their job duties due to an industrial injury and the City cannot accommodate the restrictions mandated by their physician. TD is set by State law and is approximately two-thirds of full salary with state-mandated minimums and maximums. For full-time, regular employees, however, the City augments TD payments with salary continuation as follows: Compensation leave payments shall not exceed the employee's regular full pay for the first three (3) calendar months and three-fourths (3/4) of the regular full pay for the following six (6) calendar months.

Sick Leave Usage Post Industrial Injury/Illness:

The following rule applies to employees who have an accepted industrial injury/illness: Available accrued sick leave cannot be used for more than 60 calendar days after one of the following has been determined:

- a. The employee has reached maximum medical improvement and/or has been determined "permanent and stationary",
- b. The employee has been determined to be unable to return to their usual and customary occupation, with or without reasonable accommodation.

Given the above has occurred, next steps would include:

- a. The interactive process; attempt to locate other appropriate employment within the City
- b. If none available, proceed with termination process, including disability retirement application and/or Skelly process, if appropriate.

5.4.8 *Family Medical Leave*

Union members agree to adhere to the provisions of the City's Family Medical Leave Policy which is available on the City's Intranet Website.

5.4.9 *Catastrophic Leave*

Catastrophic leave shall be in accordance with the City Catastrophic Leave Policy which is available on the City's Intranet website.

6 TERMS & CONDITIONS OF EMPLOYMENT

6.1 HOURS OF WORK

The WORK WEEK will reflect thirty-seven and one-half (37.5) hours for all represented job classes. Unless otherwise designated, the normal business hours for vacation, sick and administrative leave deduction and sick and administrative leave accrual purposes shall be 7.5 hours per day. The 37.5-hour work week will begin July 1, 2013, at which time employees shall return to the work schedule worked prior to implementation of the 36-hour work week, unless otherwise arranged with the Department Head.

6.1.1 Consecutive Two-Day Weekends

No later than October 1, 2018, each library employee shall have a weekend consisting of two consecutive days off work. At least one of the weekend days shall be a Saturday or Sunday.

The City and the Union shall begin the meet and confer process regarding scheduling in the library within 30 calendar days of the ratification of this successor MOU.

Within 30 calendar days of the City Council approval of this successor MOU, the City and the Union shall begin the meet and confer process with the purpose of providing all employees with the option of having a consecutive two-day weekend. By mutual agreement of the City and the Union, additional language may be added to this section as a result of the meet and confer process.

6.2 OVERTIME

Overtime shall mean actual time authorized and worked beyond thirty-seven and one-half (37.5) hours in a regular work week, or seven and one-half hours (7.5) in one work day or regularly scheduled shift. A work or duty week shall be defined as seven (7) consecutive calendar days. Overtime is compensable to the nearest half-hour and must have prior authorization and approval of the Department Director.

Each Department Director shall have the authority to designate certain job classifications for mandatory overtime in emergencies. In the event the Department Director determines that there is a staffing need during an emergency, the Department Director shall first make a reasonable effort to seek qualified volunteers to work overtime during the emergency. If the Department Director determines that there are an insufficient number of volunteers, or if time constraints prevent the soliciting of volunteers, the Department Director may order employees in the designated classifications (may vary depending on the emergency but primarily relates to job classifications in the Street Division of Public Works) to report to work in overtime status to address the emergency.

6.3 COMPENSATORY TIME POLICY

With the Department Director's approval, compensatory time, in lieu of overtime pay, may be taken subject to the following rules:

6.3.1 Accrual Limit

Employees may accrue up to 115 hours of compensatory time after which said employee must accept overtime pay in lieu of accruing additional compensatory time.

6.3.2 Overtime Rate

Employees who work overtime may be paid for it at the rate of time and one-half or may accrue compensatory time at a rate of time and one-half subject to the limitations in Section 6.3.1.

Employees who elect compensatory time must take the time off, preferably within the quarter during which it was earned, and shall not be paid for it.

6.4 STAND BY OR CALL BACK DUTY

6.4.1 Compensation When Assigned to Standby Duty – All Departments except Sanitation

Miscellaneous and Supervisory employees assigned standby duty on Saturday, Sunday or a day designated as an authorized holiday by the City Council shall be compensated at the rate of six (6) hours of their base salary for each day of standby duty. To identify employee eligible for standby covering holidays, the City and Union acknowledge standby eligibility shall rotate at 12:00 a.m. (midnight) on each Wednesday of the week.

Weekend duty will start at 12:00 midnight on Friday and will end 12:00 a.m. on Monday. On holidays during the week, duty will start at 12:00 a.m. on the designed holiday and will end at 12:00 a.m. on the next regular work day, or the employee will receive compensatory time off on a straight time basis. At the time of accrual, the employee will designate either salary or compensatory time. Compensatory time off must be approved in accordance with normal leave request procedures.

6.4.2 Compensation When Assigned to Standby Duty – Sanitation Department

Weekend standby duty shall start at the end of the employee's shift on Friday and end at the beginning of the employee's shift on Monday. Miscellaneous and Supervisory employees assigned to weekend standby duty shall be compensated at the rate of sixteen (16) hours of their base salary (two (2) hours for the end of the employee's shift on Friday through 11:59 pm on Friday, six (6) hours for 12 am to 11:59 pm on Saturday, six (6) hours for 12 am to 11:59 pm on Sunday, and two (2) hours for 12 am on Monday through the start of the employee's shift on Monday).

Miscellaneous and Supervisory employees assigned standby duty on a day designated as an authorized holiday by the City Council shall be compensated at the rate of six (6) hours of their base salary for each day of holiday standby duty. Any holiday that falls on a day of the week that is contiguous with a weekend (Friday, Monday or Thanksgiving) will be covered by the employee on duty for the weekend standby shift. An employee assigned to standby duty for a weekend that includes one or more holidays will be paid their regular standby pay for the weekend in addition to their regular standby pay for any holiday assigned.

Standby duty during the week (Monday-Thursday) is normally assigned to the Operations & Maintenance Manager. If the Operations & Maintenance Manager is unable to cover a work week (Monday-Thursday) shift, it may be assigned to the Sewers Maintenance Supervisor or eligible maintenance worker, from the end of their shift until the beginning of the next operational shift. The employee who is assigned to a work week (Monday-Thursday) shift will be compensated at the rate of two (2) hours of their base salary.

The City shall assign the Sewers Maintenance Supervisor a vehicle to commute to and from work and their place of residence.

On holidays during the week (Tuesday-Thursday), standby duty will start at the end of shift on the day before the designated holiday and will end at the beginning of shift on the next regular work day. At the time of accrual, the employee will designate either salary or compensatory time. Compensatory time off must be approved in accordance with normal leave request procedures. Any holiday that falls on a day which is not contiguous with a weekend will be assigned to eligible employees on a rotating basis.

6.4.3 Compensation When Not Assigned to Call Back Duty

When an employee not assigned to standby duty is called back to duty, the employee shall receive compensation for a minimum of four (4) hours.

6.4.4 Minimum Payment for Call Out

Employees on standby duty who are called out and required to work shall be paid a minimum of two (2) hours at the rate of time and one half, for each time they are called out.

6.4.5 Standby Residency and Cell Phones

The residency requirement for standby personnel shall include those individuals who live within a sixty (60) minute travel distance from the Corporation Yard. Cell phones shall be provided to those persons on standby. Standby duty is assigned on a rotating basis.

A Miscellaneous or Supervisory Unit employee within the residency area shall be considered eligible for standby duty. This includes all holidays that may fall within the assigned standby duty period.

If an employee is sick or has scheduled time off, standby will move to the next person on the list that is available and qualified. Determination of whether an employee is qualified is made by the Supervisor or Operations and Maintenance Manager. It is noted this list was originally established by knowledge and that new employees are placed at the bottom of the list.

6.5 DOT AND CLASS B REQUIREMENTS

Employees in the following job classes are covered by this DOT policy and are subject to the terms and conditions of the City's DOT Policy:

| | |
|---|--|
| <ul style="list-style-type: none">▪ Street Maintenance Worker I/II*▪ Street Maintenance Worker III▪ Street Lead Maintenance Worker▪ Street Maintenance Supervisor▪ Park Equipment Mechanic▪ Parks Lead Maintenance Worker▪ Vehicle Equipment Mechanic I**▪ Vehicle Equipment Mechanic II | <ul style="list-style-type: none">▪ Equipment Service Attendant▪ Supervising Vehicle Equipment Mechanic▪ Sewer Maintenance Worker I**▪ Sewer Maintenance Worker II▪ Sewer Maintenance Worker III▪ Sewer Maintenance Supervisor▪ Sewer Maintenance Superintendent |
|---|--|

* Street Maintenance Worker I/II hired before September 1, 2009 had the option to sign a document stating that they would obtain a Class B license and thus participate in the DOT program within 6 months from October 1, 2009. If the employee elects to obtain and maintain a Class B license, he/she is in the program for the duration of their employment in the position. If assigned to a Class B task, these employees will receive out of class pay for the day (s) they were required to drive a Class B vehicle.

** Must obtain Class B license within one year of date of hire and become subject to DOT when license is obtained.

Effective September 1, 2009, employees hired or promoted into a Street Maintenance Worker II position will be required to possess a Class B license and participate in the DOT Program. These employees will not receive out of class pay when required to drive a Class B Vehicle.

Street Maintenance Worker I employees can opt in to the DOT program upon appointment if they possess a Class B license or if they obtain the Class B license on their own.

Class B license is not a requirement for the Park Maintenance Worker I/II classification. Parks Maintenance Worker I/II employees who possess or obtain a Class B license can opt in to the DOT program. If an employee opts into the DOT program, they will be covered by the DOT Policy and are subject to the terms and conditions of the City's DOT Policy. If enrolled in the

DOT program and assigned to a Class B task, these employees who have the Class B license will receive out of class pay for the day(s) they were required to drive a Class B vehicle.

6.6 PROBATIONARY PERIOD

6.6.1 Purpose of Probation

After passing an examination and accepting appointment, each employee shall serve a period of probation beginning on the date of appointment. Such period shall be for the purpose of determining the employee's ability to perform satisfactorily the duties prescribed for the position.

6.6.2 Length of Probationary Period

The probationary period on original and promotional appointment shall be for one (1) year. Employees shall receive one written Probationary Evaluation from their immediate supervisor during the Probationary Period, preferably at the midway point.

6.6.3 Rejection During Probation

During the probationary period an employee may be rejected at any time by the Appointing Authority without the right of appeal.

6.6.4 Notification of Rejection

On determining that a probationary employee's work is not satisfactory, the Appointing Authority shall notify the Human Resources Director of his/her intention to terminate the employee. After discussion with the Human Resources Director, the Appointing Authority shall notify employee in writing of his/her rejection.

6.6.5 Extension of Probationary Period

The probationary period shall not be extended except in the case of extended illness or injury or compelling personal situation during which time the employee was unable to work. In such cases, the probationary period may be extended for the length of time the ill or injured employee was unable to work.

6.6.6 Regular Status

Regular status shall commence with the day following the expiration date of the probationary period.

6.6.7 Promotion of Probationary Employee

An employee serving a probationary period may be promoted to a position in a higher position classification provided he/she is certified from the appropriate Eligible List. The employee promoted in this manner shall serve a new probationary period for the position to which employee is promoted and the new probationary period and promotional appointment shall be effective the same date.

6.6.8 Unsuccessful Passage of Promotional Probation

An employee who does not successfully pass his/her promotional probationary period shall be reinstated to the position in which the employee held regular status prior to his/her promotion. Provided, however, that if the cause for not passing the promotional probationary period was sufficient grounds for dismissal, the employee shall be subject to dismissal without reinstatement to the lower position.

6.6.9 *Lateral Transfer Probation*

Voluntary transfers to another job classification, within the same salary range, shall require a six (6) month probationary period. In the event of unsuccessful passage of this period refer to Section 6.6.8.

6.7 TRANSFERS / REASSIGNMENTS

6.7.1 *Types of Transfers*

Transfers may be within the same department (intra-departmental) or between departments (inter-departmental). The requirements for each are as follows:

a. Intra-departmental transfers.

The Appointing Authority shall have the authority to transfer an employee from a position in one division of a department to a position in the same or similar classification with the same salary range, in the same division or to another division of the same department (at any time and for any duration).

b. Inter-departmental transfers.

An employee may transfer from a position in one (1) department to a position in the same or similar classification in another department, provided the consent of the two Appointing Authorities and the City Manager is obtained.

c. Voluntary Transfers.

An employee may make a written request for transfer to the Human Resources Director to a position in the same or similar classification with the same salary range. Such a transfer may be made on the recommendation of the affected Department Director(s) and the approval of the City Manager.

6.7.2 *Minimum Qualifications & Probation*

Any persons transferred to a different position shall possess the minimum qualifications for the position.

6.7.3 *Transfer Procedures*

The City Manager may authorize the transfer of an employee from one position to another of the same or comparable class of work and where the same general type of examination is given for entrance to such a position.

Transfers from one department to another department having a different jurisdiction or different function shall be done only with the consent of the Department Directors involved, unless such a transfer is ordered by the City Manager for purpose of economy or efficiency.

Any person transferred to a different position shall possess the minimum qualifications for the position.

Employees who have completed their initial probation may seek voluntary transfers to positions within the same job class, and/or lower level job classes as long as the employee meets the minimum qualifications for the position. Employees seeking transfer should submit a completed application to the Human Resources Department. As vacancies occur, transfer candidates may receive consideration along with those on the eligibility list.

6.8 PERSONNEL RULES & REGULATIONS

Employees covered by this MOU agree to follow the City's Personnel Rules and Regulations located on the City's Intranet website.

6.8.1 *Drug & Alcohol Policy*

The City and the Union agree to the non-DOT general drug and alcohol policy. A copy is available with the City's policies and on the City's Intranet website. (Safety sensitive job classes are covered by the DOT Drug and Alcohol Policy previously agreed to by both parties and located on the City's Intranet website).

6.8.2 *Confidential Nature of Personnel Records*

All personnel records and files and examination materials are confidential. The Human Resources Director shall take all necessary steps to protect the confidentiality of those materials. Disclosure of such records shall be governed by the Public Records Act, Government Code Sections 6250, et. seq. Individual employees may review their official personnel file maintained by the Human Resources Department and/or respective appointing authority. With the written consent of the employee, the authorized representative of the recognized employee organization may also review that personnel file.

6.8.3 *Confidential Nature of Medical Records*

All medical records and files are the property of the City of San Rafael. These confidential records and files are to be maintained in a file separate from the employee's personnel file in the Human Resources Department. Disclosure of such records shall be governed by the Public Records Act, Government Code, Section 6250, et. seq.

6.8.4 *Outside Employment Policy*

Outside Employment shall be in accordance with the City's Outside Employment Policy which is available on the City's Intranet website.

6.8.5 *Use of City Vehicle*

Public Works Supervisors, at the direction of the Department Director, will be allowed to take a City vehicle home in emergency conditions.

6.8.6 *Wireless Communication Policy*

Union members agree to adhere to the provisions of the City's Wireless Communication Policy which is available on the City's Intranet Website. Upon recommendation of the Department Director, the City will provide Bluetooth devices to those employees who are required to use their City cell phone while driving during the course of business.

6.8.7 *Safety Policy*

The City of San Rafael is committed to providing a safe and healthy place to work. The City shall furnish safety devices and safeguards and shall adopt and use methods and processes adequate to ensure that the work place is safe and healthy. Employees are expected to obey safety rules and make proper use of safety gear and equipment. The City's safety policies and procedures shall comply with all applicable state laws related to a safe work environment.

6.8.8 *Materials Relating to Disciplinary Action*

Except for the specific disciplinary matters provided below, reprimands and suspensions of less than five (5) days in the employee's personnel file which have been in the file three (3) years or more shall not be used unless the materials relate to conduct that reoccurred within three (3) years of the first incident.

At the request of the employee, materials relating to disciplinary actions which are three (3) or more years old shall be removed, provided there has been no reoccurrence of the conduct on which the discipline was based. Performance evaluations are excluded from this provision.

Materials relating to disciplinary actions for misappropriation of public funds or property; misuse or destruction of public property; the use of being under the influence of drugs or alcohol at work; acts which would constitute a felony; acts which present an immediate danger to the public health and safety; or acts of harassment or discrimination based on protected status will not be removed from the employee's personnel file.

6.9 MISCELLANEOUS

6.9.1 Hazardous Materials

Maintenance employees in the Union will be provided with the necessary training associated with what is termed first responder awareness level. First responders at this level (awareness only) are those who are likely to witness or discover a hazardous substance release and who have been trained to initiate an emergency response operations level. "Awareness" individuals take no action beyond notifying the designated authorities of the release. The on-duty Fire Battalion Chief is the Incident Commander in the event of a hazardous material release.

It is understood and agreed by both parties that maintenance employees in this Union do not have any responsibility to clean up, mitigate or otherwise dispose of hazardous materials. The Fire Department personnel and/or contract personnel have the direct responsibility of dealing with hazardous materials.

Maintenance employees of this Union do have direct responsibility to handle (clean up, mitigate, transport, dispose of, etc.) petroleum products such as diesel fuel gasoline, drain oil, and the like.

6.9.2 Gratuities / Solicitation of Contributions

Gratuities and/or solicitation of contributions are not allowed.

6.9.3 Return of City Equipment

Upon termination of employment, all tools, equipment, and other City property assigned to an employee shall be returned to the employee's supervisor before leaving City employment.

6.9.4 Political Activity

The political activity of City employees shall comply with pertinent provisions of State and Federal Law.

6.9.5 Employment of Relatives

Employment of relatives shall be governed by the City's Personnel Rules and Regulations.

6.9.6 Labor / Management Meetings

The City and the Union agree that consultation meetings may contribute to improved employer-employee relations.

The committee shall be comprised of three (3) representatives from the Miscellaneous and Supervisory Units and three (3) from City Management as well as the SEIU Field Representative and the Human Resources Director. The parties agree that committee members may change depending on the subject matter.

Meetings may be requested by either party. The party requesting the meeting shall submit a proposed agenda and the receiving party shall acknowledge and confirm the date, time and location of the requested meeting. It is intended that the subject matter will not include issues subject to Article 7.4 Grievance Procedures.

6.9.7 *Contract Orientation Work Sessions*

The City and the Union agree that the individuals having responsibility for the enforcement of the Agreement, Union Stewards and Department Directors/Supervisors, shall participate in an Annual Contract Orientation Work Session for the purpose of obtaining a better understanding of the provisions of the contract. These work sessions shall be held on City time and facilities.

6.9.8 *Temp Seasonal Employees*

Both the City of San Rafael and SEIU 1021 recognize the valid, necessary reasons for appropriate temporary, seasonal, retiree, and fixed-term work. The City follows the Resolution of the City Council of the City of San Rafael adopting a temporary, seasonal, retiree, fixed-term salary and benefit plan. The City shall make its best efforts, with consideration to the fiscal condition of the City, to continue to transition temporary positions that are used in a recurring, routine manner and perform work typically accomplished by SEIU classifications throughout the term of the agreement, to regular City positions.

6.9.9 *Gym Reimbursement*

Employees are eligible to receive up to \$16.50 per month reimbursement for paid gym memberships. Such reimbursement shall be reported as taxable income to the employee.

7 PROCEDURES

7.1 DEMOTION & SUSPENSION

7.1.1 *Demotion*

The Appointing Authority may demote an employee when the following occurs:

- a. The employee FAILS to perform his/her required duties.
- b. An employee requests such a demotion. No employee shall be demoted to a classification for which he/she does not possess the minimum qualifications. When the action is initiated by the Appointing Authority, written notice of demotion shall be provided to an employee at least ten (10) working days before the effective date of the demotion, and a copy filed with the Human Resources Department.

Withholding a salary step increase or withdrawing a merit step increase within or above the salary range of the employee's position shall not be deemed a demotion.

Disciplinary demotion action shall be in accordance with Article 7.3 Disciplinary Action.

7.1.2 *Suspension*

The Appointing Authority may suspend an employee from a position at any time for a disciplinary purpose. Intended suspension action shall be reported immediately to the Human Resources Director and shall be taken in accordance with Article 7.3 Disciplinary Action.

7.2 TERMINATION OF EMPLOYMENT

7.2.1 *Resignation*

An employee wishing to leave City service in good standing shall file with his/her immediate supervisor, at least fourteen (14) days before leaving service, a written resignation stating the effective date and reason for leaving. A copy of the resignation shall be forwarded to the Appointing Authority and Human Resources Department.

7.2.2 *Termination - Layoff (Lack of work or funds)*

The Appointing Authority may terminate an employee because of changes in duties or organization, abolishment of position, shortage of work or funds, or completion of work for which employment was made.

7.2.3 *Termination - Disciplinary Action*

An employee may be terminated at any time for disciplinary action, as provided in Article 7.3 Disciplinary Action.

7.2.4 *Retirement*

Retirement from City service shall, except as otherwise provided, be subject to the terms and conditions of the City's contract, as amended from time to time, with the Marin County Retirement System.

7.2.5 *Job Abandonment*

Absence from duty without authorization for any period of time may be cause for disciplinary action. Absence from duty without authorization in excess of five (5) continuous working days may constitute abandonment of the position and may be grounds for termination. The employee and the Union shall be notified by certified mail of proposed termination prior to the effective date of termination.

7.3 DISCIPLINARY ACTION

7.3.1 *Right to Discipline & Discharge*

Upon completion of the designated probationary period an employee shall be designated as a non-probationary employee and the City shall have the right to discharge or discipline any such employee for dishonesty, insubordination, drunkenness, incompetence, negligence, failure to perform work as required or to observe the Department's safety rules and regulations, or for engaging, during the term of this Memorandum of Understanding, in strikes, individual or group slowdowns or work stoppages, or for violating or ordering the violation of the Memorandum of Understanding, except where permitted by law. The City shall use progressive disciplinary steps (i.e., reprimand, suspension, demotion, discharge) unless the violation is such as to justify termination. Disciplinary action shall mean discharge/dismissal/termination, demotion, reduction in wage, suspension resulting in loss of pay, and written reprimand.

In addition, the City may discipline or discharge an employee for the following: Fraud in securing appointment; negligence of duty; violation of safety rules; unacceptable attendance record including tardiness, overstaying lunch or break periods; possession, distribution or under the influence of alcoholic beverages, non-prescription or unauthorized narcotics or dangerous drugs during working hours; inability, unwillingness, refusal or failure to perform work as assigned, required or directed; unauthorized soliciting on City property or time; conviction of a felony or conviction of a misdemeanor involving moral turpitude; unacceptable behavior toward (mistreatment of discourteousness to) the general public or fellow employees or officers of the City; falsifying employment application materials, time reports, records, or payroll documents or other City records; misuse of City property; violation of any of the provisions of these working rules and regulations or departmental rules and regulations; disorderly conduct, participation in fights, horseplay or brawls; dishonesty or theft; establishment of a pattern of violations of any City policy or rules and regulations over an extended period of time in which a specific incident in and of itself would not warrant disciplinary action, however, the cumulative effect would warrant such action; failure to perform to an acceptable level of work quality and quantity;

insubordination; other acts inimical to the public service; inability or refusal to provide medical statement on cause of illness or disability.

7.3.2 *Preliminary Notice*

A non-probationary employee shall receive a preliminary written notice from the employee's Supervisor of any proposed disciplinary action that involves the loss of pay. The notice must contain a specific statement of charges or grounds upon which the proposed disciplinary action is based and the date the disciplinary action will be effective.

Any known written materials, reports or documents upon which the disciplinary action is based must be attached to the notice.

Upon the receipt of the notice, the employee shall have five (5) days to appeal the matter in writing to Step 2 of the Grievance Procedure. If a written appeal is filed, no disciplinary action shall be imposed until the Department Director has conducted a hearing with the employee and employee's representative present and having heard the response of the employee. The Department Director's decision shall be final for written reprimands.

If no written appeal is filed within five (5) days, the employee shall be deemed to have waived his right to proceed to Step 4 of the Grievance Procedure.

7.3.3 *Disciplinary Action and Appeal*

After hearing the response of the employee, the Department Director may order that the proposed disciplinary action or modification thereof be imposed. Such notification shall be issued in writing within 10 days of the meeting.

If the employee elects to appeal the Department Director action, he/she may request a confidential settlement conference with the City Manager. Participation in the confidential settlement conference shall be voluntary. If the matter is still unresolved after the confidential settlement conference, the employee shall notify the City within ten (10) days that the matter is appealed to Step 4 (Arbitration) of the Grievance Procedure. The matter shall then proceed in accordance with the Grievance Procedure. The City Manager's decision shall be final for suspensions of five (5) days or less.

7.3.4 *Harassment Policy*

It is the City's intent and purpose to provide all officials, employees, applicants and contractors with an environment that is free from any form of harassment, discrimination or retaliation. Employees shall refer to the City Policy against Harassment, Discrimination and Retaliation which is available on the City's Intranet website.

7.4 GRIEVANCE PROCEDURE

7.4.1 *Definition*

1. **Grievance** is a dispute which involves the interpretation or application of any provision of this Memorandum of Understanding, except issues concerning appeals of punitive action, which are governed by Sections 7.1, 7.2 and 7.3 of this Memorandum. A dispute regarding the interpretation of the City's Personnel Rules and Regulations is subject to the grievance procedure up to Step 3 (City Manager). All ordinances, resolutions, rules and regulations which are not specifically covered by the provisions of this Memorandum shall not be subject to the Grievance Procedure.
2. **Day** shall mean any that the City Office is open for business, excluding Saturdays, Sundays and the holidays recognized by the City.

3. **Grievant** may be an individual employee or a group of employees or the Union on behalf of a group of employees or the Union on its own behalf on matters involving the City and Union relationship.
4. **Time limits** begin with the day following the event causing the grievance or the day following receipt of a grievance decision.

7.4.2 *Procedure*

Step 1.

Within seven (7) days of when the grievant knew or should have known of the act or omission causing the grievance, the grievant shall present either in writing or verbally a clear and concise statement of the grievance to the immediate supervisor.

Within five (5) days thereafter, the immediate supervisor shall investigate and respond to the allegations of the grievant.

Step 2.

If the grievant is not satisfied with the resolution at Step 1, the grievant must reduce the grievance to writing and present it to the Department Director within five (5) days.

The written grievance shall contain a statement of facts about the nature of the grievance and shall identify the specific provisions of this Memorandum of Understanding alleged to be violated, applicable times, places and names of those involved, the remedy or relief requested, and shall be signed by the grievant.

The Department Director shall confer with the grievant and within ten (10) days respond to the allegations in writing.

Step 3.

If the grievant is not satisfied with the resolution at Step 2, the grievant shall within five (5) days appeal the matter to the City Manager.

The City Manager shall investigate the matter, conduct a hearing if the City Manager deems it appropriate and within ten (10) days thereafter, respond to the allegations in writing.

Step 4.

If the grievance remains unresolved after Step 3, the Union may, by written notice to the City's Human Resources Department within ten (10) days after the receipt of the response in Step 3, notify the City that the Union wishes to appeal the grievance to final and binding arbitration. The parties shall attempt to agree upon an arbitrator. If no agreement is reached, they shall request a list from the State Conciliation Service of nine (9) names. The selection process will include a review of the arbitrator's availability for the hearing.

Each party shall then alternately strike a name until only one (1) name remains, said person to be the arbitrator. The order of striking shall be determined by the flip of a coin.

7.4.3 *Arbitration*

The arbitrator shall be empowered to conduct a hearing and to hear and receive evidence presented by the parties. The hearing should be held within 60 calendar days of the selection of the arbitrator. The hearing shall be informal and need not be conducted according to technical rules of evidence. Repetitious evidence may be excluded and oral evidence shall be taken only under oath. The arbitrator shall determine what evidence is relevant and pertinent, as well as

any procedural matters, and he/she may call, recall and examine witnesses, as he/she deems proper.

The burden of proof shall be upon the Union in grievance matters and upon the City in disciplinary/discharge matters.

After the conclusion of any hearing and the submission of any post hearing evidence or briefs agreed upon by the parties, the arbitrator shall render a written decision which shall be final and binding upon the City, the Union and any employee(s) involved in the grievance or disciplinary matter.

The arbitrator shall not be empowered to add to, subtract from, or in any way modify or alter any provision of this Memorandum of Understanding. The arbitrator shall only determine whether a grievance exists in the manner alleged by the grievant, and what the proper remedy, if any, shall be, or in the case of disciplinary/discharge matter whether the City allegations are accurate and the appropriateness of the disciplinary penalty.

The fees and expenses of the arbitrator shall be shared equally by the Union and the City. All other expenses shall be borne by the party incurring them. The cost of the services of court reporter shall be borne by the requesting party unless there is a mutual agreement to share the cost or unless the arbitrator so requests. Then the costs will be shared equally.

7.4.4 *General Provisions*

1. Employees who participate in the Grievance Procedure by filing a grievance or acting as a witness on the behalf of either party shall be free from discrimination by either the Union or the City.
2. A grievant has the right to be represented at each stage of the procedure, to cross examine witnesses, and have access to all information regarding the basis of the grievance upon which the City relies in making its determinations.
3. If the City management fails to respond within the specified time limits, the grievance shall, at the request of the Union, be moved to the next step of the procedure. If the Union or a grievant fails to process or appeal a grievance within the specified time limits, the matter shall be deemed withdrawn with prejudice. The parties may by mutual agreement waive the steps in the procedure.
4. If a hearing is held during work hours of employee witnesses, such employees shall be released from duties without loss of pay or benefits to appear at the hearing. Witnesses requested by the parties shall be compelled to attend said hearings.
5. The Human Resources Department shall act as the central repository for all grievances.
6. Time limits contained herein may be extended by mutual agreement of the parties. Absence for bona fide reasons by a grievant, the Union representative or any management official involved in responding to the grievance shall automatically extend the time limits by the same number of days of absence.

7.5 POSITION RECLASSIFICATION

Reclassification of positions covered by this MOU shall be in accordance with the City's Reclassification Policy available on the City's Intranet website.

7.6 FURLOUGH PROGRAM

Both the City of San Rafael and SEIU 1021 recognize the unpredictable changes in funding that affect City finances. Through this recognition and in a cooperative spirit the City of San Rafael

and SEIU 1021 have worked expeditiously on the development of a Furlough Program. This Agreement does not mean the City will necessarily implement furloughs; but in the event it is necessary to implement due to continued economic problems in the City of San Rafael, the City shall meet and consult with the Union at least 60 days prior to implementation of the Furlough Program. The procedures for this Furlough Program shall provide for both Voluntary Time Off (herein described as VTO) and Mandatory Time Off (herein described as MTO).

7.6.1 *Voluntary Time Off (VTO)*

The needs of the City and the respective departments (as determined by the Department Director and City Manager) will need to be considered in the actual granting of VTO. Any VTO time granted and the resulting savings will have a corresponding impact on the time needed through MTO.

1. An employee's VTO time would count in determining how many hours of MTO an employee needed to take during the fiscal year.
2. An employee selecting at least a 5% reduction of hours through the VTO would receive "float days" as described in 6.6.2. (4.b.).
3. Employees who take VTO at a time other than when MTO is taken by other employees will have to take vacation leave, compensatory time off or leave without pay if the MTO results in the closure of the department.
4. Employees will be allowed to exceed a 5% reduction of hours through the VTO with review of the Department Director and approval of the City Manager and such approval shall be revocable should the City determine that the impact of the absence cannot be absorbed by the Department. Prior to revoking approval, the City will contact the employee and review pertinent information which would impact the employee's ability to return to work. Should the City need to remove additional VTO, such removal would be considered a non-disciplinary action and would not be subject to any appeal/grievance procedure.

7.6.2 *Mandatory Time Off (MTO)*

MTO will be taken by the employee during the MTO period when feasible in their respective department (as determined by the Department Director and City Manager) and after consultation with the union.

1. Employees may not take paid vacation time in lieu of designated MTO time.
2. MTO time shall be considered time in pay status for the accrual of leave and eligibility for holidays. MTO time will not impact health, dental and life insurance benefits. At this time MTO time will not impact Marin County retirement calculations of average compensation or service credit as the City and employee will continue to fund the full amounts. If the Marin County Retirement Association changes its policy on this, the City will, effective the first of the month following notice from the Marin County Retirement Association, make the necessary change in the program's administration to correspond with the change in the policy.
3. MTO time shall apply toward time in service for step increases and completion of probation.
4. Other Terms and Conditions:
 - a. The MTO program shall be limited to a maximum five percent (5%) reduction in work hours/pay for the fiscal year. When the maximum MTO

reduction (5% is implemented, the involved employee shall be credited with three (3) days of float time

- b. **Float time** accrued through the MTO Program must be taken in the fiscal year following the furlough, with supervisory approval, or the leave will be forfeited. The float days have no cash value upon termination of employment. If an employee is laid off before having the opportunity to take unused furlough induced float time, said employee would be eligible to take the unused furlough induced float time during the thirty-day layoff notice period.
- c. Should the City of San Rafael experience a financial windfall during the fiscal year that furloughs are implemented, the City and the Union agree to re-open negotiations on this Furlough Plan.

7.7 REDUCTION IN FORCE

7.7.1 Authority

The Appointing Authority may lay off, without prejudice, any regular employee because of lack of work or funds, or organizational alterations, or for reasons of economy or organizational efficiency.

7.7.2 Notice

Regular employees designated for layoff or demotion shall be notified in writing at least thirty (30) calendar days prior to the anticipated date of termination or demotion. The employee organization shall also be so notified.

7.7.3 Order of Layoff

Layoffs and/or reductions in force shall be made by classification. A classification is defined as a position or number of positions having the same title, job description and salary. Extra hire employees shall be laid off before permanent employees in the affected classification. In effecting the preceding order, a part-time permanent employee with more seniority can displace a full time permanent employee.

7.7.4 Seniority

If two or more employees within a classification have achieved permanent status, such employees will be laid off or reduced on the following basis:

- a. Seniority within the affected classification will be determinative. Such seniority shall include time served in higher classification(s). The computation of seniority for part-time employees will be credited on a pro rata basis to full time service. Time spent on a City Manager approved leave of absence without pay does not count toward seniority.
- b. If the seniority of two or more employees in the affected classification or higher classification(s) is equal, departmental seniority shall be determinative.
- c. If all of the above factors are equal, the date regular status in City service is achieved shall be determinative.
- d. If all of the above are equal, date of certification for appointment shall be determinative.

7.7.5 *Bumping Rights*

An employee designated to be laid off may bump into a class at the same salary level for which he or she meets the minimum qualifications, or into the next lower classification in which such employee has previously held regular status. An employee who is bumped shall be laid off in the same manner as an employee whose position is abolished.

7.7.6 *Transfer Rights*

The Human Resources Director will make every effort to transfer an employee who is to be affected by a reduction in force to another vacant position for which such employee may qualify. The length of eligibility for such transfer will be the period of notification as provided in Section 7.7.2, but no longer than the effective date of such layoff or reduction.

7.7.7 *Layoff Procedure Notification*

Once the decision has been made to reduce the workforce per this MOU, the City will meet with the Union to review and receive feedback on the procedure to be used to inform and process those classifications and individuals who are determined to be laid off. The information gained in this meeting from the Union by the City will be advisory and not binding.

7.8 RE-EMPLOYMENT

7.8.1 *General Guidelines*

Individuals who have been laid off or demoted shall be offered re-appointment to the same classification in which they held status in the order of seniority in the classification. Individuals demoted in lieu of reduction in force shall be offered restoration to the highest class in which they held status and in which there is a vacancy prior to the appointment of individuals who have been laid off.

7.8.2 *Right to Re-Employment*

Each person who has been laid off or demoted in lieu of a layoff from a position the person held, shall, in writing, be offered re-appointment in the same classification should a vacancy occur in the classification within two years after the layoff or demotion. Prior to being re-employed, the employee must pass a physical exam administered by a City appointed physician and must pass the background check administered by the City.

7.8.3 *Time Limits*

Should the person not accept the re-appointment within seven (7) calendar days after the date of the offer, or should the person decline or be unable to begin work within two weeks after the date of acceptance of the offer, the person shall be considered unavailable for employment, shall forfeit the right to re-employment and shall be removed from the re-employment list.

7.8.4 *Availability*

Whenever a person is unavailable for re-employment, the next senior person who is eligible on the re-employment list shall be offered re-employment.

7.8.5 *Probationary Status*

Employees re-appointed under the provisions above will not be required to complete a new probationary period if they had previously held permanent status in the classification. Employees who had not completed their probationary period shall serve the remainder of the probationary period upon re-appointment.

7.8.6 *Restoration of Benefits*

Employees restored to previously held positions shall be deemed to have returned from a leave of absence for the purpose of all rights and benefits legally permissible. Time not on the payroll will not count as time worked for the purposes of seniority accrual.

SEIU LOCAL 1021:



Tiffany Crain
SEIU Chief Negotiator

Joel Evans-Fudem
SEIU Field Representative

Andrea Zanetti
SEIU Regional Director

John Stead-Mendez, Executive Director
SEIU Local 1021

Kenny Gatlin, SEIU Bargaining Team Member

Tiffany Haley, SEIU Bargaining Team Member

Allan Lee, SEIU Bargaining Team Member

Jamie Poirier, SEIU Bargaining Team Member

Wes Sitchler, SEIU Bargaining Team Member

Date

CITY OF SAN RAFAEL:

Tim Davis, Lead Negotiator
Burke Williams Sorensen

Cristine Alilovich
Assistant City Manager

Sylvia Gonzalez-Shelton
HR Operations Manager

Thomas Wong
Analyst

Date

City of San Rafael
SEIU - SALARY SCHEDULE
Effective July 1, 2021

| Grade | Position | A | B | C | D | E |
|-------|--|----------|----------|----------|----------|----------|
| 7241 | Accountant I | \$ 6,033 | \$ 6,334 | \$ 6,651 | \$ 6,983 | \$ 7,333 |
| 7240 | Accountant II | \$ 6,335 | \$ 6,651 | \$ 6,984 | \$ 7,333 | \$ 7,700 |
| 7200 | Accounting Assistant I | \$ 4,394 | \$ 4,614 | \$ 4,844 | \$ 5,086 | \$ 5,341 |
| 7201 | Accounting Assistant II | \$ 4,840 | \$ 5,082 | \$ 5,336 | \$ 5,603 | \$ 5,883 |
| TBD | Senior Accounting Assistant* | \$ 5,324 | \$ 5,591 | \$ 5,870 | \$ 6,164 | \$ 6,472 |
| 7299 | Accounting Technician | \$ 6,034 | \$ 6,336 | \$ 6,653 | \$ 6,986 | \$ 7,335 |
| 7205 | Administrative Analyst | \$ 5,647 | \$ 5,930 | \$ 6,226 | \$ 6,537 | \$ 6,864 |
| 7211 | Administrative Assistant I | \$ 4,554 | \$ 4,782 | \$ 5,021 | \$ 5,272 | \$ 5,536 |
| 7212 | Administrative Assistant II | \$ 5,021 | \$ 5,272 | \$ 5,536 | \$ 5,813 | \$ 6,104 |
| 7295 | Senior Administrative Assistant | \$ 5,407 | \$ 5,677 | \$ 5,961 | \$ 6,259 | \$ 6,572 |
| 7216 | Administrative Assistant to the City Clerk | \$ 5,407 | \$ 5,677 | \$ 5,961 | \$ 6,259 | \$ 6,572 |
| 7210 | Assistant Planner | \$ 6,387 | \$ 6,707 | \$ 7,042 | \$ 7,394 | \$ 7,764 |
| 7208 | Associate Planner | \$ 7,049 | \$ 7,402 | \$ 7,772 | \$ 8,160 | \$ 8,568 |
| 7217 | Building Inspector I | \$ 5,788 | \$ 6,077 | \$ 6,381 | \$ 6,700 | \$ 7,035 |
| 7218 | Building Inspector II | \$ 6,387 | \$ 6,707 | \$ 7,042 | \$ 7,394 | \$ 7,764 |
| 7475 | Building Technician I | \$ 4,991 | \$ 5,241 | \$ 5,503 | \$ 5,778 | \$ 6,067 |
| 7220 | Business License Examiner | \$ 5,081 | \$ 5,335 | \$ 5,602 | \$ 5,882 | \$ 6,176 |
| 7222 | Code Enforcement Official I | \$ 4,637 | \$ 4,869 | \$ 5,112 | \$ 5,368 | \$ 5,636 |
| 7223 | Code Enforcement Official II | \$ 5,116 | \$ 5,372 | \$ 5,641 | \$ 5,923 | \$ 6,219 |
| 7380 | Code Enforcement Official III | \$ 6,076 | \$ 6,380 | \$ 6,699 | \$ 7,034 | \$ 7,386 |
| 2119 | Construction Inspector - SRSD | \$ 6,291 | \$ 6,606 | \$ 6,936 | \$ 7,283 | \$ 7,647 |
| 7224 | Custodian | \$ 4,318 | \$ 4,534 | \$ 4,761 | \$ 4,999 | \$ 5,249 |
| 4210 | Data Analyst I | \$ 6,525 | \$ 6,851 | \$ 7,193 | \$ 7,553 | \$ 7,931 |
| 4211 | Data Analyst II | \$ 7,177 | \$ 7,536 | \$ 7,913 | \$ 8,308 | \$ 8,724 |
| 4212 | Data Analyst III | \$ 7,895 | \$ 8,290 | \$ 8,704 | \$ 9,139 | \$ 9,596 |
| 7226 | Deputy City Clerk | \$ 5,543 | \$ 5,820 | \$ 6,111 | \$ 6,416 | \$ 6,737 |
| 7120 | Emergency Management Coordinator | \$ 5,230 | \$ 5,492 | \$ 5,766 | \$ 6,055 | \$ 6,357 |
| 7121 | Environmental Management Coordinator | \$ 5,230 | \$ 5,492 | \$ 5,766 | \$ 6,055 | \$ 6,357 |
| 7232 | Facility Repair Supervisor | \$ 6,875 | \$ 7,219 | \$ 7,580 | \$ 7,959 | \$ 8,357 |
| 7291 | Facility Repair Worker I | \$ 4,879 | \$ 5,122 | \$ 5,379 | \$ 5,647 | \$ 5,930 |
| 7233 | Facility Repair Worker II | \$ 5,380 | \$ 5,649 | \$ 5,932 | \$ 6,228 | \$ 6,540 |
| 7294 | Facility Repair Worker III | \$ 5,790 | \$ 6,080 | \$ 6,384 | \$ 6,703 | \$ 7,038 |
| 7108 | Fire Prevention Inspector I | \$ 7,314 | \$ 7,680 | \$ 8,064 | \$ 8,467 | \$ 8,890 |
| 7107 | Fire Prevention Inspector II | \$ 8,063 | \$ 8,466 | \$ 8,889 | \$ 9,334 | \$ 9,800 |
| 7298 | IT Help Desk Supervisor | \$ 7,177 | \$ 7,536 | \$ 7,913 | \$ 8,309 | \$ 8,724 |
| 7243 | Librarian I | \$ 5,598 | \$ 5,878 | \$ 6,172 | \$ 6,480 | \$ 6,804 |
| 7244 | Librarian II | \$ 5,880 | \$ 6,174 | \$ 6,483 | \$ 6,807 | \$ 7,147 |
| 2404 | Library Aide | \$ 2,683 | \$ 2,817 | \$ 2,958 | \$ 3,106 | \$ 3,261 |
| 7246 | Library Assistant I | \$ 3,686 | \$ 3,870 | \$ 4,064 | \$ 4,267 | \$ 4,480 |
| 7247 | Library Assistant II | \$ 4,168 | \$ 4,377 | \$ 4,595 | \$ 4,825 | \$ 5,067 |

Exhibit A

| | | | | | | |
|------|---|----------|----------|-----------|-----------|-----------|
| 2405 | Library Tech Services Supervisor | \$ 5,329 | \$ 5,596 | \$ 5,876 | \$ 6,169 | \$ 6,478 |
| 7292 | Literacy Program Supervisor | \$ 6,487 | \$ 6,812 | \$ 7,152 | \$ 7,510 | \$ 7,886 |
| 7249 | Mail and Stores Clerk | \$ 3,936 | \$ 4,132 | \$ 4,339 | \$ 4,556 | \$ 4,784 |
| 7255 | Network Analyst | \$ 6,526 | \$ 6,852 | \$ 7,195 | \$ 7,554 | \$ 7,932 |
| 7274 | Network Support Technician | \$ 4,991 | \$ 5,241 | \$ 5,503 | \$ 5,778 | \$ 6,067 |
| 7285 | Office Assistant I | \$ 3,748 | \$ 3,935 | \$ 4,132 | \$ 4,338 | \$ 4,555 |
| 7284 | Office Assistant II | \$ 4,234 | \$ 4,445 | \$ 4,668 | \$ 4,901 | \$ 5,146 |
| 7256 | Park Equipment Mechanic | \$ 5,651 | \$ 5,934 | \$ 6,230 | \$ 6,542 | \$ 6,869 |
| 7257 | Parking Attendant I | \$ 2,145 | \$ 2,253 | \$ 2,365 | \$ 2,484 | \$ 2,608 |
| 7275 | Parking Attendant II | \$ 2,363 | \$ 2,481 | \$ 2,605 | \$ 2,735 | \$ 2,872 |
| 6208 | Parking Enforcement Officer | \$ 5,234 | \$ 5,496 | \$ 5,771 | \$ 6,059 | \$ 6,362 |
| 6212 | Parking Equipment Technician | \$ 5,001 | \$ 5,251 | \$ 5,513 | \$ 5,789 | \$ 6,079 |
| 6209 | Parking Maintenance & Collections | \$ 5,001 | \$ 5,251 | \$ 5,513 | \$ 5,789 | \$ 6,079 |
| 6211 | Parking Operations Supervisor | \$ 6,875 | \$ 7,218 | \$ 7,579 | \$ 7,958 | \$ 8,356 |
| 7258 | Parks & Graffiti Worker | \$ 4,536 | \$ 4,763 | \$ 5,001 | \$ 5,251 | \$ 5,513 |
| 2123 | Parks Lead Maintenance Worker | \$ 5,790 | \$ 6,080 | \$ 6,384 | \$ 6,703 | \$ 7,038 |
| 7271 | Parks Maintenance Supervisor | \$ 6,875 | \$ 7,219 | \$ 7,580 | \$ 7,959 | \$ 8,357 |
| 7236 | Parks Maintenance Worker I | \$ 4,763 | \$ 5,001 | \$ 5,251 | \$ 5,514 | \$ 5,789 |
| 7238 | Parks Maintenance Worker II | \$ 5,001 | \$ 5,251 | \$ 5,514 | \$ 5,789 | \$ 6,079 |
| 7296 | Permit Services Coordinator | \$ 6,895 | \$ 7,240 | \$ 7,602 | \$ 7,982 | \$ 8,381 |
| 7261 | Planning Technician | \$ 4,991 | \$ 5,241 | \$ 5,503 | \$ 5,778 | \$ 6,067 |
| 9453 | Principal Planner | \$ 9,227 | \$ 9,688 | \$ 10,172 | \$ 10,681 | \$ 11,215 |
| 7234 | Printing Press Operator | \$ 4,900 | \$ 5,145 | \$ 5,403 | \$ 5,673 | \$ 5,956 |
| 1201 | Program Coordinator | \$ 5,245 | \$ 5,508 | \$ 5,783 | \$ 6,072 | \$ 6,376 |
| 7290 | Public Works Dispatcher | \$ 5,001 | \$ 5,251 | \$ 5,514 | \$ 5,789 | \$ 6,079 |
| 7263 | Revenue Supervisor | \$ 7,697 | \$ 8,082 | \$ 8,486 | \$ 8,910 | \$ 9,355 |
| 2309 | Senior Building Inspector | \$ 7,582 | \$ 7,961 | \$ 8,360 | \$ 8,778 | \$ 9,216 |
| 7219 | Senior Building Technician | \$ 5,788 | \$ 6,078 | \$ 6,382 | \$ 6,701 | \$ 7,036 |
| 7265 | Senior Library Assistant | \$ 4,377 | \$ 4,596 | \$ 4,826 | \$ 5,067 | \$ 5,321 |
| 7264 | Senior Planner | \$ 7,977 | \$ 8,376 | \$ 8,795 | \$ 9,234 | \$ 9,696 |
| 2204 | Sewer Lead Maintenance Worker | \$ 6,385 | \$ 6,704 | \$ 7,039 | \$ 7,391 | \$ 7,761 |
| 7266 | Sewer Maintenance Worker I | \$ 5,124 | \$ 5,381 | \$ 5,650 | \$ 5,932 | \$ 6,229 |
| 7267 | Sewer Maintenance Worker II | \$ 5,515 | \$ 5,790 | \$ 6,080 | \$ 6,384 | \$ 6,703 |
| 7281 | Sewers Supervisor | \$ 7,218 | \$ 7,578 | \$ 7,957 | \$ 8,355 | \$ 8,773 |
| 7269 | Shop & Equipment Supervisor | \$ 6,875 | \$ 7,219 | \$ 7,580 | \$ 7,959 | \$ 8,357 |
| 7280 | Street Lead Maintenance Worker | \$ 5,790 | \$ 6,080 | \$ 6,384 | \$ 6,703 | \$ 7,038 |
| 7209 | Street Maintenance Supervisor | \$ 6,875 | \$ 7,219 | \$ 7,580 | \$ 7,959 | \$ 8,357 |
| 7250 | Street Maintenance Worker I | \$ 4,763 | \$ 5,001 | \$ 5,251 | \$ 5,514 | \$ 5,789 |
| 7251 | Street Maintenance Worker II | \$ 5,001 | \$ 5,251 | \$ 5,514 | \$ 5,789 | \$ 6,079 |
| 7283 | Street Sweeper Operator | \$ 5,251 | \$ 5,514 | \$ 5,789 | \$ 6,079 | \$ 6,383 |
| 7245 | Supervising Librarian | \$ 6,487 | \$ 6,812 | \$ 7,152 | \$ 7,510 | \$ 7,886 |
| 8523 | Supervising Parking Enforcement Officer | \$ 5,886 | \$ 6,180 | \$ 6,489 | \$ 6,814 | \$ 7,155 |
| 7288 | Supervising Vehicle/Equipment Mechanic | \$ 6,082 | \$ 6,386 | \$ 6,705 | \$ 7,040 | \$ 7,392 |
| 7286 | Vehicle/Equipment Mechanic I | \$ 5,125 | \$ 5,381 | \$ 5,650 | \$ 5,932 | \$ 6,229 |
| 7287 | Vehicle/Equipment Mechanic II | \$ 5,651 | \$ 5,934 | \$ 6,230 | \$ 6,542 | \$ 6,869 |
| 2131 | Volunteer Program Assistant | \$ 5,058 | \$ 5,311 | \$ 5,576 | \$ 5,855 | \$ 6,148 |

*New classification approved with 2021-2024 MOU

City of San Rafael
SEIU - SALARY SCHEDULE
Effective July 1, 2022

| Grade | Position | A | B | C | D | E |
|-------|--|----------|----------|----------|----------|-----------|
| 7241 | Accountant I | \$ 6,213 | \$ 6,524 | \$ 6,850 | \$ 7,193 | \$ 7,553 |
| 7240 | Accountant II | \$ 6,525 | \$ 6,851 | \$ 7,194 | \$ 7,553 | \$ 7,931 |
| 7200 | Accounting Assistant I | \$ 4,526 | \$ 4,752 | \$ 4,990 | \$ 5,239 | \$ 5,501 |
| 7201 | Accounting Assistant II | \$ 4,985 | \$ 5,234 | \$ 5,496 | \$ 5,771 | \$ 6,059 |
| TBD | Senior Accounting Assistant* | \$ 5,484 | \$ 5,758 | \$ 6,046 | \$ 6,348 | \$ 6,666 |
| 7299 | Accounting Technician | \$ 6,215 | \$ 6,526 | \$ 6,853 | \$ 7,195 | \$ 7,555 |
| 7205 | Administrative Analyst | \$ 5,859 | \$ 6,152 | \$ 6,460 | \$ 6,783 | \$ 7,122 |
| 7211 | Administrative Assistant I | \$ 4,691 | \$ 4,925 | \$ 5,172 | \$ 5,430 | \$ 5,702 |
| 7212 | Administrative Assistant II | \$ 5,172 | \$ 5,431 | \$ 5,702 | \$ 5,987 | \$ 6,287 |
| 7295 | Senior Administrative Assistant | \$ 5,569 | \$ 5,848 | \$ 6,140 | \$ 6,447 | \$ 6,769 |
| 7216 | Administrative Assistant to the City Clerk | \$ 5,569 | \$ 5,848 | \$ 6,140 | \$ 6,447 | \$ 6,769 |
| 7210 | Assistant Planner | \$ 6,627 | \$ 6,958 | \$ 7,306 | \$ 7,671 | \$ 8,055 |
| 7208 | Associate Planner | \$ 7,314 | \$ 7,679 | \$ 8,063 | \$ 8,466 | \$ 8,890 |
| 7217 | Building Inspector I | \$ 6,005 | \$ 6,305 | \$ 6,621 | \$ 6,952 | \$ 7,299 |
| 7218 | Building Inspector II | \$ 6,627 | \$ 6,958 | \$ 7,306 | \$ 7,672 | \$ 8,055 |
| 7475 | Building Technician I | \$ 5,179 | \$ 5,438 | \$ 5,709 | \$ 5,995 | \$ 6,295 |
| 7220 | Business License Examiner | \$ 5,233 | \$ 5,495 | \$ 5,770 | \$ 6,058 | \$ 6,361 |
| 7222 | Code Enforcement Official I | \$ 4,811 | \$ 5,051 | \$ 5,304 | \$ 5,569 | \$ 5,848 |
| 7223 | Code Enforcement Official II | \$ 5,308 | \$ 5,574 | \$ 5,852 | \$ 6,145 | \$ 6,452 |
| 7380 | Code Enforcement Official III | \$ 6,304 | \$ 6,619 | \$ 6,950 | \$ 7,298 | \$ 7,663 |
| 2119 | Construction Inspector - SRSD | \$ 6,527 | \$ 6,854 | \$ 7,196 | \$ 7,556 | \$ 7,934 |
| 7224 | Custodian | \$ 4,470 | \$ 4,693 | \$ 4,928 | \$ 5,174 | \$ 5,433 |
| 4210 | Data Analyst I | \$ 6,769 | \$ 7,108 | \$ 7,463 | \$ 7,836 | \$ 8,228 |
| 4211 | Data Analyst II | \$ 7,446 | \$ 7,819 | \$ 8,209 | \$ 8,620 | \$ 9,051 |
| 4212 | Data Analyst III | \$ 8,191 | \$ 8,600 | \$ 9,030 | \$ 9,482 | \$ 9,956 |
| 7226 | Deputy City Clerk | \$ 5,709 | \$ 5,994 | \$ 6,294 | \$ 6,609 | \$ 6,939 |
| 7120 | Emergency Management Coordinator | \$ 5,413 | \$ 5,684 | \$ 5,968 | \$ 6,266 | \$ 6,580 |
| 7121 | Environmental Management Coordinator | \$ 5,413 | \$ 5,684 | \$ 5,968 | \$ 6,266 | \$ 6,580 |
| 7232 | Facility Repair Supervisor | \$ 7,116 | \$ 7,471 | \$ 7,845 | \$ 8,237 | \$ 8,649 |
| 7291 | Facility Repair Worker I | \$ 5,049 | \$ 5,302 | \$ 5,567 | \$ 5,845 | \$ 6,137 |
| 7233 | Facility Repair Worker II | \$ 5,569 | \$ 5,847 | \$ 6,139 | \$ 6,446 | \$ 6,769 |
| 7294 | Facility Repair Worker III | \$ 5,993 | \$ 6,293 | \$ 6,607 | \$ 6,938 | \$ 7,284 |
| 7108 | Fire Prevention Inspector I | \$ 7,588 | \$ 7,968 | \$ 8,366 | \$ 8,784 | \$ 9,223 |
| 7107 | Fire Prevention Inspector II | \$ 8,365 | \$ 8,783 | \$ 9,223 | \$ 9,684 | \$ 10,168 |
| 7298 | IT Help Desk Supervisor | \$ 7,446 | \$ 7,819 | \$ 8,210 | \$ 8,620 | \$ 9,051 |
| 7243 | Librarian I | \$ 5,808 | \$ 6,098 | \$ 6,403 | \$ 6,723 | \$ 7,059 |
| 7244 | Librarian II | \$ 6,101 | \$ 6,406 | \$ 6,726 | \$ 7,062 | \$ 7,415 |
| 2404 | Library Aide | \$ 2,784 | \$ 2,923 | \$ 3,069 | \$ 3,223 | \$ 3,384 |
| 7246 | Library Assistant I | \$ 3,824 | \$ 4,015 | \$ 4,216 | \$ 4,427 | \$ 4,648 |
| 7247 | Library Assistant II | \$ 4,325 | \$ 4,541 | \$ 4,768 | \$ 5,006 | \$ 5,256 |

Exhibit A

| | | | | | | |
|------|---|----------|-----------|-----------|-----------|-----------|
| 2405 | Library Tech Services Supervisor | \$ 5,529 | \$ 5,806 | \$ 6,096 | \$ 6,401 | \$ 6,721 |
| 7292 | Literacy Program Supervisor | \$ 6,731 | \$ 7,067 | \$ 7,421 | \$ 7,792 | \$ 8,181 |
| 7249 | Mail and Stores Clerk | \$ 4,054 | \$ 4,256 | \$ 4,469 | \$ 4,693 | \$ 4,927 |
| 7255 | Network Analyst | \$ 6,771 | \$ 7,109 | \$ 7,464 | \$ 7,838 | \$ 8,230 |
| 7274 | Network Support Technician | \$ 5,179 | \$ 5,438 | \$ 5,709 | \$ 5,995 | \$ 6,295 |
| 7285 | Office Assistant I | \$ 3,860 | \$ 4,053 | \$ 4,256 | \$ 4,469 | \$ 4,692 |
| 7284 | Office Assistant II | \$ 4,361 | \$ 4,579 | \$ 4,808 | \$ 5,048 | \$ 5,300 |
| 7256 | Park Equipment Mechanic | \$ 5,849 | \$ 6,141 | \$ 6,448 | \$ 6,771 | \$ 7,109 |
| 7257 | Parking Attendant I | \$ 2,210 | \$ 2,320 | \$ 2,436 | \$ 2,558 | \$ 2,686 |
| 7275 | Parking Attendant II | \$ 2,434 | \$ 2,555 | \$ 2,683 | \$ 2,817 | \$ 2,958 |
| 6208 | Parking Enforcement Officer | \$ 5,391 | \$ 5,661 | \$ 5,944 | \$ 6,241 | \$ 6,553 |
| 6212 | Parking Equipment Technician | \$ 5,176 | \$ 5,435 | \$ 5,706 | \$ 5,992 | \$ 6,291 |
| 6209 | Parking Maintenance & Collections | \$ 5,176 | \$ 5,435 | \$ 5,706 | \$ 5,992 | \$ 6,291 |
| 6211 | Parking Operations Supervisor | \$ 7,115 | \$ 7,471 | \$ 7,845 | \$ 8,237 | \$ 8,649 |
| 7258 | Parks & Graffiti Worker | \$ 4,694 | \$ 4,929 | \$ 5,176 | \$ 5,434 | \$ 5,706 |
| 2123 | Parks Lead Maintenance Worker | \$ 5,993 | \$ 6,293 | \$ 6,607 | \$ 6,938 | \$ 7,284 |
| 7271 | Parks Maintenance Supervisor | \$ 7,116 | \$ 7,471 | \$ 7,845 | \$ 8,237 | \$ 8,649 |
| 7236 | Parks Maintenance Worker I | \$ 4,930 | \$ 5,176 | \$ 5,435 | \$ 5,707 | \$ 5,992 |
| 7238 | Parks Maintenance Worker II | \$ 5,176 | \$ 5,435 | \$ 5,707 | \$ 5,992 | \$ 6,292 |
| 7296 | Permit Services Coordinator | \$ 7,153 | \$ 7,511 | \$ 7,887 | \$ 8,281 | \$ 8,695 |
| 7261 | Planning Technician | \$ 5,179 | \$ 5,438 | \$ 5,709 | \$ 5,995 | \$ 6,295 |
| 9453 | Principal Planner | \$ 9,573 | \$ 10,051 | \$ 10,554 | \$ 11,082 | \$ 11,636 |
| 7234 | Printing Press Operator | \$ 5,047 | \$ 5,300 | \$ 5,565 | \$ 5,843 | \$ 6,135 |
| 1201 | Program Coordinator | \$ 5,442 | \$ 5,714 | \$ 6,000 | \$ 6,300 | \$ 6,615 |
| 7290 | Public Works Dispatcher | \$ 5,176 | \$ 5,435 | \$ 5,707 | \$ 5,992 | \$ 6,292 |
| 7263 | Revenue Supervisor | \$ 7,928 | \$ 8,324 | \$ 8,740 | \$ 9,177 | \$ 9,636 |
| 2309 | Senior Building Inspector | \$ 7,867 | \$ 8,260 | \$ 8,673 | \$ 9,107 | \$ 9,562 |
| 7219 | Senior Building Technician | \$ 6,006 | \$ 6,306 | \$ 6,621 | \$ 6,952 | \$ 7,300 |
| 7265 | Senior Library Assistant | \$ 4,541 | \$ 4,768 | \$ 5,007 | \$ 5,257 | \$ 5,520 |
| 7264 | Senior Planner | \$ 8,276 | \$ 8,690 | \$ 9,124 | \$ 9,581 | \$ 10,060 |
| 2204 | Sewer Lead Maintenance Worker | \$ 6,608 | \$ 6,939 | \$ 7,286 | \$ 7,650 | \$ 8,032 |
| 7266 | Sewer Maintenance Worker I | \$ 5,304 | \$ 5,569 | \$ 5,847 | \$ 6,140 | \$ 6,447 |
| 7267 | Sewer Maintenance Worker II | \$ 5,708 | \$ 5,993 | \$ 6,293 | \$ 6,607 | \$ 6,938 |
| 7281 | Sewers Supervisor | \$ 7,470 | \$ 7,844 | \$ 8,236 | \$ 8,648 | \$ 9,080 |
| 7269 | Shop & Equipment Supervisor | \$ 7,116 | \$ 7,471 | \$ 7,845 | \$ 8,237 | \$ 8,649 |
| 7280 | Street Lead Maintenance Worker | \$ 5,993 | \$ 6,293 | \$ 6,607 | \$ 6,938 | \$ 7,284 |
| 7209 | Street Maintenance Supervisor | \$ 7,116 | \$ 7,471 | \$ 7,845 | \$ 8,237 | \$ 8,649 |
| 7250 | Street Maintenance Worker I | \$ 4,930 | \$ 5,176 | \$ 5,435 | \$ 5,707 | \$ 5,992 |
| 7251 | Street Maintenance Worker II | \$ 5,176 | \$ 5,435 | \$ 5,707 | \$ 5,992 | \$ 6,292 |
| 7283 | Street Sweeper Operator | \$ 5,435 | \$ 5,707 | \$ 5,992 | \$ 6,292 | \$ 6,606 |
| 7245 | Supervising Librarian | \$ 6,731 | \$ 7,067 | \$ 7,421 | \$ 7,792 | \$ 8,181 |
| 8523 | Supervising Parking Enforcement Officer | \$ 6,063 | \$ 6,366 | \$ 6,684 | \$ 7,018 | \$ 7,369 |
| 7288 | Supervising Vehicle/Equipment Mechanic | \$ 6,295 | \$ 6,609 | \$ 6,940 | \$ 7,287 | \$ 7,651 |
| 7286 | Vehicle/Equipment Mechanic I | \$ 5,304 | \$ 5,569 | \$ 5,848 | \$ 6,140 | \$ 6,447 |
| 7287 | Vehicle/Equipment Mechanic II | \$ 5,849 | \$ 6,141 | \$ 6,448 | \$ 6,771 | \$ 7,109 |
| 2131 | Volunteer Program Assistant | \$ 5,248 | \$ 5,510 | \$ 5,785 | \$ 6,075 | \$ 6,378 |

*New classification approved with 2021-2024 MOU

City of San Rafael
SEIU - SALARY SCHEDULE
Effective July 1, 2023

| Grade | Position | A | B | C | D | E |
|-------|--|----------|----------|----------|----------|-----------|
| 7241 | Accountant I | \$ 6,400 | \$ 6,720 | \$ 7,056 | \$ 7,409 | \$ 7,779 |
| 7240 | Accountant II | \$ 6,720 | \$ 7,057 | \$ 7,409 | \$ 7,780 | \$ 8,169 |
| 7200 | Accounting Assistant I | \$ 4,661 | \$ 4,895 | \$ 5,139 | \$ 5,396 | \$ 5,666 |
| 7201 | Accounting Assistant II | \$ 5,134 | \$ 5,391 | \$ 5,661 | \$ 5,944 | \$ 6,241 |
| TBD | Senior Accounting Assistant* | \$ 5,649 | \$ 5,931 | \$ 6,228 | \$ 6,539 | \$ 6,866 |
| 7299 | Accounting Technician | \$ 6,402 | \$ 6,722 | \$ 7,058 | \$ 7,411 | \$ 7,782 |
| 7205 | Administrative Analyst | \$ 6,050 | \$ 6,352 | \$ 6,670 | \$ 7,003 | \$ 7,353 |
| 7211 | Administrative Assistant I | \$ 4,832 | \$ 5,073 | \$ 5,327 | \$ 5,593 | \$ 5,873 |
| 7212 | Administrative Assistant II | \$ 5,327 | \$ 5,594 | \$ 5,873 | \$ 6,167 | \$ 6,475 |
| 7295 | Senior Administrative Assistant | \$ 5,736 | \$ 6,023 | \$ 6,324 | \$ 6,640 | \$ 6,972 |
| 7216 | Administrative Assistant to the City Clerk | \$ 5,736 | \$ 6,023 | \$ 6,324 | \$ 6,640 | \$ 6,972 |
| 7210 | Assistant Planner | \$ 6,842 | \$ 7,184 | \$ 7,544 | \$ 7,921 | \$ 8,317 |
| 7208 | Associate Planner | \$ 7,551 | \$ 7,929 | \$ 8,325 | \$ 8,741 | \$ 9,179 |
| 7217 | Building Inspector I | \$ 6,200 | \$ 6,510 | \$ 6,836 | \$ 7,178 | \$ 7,536 |
| 7218 | Building Inspector II | \$ 6,842 | \$ 7,184 | \$ 7,544 | \$ 7,921 | \$ 8,317 |
| 7475 | Building Technician I | \$ 5,347 | \$ 5,614 | \$ 5,895 | \$ 6,190 | \$ 6,499 |
| 7220 | Business License Examiner | \$ 5,390 | \$ 5,660 | \$ 5,943 | \$ 6,240 | \$ 6,552 |
| 7222 | Code Enforcement Official I | \$ 4,967 | \$ 5,215 | \$ 5,476 | \$ 5,750 | \$ 6,038 |
| 7223 | Code Enforcement Official II | \$ 5,481 | \$ 5,755 | \$ 6,043 | \$ 6,345 | \$ 6,662 |
| 7380 | Code Enforcement Official III | \$ 6,509 | \$ 6,835 | \$ 7,176 | \$ 7,535 | \$ 7,912 |
| 2119 | Construction Inspector - SRSD | \$ 6,739 | \$ 7,076 | \$ 7,430 | \$ 7,802 | \$ 8,192 |
| 7224 | Custodian | \$ 4,626 | \$ 4,857 | \$ 5,100 | \$ 5,355 | \$ 5,623 |
| 4210 | Data Analyst I | \$ 6,989 | \$ 7,339 | \$ 7,706 | \$ 8,091 | \$ 8,496 |
| 4211 | Data Analyst II | \$ 7,688 | \$ 8,073 | \$ 8,476 | \$ 8,900 | \$ 9,345 |
| 4212 | Data Analyst III | \$ 8,457 | \$ 8,880 | \$ 9,324 | \$ 9,790 | \$ 10,280 |
| 7226 | Deputy City Clerk | \$ 5,880 | \$ 6,174 | \$ 6,483 | \$ 6,807 | \$ 7,147 |
| 7120 | Emergency Management Coordinator | \$ 5,603 | \$ 5,883 | \$ 6,177 | \$ 6,486 | \$ 6,810 |
| 7121 | Environmental Management Coordinator | \$ 5,603 | \$ 5,883 | \$ 6,177 | \$ 6,486 | \$ 6,810 |
| 7232 | Facility Repair Supervisor | \$ 7,365 | \$ 7,733 | \$ 8,119 | \$ 8,525 | \$ 8,952 |
| 7291 | Facility Repair Worker I | \$ 5,226 | \$ 5,487 | \$ 5,762 | \$ 6,050 | \$ 6,352 |
| 7233 | Facility Repair Worker II | \$ 5,764 | \$ 6,052 | \$ 6,354 | \$ 6,672 | \$ 7,006 |
| 7294 | Facility Repair Worker III | \$ 6,203 | \$ 6,513 | \$ 6,838 | \$ 7,180 | \$ 7,539 |
| 7108 | Fire Prevention Inspector I | \$ 7,835 | \$ 8,226 | \$ 8,638 | \$ 9,070 | \$ 9,523 |
| 7107 | Fire Prevention Inspector II | \$ 8,637 | \$ 9,069 | \$ 9,522 | \$ 9,998 | \$ 10,498 |
| 7298 | IT Help Desk Supervisor | \$ 7,688 | \$ 8,073 | \$ 8,476 | \$ 8,900 | \$ 9,345 |
| 7243 | Librarian I | \$ 5,996 | \$ 6,296 | \$ 6,611 | \$ 6,942 | \$ 7,289 |
| 7244 | Librarian II | \$ 6,299 | \$ 6,614 | \$ 6,945 | \$ 7,292 | \$ 7,656 |
| 2404 | Library Aide | \$ 2,874 | \$ 3,018 | \$ 3,169 | \$ 3,327 | \$ 3,494 |
| 7246 | Library Assistant I | \$ 3,948 | \$ 4,146 | \$ 4,353 | \$ 4,571 | \$ 4,799 |
| 7247 | Library Assistant II | \$ 4,465 | \$ 4,688 | \$ 4,923 | \$ 5,169 | \$ 5,427 |

Exhibit A

| | | | | | | |
|------|---|----------|-----------|-----------|-----------|-----------|
| 2405 | Library Tech Services Supervisor | \$ 5,709 | \$ 5,994 | \$ 6,294 | \$ 6,609 | \$ 6,939 |
| 7292 | Literacy Program Supervisor | \$ 6,949 | \$ 7,297 | \$ 7,662 | \$ 8,045 | \$ 8,447 |
| 7249 | Mail and Stores Clerk | \$ 4,175 | \$ 4,384 | \$ 4,603 | \$ 4,833 | \$ 5,075 |
| 7255 | Network Analyst | \$ 6,991 | \$ 7,340 | \$ 7,707 | \$ 8,092 | \$ 8,497 |
| 7274 | Network Support Technician | \$ 5,347 | \$ 5,614 | \$ 5,895 | \$ 6,190 | \$ 6,499 |
| 7285 | Office Assistant I | \$ 3,976 | \$ 4,175 | \$ 4,383 | \$ 4,603 | \$ 4,833 |
| 7284 | Office Assistant II | \$ 4,491 | \$ 4,716 | \$ 4,952 | \$ 5,199 | \$ 5,459 |
| 7256 | Park Equipment Mechanic | \$ 6,054 | \$ 6,356 | \$ 6,674 | \$ 7,008 | \$ 7,358 |
| 7257 | Parking Attendant I | \$ 2,276 | \$ 2,390 | \$ 2,509 | \$ 2,635 | \$ 2,767 |
| 7275 | Parking Attendant II | \$ 2,507 | \$ 2,632 | \$ 2,764 | \$ 2,902 | \$ 3,047 |
| 6208 | Parking Enforcement Officer | \$ 5,553 | \$ 5,830 | \$ 6,122 | \$ 6,428 | \$ 6,749 |
| 6212 | Parking Equipment Technician | \$ 5,357 | \$ 5,625 | \$ 5,906 | \$ 6,201 | \$ 6,512 |
| 6209 | Parking Maintenance & Collections | \$ 5,357 | \$ 5,625 | \$ 5,906 | \$ 6,201 | \$ 6,511 |
| 6211 | Parking Operations Supervisor | \$ 7,364 | \$ 7,733 | \$ 8,119 | \$ 8,525 | \$ 8,951 |
| 7258 | Parks & Graffiti Worker | \$ 4,859 | \$ 5,102 | \$ 5,357 | \$ 5,625 | \$ 5,906 |
| 2123 | Parks Lead Maintenance Worker | \$ 6,203 | \$ 6,513 | \$ 6,838 | \$ 7,180 | \$ 7,539 |
| 7271 | Parks Maintenance Supervisor | \$ 7,365 | \$ 7,733 | \$ 8,119 | \$ 8,525 | \$ 8,952 |
| 7236 | Parks Maintenance Worker I | \$ 5,102 | \$ 5,357 | \$ 5,625 | \$ 5,906 | \$ 6,202 |
| 7238 | Parks Maintenance Worker II | \$ 5,357 | \$ 5,625 | \$ 5,906 | \$ 6,202 | \$ 6,512 |
| 7296 | Permit Services Coordinator | \$ 7,386 | \$ 7,755 | \$ 8,143 | \$ 8,550 | \$ 8,978 |
| 7261 | Planning Technician | \$ 5,347 | \$ 5,614 | \$ 5,895 | \$ 6,190 | \$ 6,499 |
| 9453 | Principal Planner | \$ 9,884 | \$ 10,378 | \$ 10,897 | \$ 11,442 | \$ 12,014 |
| 7234 | Printing Press Operator | \$ 5,199 | \$ 5,459 | \$ 5,732 | \$ 6,018 | \$ 6,319 |
| 1201 | Program Coordinator | \$ 5,619 | \$ 5,900 | \$ 6,195 | \$ 6,505 | \$ 6,830 |
| 7290 | Public Works Dispatcher | \$ 5,357 | \$ 5,625 | \$ 5,906 | \$ 6,202 | \$ 6,512 |
| 7263 | Revenue Supervisor | \$ 8,166 | \$ 8,574 | \$ 9,002 | \$ 9,453 | \$ 9,925 |
| 2309 | Senior Building Inspector | \$ 8,122 | \$ 8,528 | \$ 8,955 | \$ 9,403 | \$ 9,873 |
| 7219 | Senior Building Technician | \$ 6,201 | \$ 6,511 | \$ 6,836 | \$ 7,178 | \$ 7,537 |
| 7265 | Senior Library Assistant | \$ 4,689 | \$ 4,923 | \$ 5,170 | \$ 5,428 | \$ 5,700 |
| 7264 | Senior Planner | \$ 8,545 | \$ 8,972 | \$ 9,421 | \$ 9,892 | \$ 10,387 |
| 2204 | Sewer Lead Maintenance Worker | \$ 6,840 | \$ 7,182 | \$ 7,541 | \$ 7,918 | \$ 8,314 |
| 7266 | Sewer Maintenance Worker I | \$ 5,489 | \$ 5,764 | \$ 6,052 | \$ 6,355 | \$ 6,672 |
| 7267 | Sewer Maintenance Worker II | \$ 5,907 | \$ 6,203 | \$ 6,513 | \$ 6,839 | \$ 7,180 |
| 7281 | Sewers Supervisor | \$ 7,732 | \$ 8,118 | \$ 8,524 | \$ 8,950 | \$ 9,398 |
| 7269 | Shop & Equipment Supervisor | \$ 7,365 | \$ 7,733 | \$ 8,120 | \$ 8,525 | \$ 8,952 |
| 7280 | Street Lead Maintenance Worker | \$ 6,203 | \$ 6,513 | \$ 6,838 | \$ 7,180 | \$ 7,539 |
| 7209 | Street Maintenance Supervisor | \$ 7,365 | \$ 7,733 | \$ 8,119 | \$ 8,525 | \$ 8,952 |
| 7250 | Street Maintenance Worker I | \$ 5,102 | \$ 5,357 | \$ 5,625 | \$ 5,906 | \$ 6,202 |
| 7251 | Street Maintenance Worker II | \$ 5,357 | \$ 5,625 | \$ 5,906 | \$ 6,202 | \$ 6,512 |
| 7283 | Street Sweeper Operator | \$ 5,625 | \$ 5,906 | \$ 6,202 | \$ 6,512 | \$ 6,837 |
| 7245 | Supervising Librarian | \$ 6,949 | \$ 7,297 | \$ 7,662 | \$ 8,045 | \$ 8,447 |
| 8523 | Supervising Parking Enforcement Officer | \$ 6,245 | \$ 6,557 | \$ 6,885 | \$ 7,229 | \$ 7,590 |
| 7288 | Supervising Vehicle/Equipment Mechanic | \$ 6,515 | \$ 6,841 | \$ 7,183 | \$ 7,542 | \$ 7,919 |
| 7286 | Vehicle/Equipment Mechanic I | \$ 5,490 | \$ 5,764 | \$ 6,052 | \$ 6,355 | \$ 6,673 |
| 7287 | Vehicle/Equipment Mechanic II | \$ 6,054 | \$ 6,356 | \$ 6,674 | \$ 7,008 | \$ 7,358 |
| 2131 | Volunteer Program Assistant | \$ 5,418 | \$ 5,689 | \$ 5,973 | \$ 6,272 | \$ 6,586 |

*New classification approved with 2021-2024 MOU

City of San Rafael
Employees represented by SEIU Local 1021
Classification/Compensation Summary: Benchmark Linkages

| | Current Benchmark | Linkage | |
|-------------------------------|-----------------------------|--|-----------------------------|
| | | Title | Grade Levels from Benchmark |
| A | Accounting Assistant II | Supervisor – Revenue | +16 |
| | | Accountant II | +11 |
| | | Payroll Technician | +10 |
| | | Accountant I | +9 |
| | | Business License Examiner | +2 |
| | | Accounting Assistant II | 0 |
| | | Child Care Bookkeeper II | 0 |
| | | Accounting Assistant I | -4 |
| | | Child Care Bookkeeper I | -4 |
| | | Customer Service Clerk | -4 |
| B | Associate Planner | Senior Planner | +5 |
| | | Fire Plans Examiner | +4 |
| | | Associate Planner | 0 |
| | | Fire Prevention Inspector II | -5 |
| | | Supervising Inspector | -2 |
| | | Programmer Analyst II | -3 |
| | | Assistant Planner | -4 |
| | | Building Inspector II | -4 |
| | | Fire Prevention Inspector I | -4.5 |
| | | Programmer Analyst I | -7 |
| | | Network Analyst | -7 |
| | | GIS Analyst | -7 |
| | | Building Inspector I | -8 |
| | | Code Enforcement Official III | -8 |
| | | Senior Building Technician | -8 |
| | | Administrative Analyst | -9 |
| | | Recreation Center Supervisor | -12 |
| | | Code Enforcement Official II | -13 |
| | | Planning Technician | -14 |
| | | Network Support Technician | -12 |
| Building Technician I | -14 | | |
| Volunteer Program Coordinator | -15 | | |
| GIS Technician | -16 | | |
| Code Enforcement Official I | -17 | | |
| C | Parking Enforcement Officer | Supervising Parking Enforcement Officer | +12.5 |
| | | Parking Enforcement Officer | 0 |
| D | Library Assistant II | Supervising Librarian | +18 |
| | | Literacy Program Supervisor | +18 |
| | | Librarian II | +14 |
| | | Librarian I | +12 |
| | | Library Circulation Supervisor | +10 |
| | | Senior Library Assistant | +2 |
| | | Library Assistant II | 0 |
| Library Assistant I | -5 | | |

Exhibit B

| | Current Benchmark | Linkage | |
|----------------------------|--|---|-----------------------------|
| | | Title | Grade Levels from Benchmark |
| E | Secretary or Administrative Assistant II | Administrative Assistant IV | +5 |
| | | Deputy City Clerk | +4 |
| | | Administrative Assistant to the City Clerk | +3 |
| | | Administrative Assistant III | +3 |
| | | Administrative Assistant II | 0 |
| | | Printing Press Operator | -1 |
| | | Administrative Assistant I | -4 |
| | | Office Assistant II | -7 |
| | | Mail and Stores Clerk | -10 |
| | | Office Assistant I | -12 |
| | | Parking Attendant II | -21 |
| | | Parking Attendant I | -23 |
| F | Street Maintenance Supervisor | Supervisor – Street Maintenance | 0 |
| | | Supervisor – Sewers | 0 |
| | | Supervisor – Facility Repair | 0 |
| | | Shop and Equipment Supervisor | 0 |
| | | Supervisor – Parks | 0 |
| | | Supervising Vehicle/Equipment Mechanic | -5 |
| | | Sewer Maintenance Worker III | -5 |
| | | Supervising Street Maintenance Worker | -7 |
| | | Parking Operations Supervisor | -7 |
| | | Vehicle/Equipment Mechanic II | -8 |
| | | Park Equipment Mechanic | -8 |
| | | Streets Lead Maintenance Worker | -9 |
| | | Parks Lead Maintenance Worker | -9 |
| | | Sewer Maintenance Worker II | -9 |
| | | Facility Repair Worker II | -10 |
| | | Sweeper Operator | -11 |
| | | Vehicle/Equipment Mechanic I | -12 |
| | | Sewer Maintenance Worker I | -12 |
| | | Parks Maintenance Worker II | -13 |
| | | Parking Equipment Technician | -13 |
| | | Parking Maintenance & Collections | -13 |
| | | Parking Meter Repair Technician | -13 |
| | | Street Maintenance Worker II | -13 |
| | | Facility Repair Worker I | -14 |
| | | Yard Clerk/Dispatcher | -14 |
| | | Equipment Service Attendant | -15 |
| | | Street Maintenance Worker I | -15 |
| Park & Graffiti Worker | -17 | | |
| Parks Maintenance Worker I | -17 | | |
| Custodian | -19 | | |

**Bold Print for job class titles represents job classes in the Supervisory Unit.

**Side Letter Between
SEIU Local 1021 (SEIU)
and
The City of San Rafael**

July 19, 2021

In response to the global COVID-19 pandemic that began in the spring of 2020, the City of San Rafael declared a local state of emergency. Additionally, and in accordance with Governor Gavin Newsom's Executive Order(s), which severely curtailed and/or outright closed commercial establishments, the City temporarily closed its offices for an undetermined amount of time and established remote work options for its non-public safety workforce in order to continue serving the needs of the community. The City utilizes the services of HDL to provide sales tax forecasts and tax revenue projections. HDL advised the City in the Spring of 2020, that it should be prepared for unprecedented financial losses, in an amount upwards of \$12M over the next 18 months. In anticipation of these dire financial circumstances, the City exercised its management rights under MOU section 7.6 and implemented a Citywide furlough for all non-safety positions. Based on the best financial projections available at the time, it was necessary and prudent to implement the furlough in order to avoid the need to implement reductions in force in the future.

Two significant things changed during fiscal year 20-21:

1. In the fall of 2020, the Measure R passed, which is expected to increase the City's annual sales tax revenues by approximately \$4M, which the City will begin receiving at the end of FY 20-21, and
2. In the first quarter of 2021, HDL's sales tax revenue forecasts significantly changed for the better and the revenue losses initially expected due to the pandemic, luckily did not materialize.

Based on the two above changes in financial condition, the City is projecting a financial surplus for fiscal year 20-21, therefore the City is willing to issue repayments to employees who were furloughed over the last year. The City is pleased that it is in the financial position to do so.

The circumstances that make it possible for the City to reimburse employees for the furlough at this time are extremely unique in nature. The City retains the management right under MOU section 7.6 in the future to implement a furlough if needed. The City does not commit to any future reimbursement of the furlough monies and considers this one-time offer to reimburse the FY 20-21 as non-precedential. Thus, the City now grants to each employee in the bargaining group a one-time re-payment equal to the amount they would have received had the furlough not occurred. In exchange for receiving these funds, employees will not be entitled to 3 days of float under MOU section 7.6.2 subsection 4.

The furlough repayment amount for each employee will be calculated based on their individual actual furlough reduction amounts that were deducted from each employee's paycheck during FY 20-21. The furlough repayment amounts range from approximately \$350 - \$5,500, depending upon the individual position. The City already made MCERA pension contributions on each employee's regular (non-furloughed) payroll amount each pay period during FY 20-21, therefore the City will not make any additional contributions to Classic or PEPRAs employees' pensions and it is subject to

normal payroll taxation. The actual total dollar amount to be reimbursed to the members of this bargaining unit is \$304,200.

FOR SEIU:

FOR THE CITY OF SAN RAFAEL:

Tiffany Crain, Chief Negotiator

Tim Davis, Burke Williams Sorensen

Kenny Gatlin, Negotiator – SEIU

Sylvia Gonzalez-Shelton, HR Operations Mgr

Tiffany Haley, Negotiator – SEIU

Allan Lee, Negotiator – Local 1

Jamie Poirier, Negotiator – Local 1

Wesley Sitchler, Negotiator – Local 1



SAN RAFAEL CITY COUNCIL AGENDA REPORT

Department: Human Resources

Prepared by: Sylvia Gonzalez-Shelton,
Human Resources Operations Manager

City Manager Approval _____

TOPIC: MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF SAN RAFAEL AND SAN RAFAEL FIRE CHIEF OFFICERS' ASSOCIATION

SUBJECT: RESOLUTION APPROVING A MEMORANDUM OF UNDERSTANDING PERTAINING TO COMPENSATION AND WORKING CONDITIONS FOR SAN RAFAEL FIRE CHIEF OFFICERS' ASSOCIATION (JULY 1, 2021 THROUGH JUNE 30, 2024)

RECOMMENDATION: Adopt Resolution.

BACKGROUND:

The San Rafael Fire Chief Officers' Association (SRFCOA) represents 4 employees in the San Rafael Fire Department. The most recent Memorandum of Understanding ("MOU") for SRFCOA expired on June 30, 2020 and was extended by side letter through June 30, 2021. Over the past few months, representatives of the City and SRFCOA have met in good faith to negotiate the terms of a successor MOU. The City and SRFCOA reached a tentative agreement on July 6, 2021 for a three-year successor MOU and SRFCOA membership subsequently ratified the agreement.

ANALYSIS:

The following are the highlights that reflect the terms and significant economic items included in the agreement between the City and SRFCOA. In addition to the economic items, some operational items were also addressed in the final agreement, all of which can be found in the attached successor MOU.

1. **Term of the Agreement:** July 1, 2021 through June 30, 2024
2. **Salary Increase:** The salary schedule included in the attached successor MOU authorizes the proposed new salary for each position.
 - a. Year 1: Value of a 3.5% base wage increase for the bargaining group, effective July 1, 2021
 - b. Year 2: Value of a 4.0% base wage increase for the bargaining group, effective July 1, 2022
 - c. Year 3: Value of a 4.0% base wage increase for the bargaining group, effective July 1, 2023

FOR CITY CLERK ONLY

Council Meeting: _____

Disposition: _____

3. Non-Economic Items: In addition to items discussed above, agreement was reached on other proposals, which reflect minor changes to existing provisions with no additional cost. The attached MOU includes all the changes agreed to by the parties. A brief overview of these negotiated MOU sections includes:

- Retiree Health Savings (Section 4.2.3): SRFCOA employees hired into City employment on or before January 1, 2010 will have access to a retiree health savings (RHS) account. Each employee in the bargaining unit will contribute \$5,000 to an RHS account each July 31st in the form of a sick leave conversion of hours.
- Arbitration (Section 7.3.6): Update language to allow the mutually acceptable Arbitrator to provide an alternative recommendation for disciplinary action in addition to the ability to affirm or reject the City's form of discipline.

FISCAL IMPACT:

The current total annual salary and benefit cost to the City for the 4 employees of SRFCOA is \$1,516,593. The additional ongoing incremental cost of the successor MOU beyond the FY 20/21 budget is:

| | <u>Incremental FY 2021-22</u> | <u>Incremental FY 2022-23</u> | <u>Incremental FY 2023-24</u> |
|--------------------------------|--|--|--|
| Wages: | | | |
| Base Salary | \$24,988 | \$29,557 | \$30,739 |
| Other costs: | | | |
| Pension* | \$19,335 | \$22,871 | \$23,786 |
| Taxes (Medicare, W/C) | <u>\$ 2,744</u> | <u>\$ 3,245</u> | <u>\$ 3,375</u> |
| Total Incremental Cost: | \$47,067 | \$55,673 | \$57,900 |

**This incremental pension cost results only from the negotiated wage increase and does not include the cost of associated MCERA rate changes. The terms and conditions of the pension benefit plan remain unchanged.*

While the incremental cost is \$47,067 for fiscal year 2021-2022, \$55,673 for fiscal year 2022-2023, and \$57,900 for fiscal year 2023-24, the increases are compounding and therefore the projected wages and other costs total \$310,447 for the three-year term. The increase in compensation included in this resolution is in line with the City's current budget projections. Funding for these positions is provided for in the City's General Fund.

OPTIONS:

The City Council has the following options to consider in this matter:

- Staff's recommendation to adopt the resolution.
- Adopt resolution with modifications.
- Direct staff to return with more information.
- Take no action.

RECOMMENDED ACTION:

Staff recommends that the City Council adopt the Resolution to Approve the Memorandum of Understanding between the City of San Rafael and San Rafael Fire Chief Officers' Association pertaining to compensation and working conditions (July 1, 2021 through June 30, 2024).

ATTACHMENTS:

1. Resolution with attached MOU between City of San Rafael and San Rafael Fire Chief Officers' Association for July 1, 2021 to June 30, 2024 (and all attachments).

RESOLUTION NO.

RESOLUTION OF THE SAN RAFAEL CITY COUNCIL APPROVING A MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY AND SAN RAFAEL FIRE CHIEF OFFICERS' ASSOCIATION (SRFCOA) PERTAINING TO COMPENSATION AND WORKING CONDITIONS (JULY 1, 2021 THROUGH JUNE 30, 2024)

WHEREAS, the San Rafael Fire Chief Officers' Association (SRFCOA) labor agreement with the City will expire on June 30, 2021, after a one-year extension; and

WHEREAS, the City of San Rafael and representatives of SRFCOA have met and conferred in good faith with regard to wages, hours and working conditions in accordance with the provisions of the Meyers-Milias-Brown Act; and

WHEREAS, a Memorandum of Understanding ("MOU") pertaining to the three-year period from July 1, 2021, through June 30, 2024, and has been ratified by SRFCOA members;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SAN RAFAEL DOES RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

Section 1: From and after the date of adoption of this Resolution, the City of San Rafael and San Rafael Fire Chief Officers' Association (SRFCOA) shall utilize the MOU for the period beginning July 1, 2021, attached hereto, as the official document of reference respecting compensation and working conditions for employees represented by SEIU.

Section 2: The schedules describing classes of positions and salary ranges are attached to said MOU and, together with the MOU itself, are hereby adopted and shall be attached hereto and incorporated in full.

I, Lindsay Lara, Clerk of the City of San Rafael, hereby certify that the foregoing Resolution was duly and regularly introduced and adopted at a regular meeting of the City Council of the City of San Rafael, held on Monday, the 19th of July 2021, by the following vote, to wit:

AYES: Councilmembers:

NOES: Councilmembers:

ABSENT: Councilmembers:

Lindsay Lara, City Clerk

MEMORANDUM OF UNDERSTANDING

between

CITY OF SAN RAFAEL

and

SAN RAFAEL FIRE CHIEF OFFICERS' ASSOCIATION

JULY 1, 2021 - JUNE 30, 2024

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**MEMORANDUM OF UNDERSTANDING
BETWEEN
CITY OF SAN RAFAEL
AND
SAN RAFAEL FIRE CHIEF OFFICERS' ASSOCIATION**

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

The San Rafael Fire Chief Officers' Association and representatives of the City of San Rafael have met and conferred in good faith regarding wages, hours and other terms and conditions of employment of employees in said representative unit, and have freely exchanged information, opinions and proposals, and have reached an agreement on all matters relating to the employment conditions and the employer-employee relations of such employees.

This Memorandum of Understanding shall be presented to the City Council of the City of San Rafael as the joint recommendation of the undersigned for salary and employee benefit adjustments for the period commencing July 1, 2021 and ending June 30, 2024. When ratified by the City Council, this Memorandum of Understanding shall be binding upon the San Rafael Fire Chief Officers' Association, the employees it represents, and the City of San Rafael.

1 GENERAL PROVISIONS

1.1 INTRODUCTION

1.1.1 Scope of Agreement

The salaries, hours, fringe benefits and working conditions set forth have been mutually agreed upon by the designated bargaining representatives of the City of San Rafael (herein-after called "CITY") and the San Rafael Fire Chief Officers' Association (herein-after called "ASSOCIATION") and shall apply to all employees of the City working in the classifications and bargaining unit set forth as follows:

- a. Battalion Chief

In accepting employment with the City of San Rafael, each employee agrees to be governed by and to comply with the City's Personnel Ordinance, City's Personnel Rules and Regulations, City's Employer-Employee Resolution, City's Administrative Procedures, and Fire Department Rules and Regulations, General Orders and Procedures.

1.1.2 Term of Memorandum of Understanding (MOU)

This agreement shall be in effect from July 1, 2021 through June 30, 2024.

1.2 RECOGNITION

1.2.1 Bargaining Unit

City hereby recognizes Association as the bargaining representative for purpose of establishing salaries, hours, fringe benefits and working conditions for all employees within the San Rafael Fire Chief Officers' Association Bargaining Unit which includes the following:

- a. Battalion Chief

1.2.2 Available Copies

Both the City and the Association agree to keep duplicate originals of this agreement on file in a readily accessible location available for inspection by any City employee, or member of the public, upon request.

1.2.3 City Recognition

The Municipal Employee Relations Officer of the City of San Rafael, or any person or organization duly authorized by the Municipal Relations Officer, is the representative of the City of San Rafael, hereinafter referred to as the "City" in employer-employee relations, as provided in Resolution No. 12189 adopted by the City Council on February 5, 2007.

1.2.4 Employee Representatives

The Association shall, by written notice to the City Manager, designate certain of its members as Employee Representatives.

1.3 DISCRIMINATION

1.3.1 In General

The parties to this contract agree that they shall not, in any manner, discriminate against any person whatsoever because of race, color, age, religion, ancestry, national origin, sex, sexual orientation, gender, gender expression, gender identity, marital status, medical condition (cancer-related or genetic characteristics), genetic information (including family medical history) or physical or mental disability.

Any employee who believes they are being discriminated against should refer to the City of San Rafael's Harassment Policy for the process of receiving an internal administrative review of their complaint. This administrative procedure shall be used as the internal complaint procedure in lieu of the grievance procedure outlined in this MOU.

1.3.2 Association Discrimination

No member, official, or representative of the Association shall, in any way suffer any type of discrimination in connection with continued employment, promotion, or otherwise by virtue of membership in or representation of Association.

1.4 INSPECTION OF MEMORANDUM OF UNDERSTANDING

Both the City and the Association agree to keep duplicate originals of this Memorandum on file in a readily accessible location available for inspection by any employee or member of the public upon request.

1.5 EXISTING LAWS, REGULATIONS & POLICIES

This Memorandum is subject to all applicable laws.

1.6 STRIKES & LOCKOUTS

During the term of this Memorandum of Understanding, the City agrees that it will not lock out employees and the Association agrees that it will not agree to encourage or approve any strike or slow down growing out of any dispute relating to the terms of this Agreement. The Association will take whatever lawful steps are necessary to prevent any interruption of work in violation of this Agreement.

1.7 SEVERABILITY

If any article, paragraph or section of this Memorandum shall be held to be invalid by operation of law, or by any tribunal or competent jurisdiction, or if compliance with or any enforcement of any provision hereof be restrained by such tribunal, the remainder of this Memorandum shall not be affected thereby, and the parties shall, if possible, enter into meet and confer sessions for the sole purpose of arriving at a mutually satisfactory replacement for such article, paragraph or section.

1.8 PREVAILING RIGHTS

All matters within the scope of meeting and conferring which have previously been adopted through rules, regulations, ordinances or resolutions, which are not specifically superseded by the M.O.U., shall remain in full force and effect throughout the term of this Agreement.

1.9 MANAGEMENT RIGHTS

The City reserves, retains, and is vested with, solely and exclusively, all rights of management which have not been expressly abridged by specific provision of this Memorandum of Understanding or by law to manage the City, as such rights existed prior to the execution of this Memorandum of Understanding. The sole and exclusive rights of management, as they are not abridged by this Agreement or by law, shall include, but not be limited to, the following rights:

1. To manage the City generally and to determine the issues of policy.
2. To determine the existence of facts which are the basis of the management decision.
3. To determine the necessity of any organization or any service or activity conducted by the City and expand or diminish services.
4. To determine the nature, manner, means, technology and extent of services to be provided to the public.
5. Methods of financing.
6. Types of equipment or technology to be used.
7. To determine and/or change the facilities, methods, technology, means and size of the work force by which the City operations are to be conducted.
8. To determine and change the number of locations, re-locations and types of operations, processes and materials to be used in carrying out all City functions including, but not limited to, the right to contract for or subcontract any work or operation of the City.
9. To assign work to and schedule employees in accordance with requirements as determined by the City, and to establish and change work schedules and assignments.
10. To relieve employees from duties for lack of work or similar non-disciplinary reasons.
11. To establish and modify organizational productivity and performance programs and standards.
12. To discharge, suspend, demote or otherwise discipline employees for proper cause in accordance with the provisions and procedures set forth in City Personnel Rules and Regulations, the Firefighters Procedural Bill of Rights, and this Memorandum of Understanding.
13. To determine job classifications and to reclassify employees.
14. To hire, transfer, promote and demote employees for non-disciplinary reasons in accordance with this Memorandum of Understanding and the City's Rules and Regulations.

15. To determine policies, procedure and standards for selection, training and promotion of employees.
16. To establish employee performance standards including but not limited to, quality and quantity standards; and to require compliance therewith.
17. To maintain order and efficiency in its facilities and operations.
18. To establish and promulgate and/or modify rules and regulations to maintain order and safety in the City which are not in contravention with this Agreement.
19. To take any and all necessary action to carry out the mission of the City in emergencies.

The City and Association agree and understand that if, in the exercise of any of the rights set forth above, the effect of said exercise of rights by the City impacts an area within the scope of representation as set forth in the Meyers/Milias/Brown Act, case law interpreting said acts, and/or Federal law, the City shall have the duty to meet and confer with the Association regarding the impact of its decision/exercise of rights.

1.10 FULL UNDERSTANDING, MODIFICATION, WAIVER

1.10.1 Modification/Waiver

Except as specifically otherwise provided herein, it is agreed and understood that each party hereto voluntarily and unqualifiedly waives its right and agrees that the other shall not be required to meet and confer with respect to any subject or matter covered herein, nor as to wages or fringe benefits during the period of the term of this Memorandum. The foregoing shall not preclude the parties hereto from meeting and conferring at any time during the term of this Agreement with respect to any subject matter within the scope of meeting and conferring for a proposed Memorandum of Understanding between the parties to be effective on or after July 1, 2020.

1.10.2 Effective Dates

This Agreement will be in effect from July 1, 2021 through June 30, 2024. It shall be automatically renewed from year to year thereafter unless either party shall have notified the other, in writing, at least sixty (60) days prior to the annual anniversary of the above date that it desires to modify the Memorandum. In the event that such notice is given, negotiations shall begin no later than thirty (30) days prior to the anniversary date.

1.10.3 Joint Representation

The parties jointly represent to the City Council that this Memorandum of Understanding sets forth the full and entire understanding of the parties regarding the matters set forth herein.

2 MMBA

2.1 DUES DEDUCTION

Payroll deduction for membership dues shall be granted by the City to the Association.

The following procedures shall be observed in the withholding of employee earnings:

- A. Payroll deductions shall be for a specified amount in uniform as between employee members of the Association and shall not include fines, fees and/or assessments. Dues deductions shall be made only upon the employees' written authorization.

- B. Authorization, cancellation or modifications of payroll deduction shall be made upon forms provided or approved by the City Manager or his/her designee. The voluntary payroll deduction authorization shall remain in effect until employment with the City is terminated or until canceled or modified by the employee by written notice to the City Manager or his/her designee. Employees may authorize dues deductions only for the organization certified as the recognized employee organization of the classification to which such employees are assigned.
- C. Amounts deducted and withheld by the City shall be transmitted to the officer designated in writing by the Association as the person authorized to receive such funds, at the address specified.
- D. The employees' earnings must be sufficient, after all other required deductions are made, to cover the amount of the deductions herein authorized. 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 with the City which would have been withheld if the employee had been in a pay status during that period.

In the case of an 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 deductions shall be made. In this connection, all other required deductions have priority over the employee organization deduction.
- E. The Association shall file with the City an indemnity statement wherein the Association shall indemnify, defend, and hold the City harmless against any claim made and against any suit initiated against the City on account of check-off of Association dues, assessments and other payments to the Association. In addition, the Association shall refund to the City any amounts paid to it in error upon presentation of supporting evidence.

2.2 RELEASE TIME

The City shall allow a reasonable number of Association members time off without loss of compensation or other benefits when formally meeting and conferring with representatives of this City on matters within the scope of representation. Reasonable time off without loss of compensation or other benefits shall also be granted to members of the Association to participate in and prepare for grievances.

2.3 ASSOCIATION ORIENTATION OF NEW EMPLOYEES

Whenever the City hires an employee within any classification covered by this Memorandum of Understanding and represented by the Association, the City will provide the new employee with a copy of the current Memorandum of Understanding. The City shall make available two hours, at a mutually agreeable time, during the initial thirty (30) days of employment for new employee orientation by the Association. In addition, the City will also provide reasonable advance notice to the Association of all employee orientations conducted by the City.

2.4 EMPLOYEE INFORMATION

The City shall provide the Association with the name, job title, department, work location, work, home and personal cell phone numbers, home address and personal email address on file with the City for all employees within the Association every 120 days. In addition, a report with similar information of each Association new hire will be provided to the Association within 30 days of the hire date.

3 _COMPENSATION

3.1 GENERAL WAGES & COMPENSATION

3.1.1 General Wage Increase

In the First Year, compensation increases will take effect the pay period including July 1, 2021 or the first full pay period following Council ratification of a new MOU, whichever occurs later.

In Year 1, the City will provide a 1.6% general salary increase plus a 1.9% equity adjustment (3.5% total);

In Year 2, the City will provide a 1.6% general salary increase plus a 2.4% equity adjustment (4% total); and,

In Year 3, the City will provide a 1.6% general salary increase plus a 2.4% equity adjustment (4% total).

3.1.2 Compensation Goal & Definitions

It is the goal of the City Council to try to achieve a total compensation package for all employees represented by the Association in an amount equal to the following:

1. The average, plus one dollar, of the total compensation paid to the same or similar classifications in the following ten (10) cities/districts: Alameda, Alameda County, Fairfield, Hayward, Napa, Novato Fire District, Santa Rosa, Southern Marin Fire District, and South San Francisco, Vallejo; and,
2. The highest total compensation paid to the same or similar classifications in agencies in Marin County.

Total Compensation for survey purposes shall be defined as: Top step salary (excluding longevity pay steps), educational incentive pay, holiday pay, uniform allowance, employer paid deferred compensation, employer's contribution towards employees' share of retirement, employer paid contributions toward insurance premiums for health, life, long term disability, dental and vision plans and employer paid cafeteria/flexible spending accounts. Total compensation comparisons shall be calculated both with and without the employer's retirement contribution.

3.1.3 Compensation Surveys

To measure progress towards the above-stated goal, the City and the Association will jointly survey the benchmark position of Battalion Chief three (3) months before the expiration of this contract.

Identified benchmark positions from other agencies include positions that are filled as well as those that may be unfilled, so long as the benchmark position is identified by the survey agency as being on the salary schedule and having a job class description. Other city/agency positions are established as benchmark positions in San Rafael's compensation survey based upon similar work and similar job requirements.

Survey data will include all salary and benefit increases, as defined in 'total compensation' for the purpose of measuring progress towards the goal. The City and the Association shall review the benchmark and related survey data for accuracy and completeness.

3.2 SALARY STEP INCREASE

An employee shall be considered for a step increase annually until the top step has been reached. Advancement to a higher salary within a salary step schedule may be granted for continued satisfactory service by the employee in the performance of his/her duties. Salary step advancement shall be made only upon the recommendation of the Fire Chief, with the approval of the City Manager or his/her designee, and are not automatic, but based on documented, acceptable work performance. Accelerated salary step increases may be granted an employee based upon the recommendation of the Fire Chief and approval of the City Manager for exceptional job performance.

3.3 PAY CHECK DATES

City employees are paid twice per month on the 15th and the last working day of the month. When a pay day falls on a holiday, the pay day will be transferred to the following day of regular business unless the Finance Office is able to complete the payroll by the previous work day. The method of distributing the payroll shall be established by the Finance Director.

During the term of this Agreement, the City may institute change the payroll schedule from 24 pay cycles per year to 26 pay cycles per year.

3.4 ADDITIONAL PAY

3.4.1 Education Incentive Program

The Educational Incentive for all employees represented by this Association is included in the base salary.

3.4.2 Uniform Allowance

Uniform members of the Fire Department, represented by this Association, shall receive a uniform allowance in the amount of \$805.00 at the completion of each six months of service ending June 1st and December 1st. A pro-ration at the rate of \$134.17 per month may be given for a portion of the first and last six months of service upon recommendation of the Department Head and approval of the City Manager.

3.4.3 Boot Allowance

Uniform members of the Fire Department, represented by this Association, shall be entitled to a maximum of \$160 every two fiscal years for a boot allowance. The employee is responsible for purchasing safety boots and submitting a receipt for reimbursement. The boots must be purchased for City use only and must adhere to safety requirements.

4 BENEFITS

4.1 JOINT BENEFITS COMMITTEE

Both parties agree to continue to utilize the Joint Benefits Committee for on-going review of benefit programs, cost containment, and cost savings options. The committee shall include representatives from all bargaining groups.

4.2 HEALTH & WELFARE

4.2.1 Full Flex Cafeteria Plan

Effective January 1, 2010 the City implemented a full flex cafeteria plan for active employees in accordance with IRS Code Section 125. Active employees shall receive a monthly flex dollar allowance to purchase benefits under the Full Flex Cafeteria plan.

The monthly flex dollar allowance effective the first paycheck of December 2020 shall be:

| | |
|--|-------------|
| For employee only: | \$ 755.62 |
| For employee and one dependent: | \$ 1,208.99 |
| For employee and two or more dependents: | \$ 1,571.70 |

Flex dollar allowances shall increase on the December 15th paycheck of each subsequent year up to a maximum of three percent (3%) on an annual basis, based on but not to exceed the Kaiser Bay Area Region premium rate increase for the upcoming calendar year.

The City shall contribute to the cost of medical coverage for each eligible employee and his/her dependents, an amount not to exceed the California Public Employees' Medical and Hospital Care Act (PEMHCA) Minimum Employer contribution, as determined by CalPERS on an annual basis. This portion of the monthly flex dollar allowance is identified as the City's contribution towards PEMHCA. The monthly flex dollar allowance (including the PEMHCA minimum contribution) may be used in accordance with the terms of the cafeteria plan to purchase health benefits or may be converted to taxable income.

Conditional Opt-out Payment: An employee may elect to waive the City's health insurance coverage and receive an Opt-out payment in accordance with the terms of the cafeteria plan, and the Affordable Care Act, if the employee complies with the following conditions:

- 1) The employee certifies that the employee and all individuals in the employee's tax family for whom coverage is waived, have alternative Minimum Essential Coverage as defined by the Patient Protection and Affordable Care Act through a provider other than a federal marketplace, a state exchange, or an individual policy.
- 2) During the City's annual open enrollment period, the employee must complete an annual written attestation confirming that the employee and the other members of the employee's tax family are enrolled in alternative Minimum Essential Coverage. The employee agrees to notify the City no later than 30 days if the employee or other member(s) of the employee's tax family lose coverage under the alternative Minimum Essential Coverage Plan.
- 3) The employee understands that the City is legally required to immediately stop conditional Opt-out payments if the City learns that the employee and/or members of the employee's family do not have the alternative Minimal Essential Coverage.

The Opt-out payment will be \$760 per month for employees hired into the association on or before January 1, 2017. New members hired into the association after January 1, 2017, shall be eligible for a \$300 Opt-out payment.

The City reserves the right to modify at any time, the amount an employee is eligible to receive under this paragraph, if required by IRS Cafeteria Plan regulations or other legislation or agency guidance.

4.2.2 *Retiree's Health Insurance*

Employees represented by the Association who retire from the Marin County Retirement System, subject to Marin County Employee Retirement Association procedures and regulations and applicable 1937 Act laws that govern such plans, are eligible to continue in the City's retiree group health insurance program offered through PEMHCA. The City's contribution towards retiree coverage shall be the PEMHCA minimum contribution as determined by CalPERS on an annual basis.

A. Employees hired by the City before January 1, 2010

The City shall make a monthly retiree health insurance payment on behalf of employees hired before January 1, 2010 and who retire from the City of San Rafael as described in this Section.

The City's monthly payment shall be the difference between the premium cost of coverage minus the PEMHCA minimum contribution. The City's total payment shall not exceed \$557 per month. This monthly payment shall include the PEMHCA minimum contribution. The City's retiree health insurance payment shall continue for the lifetime of the retiree and retiree's spouse, in accordance with PEMHCA eligibility provisions for coverage.

B. Employees hired by the City on or after January 1, 2010 and who meet the eligibility requirements for retiree health insurance are eligible to continue in the City's group health insurance program. The City's maximum contribution towards retiree coverage under this subsection shall be the PEMHCA minimum contribution as determined by CalPERS on an annual basis. The City shall not be responsible for making any contributions towards the cost of coverage of the retiree's spouse, registered domestic partner, or dependents upon the employee's retirement from the City.

4.2.3 *Contributions into a Retiree Health Savings Account (RHS)*

For employees hired into City employment after January 1, 2010, the City shall contribute 2% of top step Firefighter-Paramedic base salary into a Retiree Health Savings (RHS) Account and the employee shall also contribute 2% of top step Firefighter-Paramedic base salary into the same account. In the event an employee's salary is not sufficient to contribute the 2%, no City or employee contribution will be made until such time as the salary is sufficient to make the contribution.

This contribution will occur each pay period beginning the month after the employee has been hired.

Employees hired into City employment on or before January 1, 2010, will contribute \$5,000 to an RHS account each July 31st in the form of a sick leave conversion of hours.

4.2.4 *Deferred Compensation Plan*

Over the course of this Agreement, the City will provide up to two deferred compensation plan providers, as allowed under the Internal Revenue Code Section 457. Participation in a plan is voluntary and the administrative fees to participate in the plan are the responsibility of employees.

The City will make a monthly contribution of 0.83% of base salary to a deferred compensation plan.

In addition, the City will provide at least one Roth 457 plan option to members by October 1, 2021. The Roth 457 will be funded by employee contributions only.

4.2.5 Flexible Spending Account for Health and Dependent Care Reimbursement (125)

The City will continue to offer a Section 125 Plan pursuant to the IRS Code.

City shall establish annual enrollment period for the Section 125 Plan and each employee must re-enroll if he/she wishes to participate in the Section 125 Plan for the following calendar year. City shall have the authority to implement changes to the 125 Programs to comply with changes in applicable IRS laws without having to go through the meet and confer process but agrees to coordinate all changes through the Employee Benefits Committee.

4.3 LIFE INSURANCE

The City will pay the full premium cost for enrollment in the group term insurance plans for employees represented by this bargaining unit. The basic plan provides \$150,000 of group term life insurance and \$150,000 of AD&D benefit.

4.4 LONG TERM DISABILITY POLICY

The City shall pay premiums for a Long-Term Disability Policy for each employee. The Long-Term Disability policy shall provide for salary replacement of 66.67% of an individual's salary up to a maximum disability benefit of \$7,500 per month through the City's CIGNA coverage.

Members of the Chief Officer's Association may choose to subscribe to a long-term disability (LTD) plan other than that offered by the City as long as there is no cost to the City.

4.5 DENTAL PLAN

- A. The City will provide a dental insurance program providing 100% coverage for diagnostic and preventative care; \$25.00 deductible on corrective care (80/20 cost sharing after deductible) per calendar year per person, with a \$75 deductible limit per family; and orthodontic care (50/50 cost sharing).
- B. The dental plan shall provide for an 80/20 cost sharing for basic services such as casts, crowns and restorations. Major services such as bridgework and dentures are covered using a 50/50 cost sharing formula.
- C. The City will pay the entire premium cost for such a dental plan and shall pay the entire cost for any premium rate increases occurring during the term of this agreement. The City will add the full cost of the dental premium as a paid benefit by the City to the Full Flex Cafeteria Plan enrollment form.
- D. The calendar year benefit for each eligible, enrolled member is \$1,500 per calendar year. Orthodontic benefits remain unchanged and are limited to those dependents up to the age of 19 and subject to a \$1,000 per person, per lifetime benefit.

4.6 RETIREMENT

4.6.1 City Paid Employee Retirement

Bargaining unit members shall pay the full share of the employee's contribution to the Marin County Retirement System.

Employees represented by this bargaining group who retire from the City of San Rafael within 120 days of leaving City employment (excludes deferred retirements), shall receive employment

service credit for retirement purposes only, for all hours of accrued, unused sick leave (exclusive of any sick leave hours they are eligible to receive and they elect to receive in compensation for at the time of retirement, pursuant to Section 5.1.5. of this M.O.U.).

4.6.2 Retirement Plans

The City shall provide the Marin County Employee Retirement Association 3% at 55 retirement program to all safety members, as defined under the 1937 Act Government Code Section 31664, subject to Marin County Employee Retirement Association procedures and regulations and applicable 1937 Act laws that govern such plans. This is based on an employees' single highest year of compensation with a 3% COLA.

Safety members hired on or after July 1, 2011 will receive an MCERA retirement benefit at the formula 3%@55, calculated based on the average of their highest consecutive three years of compensation, with a 2% COLA benefit cap.

Safety employees hired on or after January 1, 2013 who are defined as "new members" of MCERA in accordance with the Public Employees' Pension Reform Act (PEPRA) of 2013 shall be enrolled in the MCERA 2.7%@57 plan for Safety members. The employee is responsible for paying the employee contribution of half of the total normal cost of the plan, as defined by MCERA, through a payroll deduction. Final compensation will be based upon the highest annual average compensation earnable during the thirty-six (36) consecutive months of employment immediately preceding the effective date of his or her retirement or some other period designated by the retiring employee.

4.6.3 Member Cost of Living Rates

Bargaining unit members who are eligible to participate in the Marin County Employee Retirement Association will pay their full share of members' cost of living rates as allowed under Articles 6 and 6.8 of the 1937 Retirement Act. Safety member contribution rates include both the basic and COLA portions (50% of COLA is charged to members as defined in the 1937 Act).

4.6.4 Additional Pension Funding

Effective the pay period including September 1, 2013, each member shall pay an additional 1.0% of pensionable compensation to the Marin County Employee Retirement Association through a payroll deduction to help fund pension. This deduction shall be made on a pre-tax basis to the extent allowed by law.

5 LEAVES

5.1 SICK LEAVE

5.1.1 Policy Statement

Each employee represented by this Association shall be eligible to accrue sick leave benefits. Employees may use accrued sick leave, if necessary, during their probationary period. Sick leave shall not be considered as a privilege, which an employee may use at his/her discretion but shall be allowed only in case of necessity and actual sickness or disability.

5.1.2 Administration of Sick Leave

An employee eligible for sick leave with pay will be granted such leave with the approval of the Fire Chief for the following purposes: Personal illness or illness within the immediate family (immediate family is defined based on California Paid Sick Leave law as employee's spouse, registered domestic partner, children and/or employee's parents, in-laws, siblings, grandchild

and grandparents) or physical incapacity resulting from causes beyond the employee's control; or Enforced quarantine of the employee in accordance with community health regulations. Except that an employee may not use sick leave for a work-related injury and/or illness once said employee has been determined permanent and stationary.

The employee is required to notify the Fire Chief according to department rules and regulations at the beginning of his/her workday if said employee will be absent under the provisions of sick leave. Every employee who is absent from his/her duties for two (2) consecutive days, under the provisions of sick leave, shall file with the Human Resources Director, if so requested, a verification in the form of a physician's certificate or the employee's personal affidavit, verifying the employee's eligibility for sick leave. The inability or refusal by said employee to furnish the requested information, as herein required, shall constitute good and sufficient cause for disciplinary action, up to and including dismissal.

In recognition of exempt status from FLSA, time off for Sick leave purposes shall not be deducted from employee's accrual unless the employee is absent for the full workday.

5.1.3 Sick Leave Accrual

Represented employees working a 56-hour work week shall earn sick leave credits at the rate of twelve (12) hours per month. Represented employees working a 37.5-hour work week shall earn sick leave credits at the rate of 7.5 hours per month.

Accrual of sick leave for usage purposes is unlimited. The maximum accrual limits for sick leave payoff purposes are 1,200 hours for employees working a 37.5-hour work week and 1,680 hours for employees working a 56-hour work week.

5.1.4 Sick Leave Service Credit Option

Employees who are eligible to accrue sick leave and who retire from the City of San Rafael on or after February 1, 2007 and within 120 days of leaving City employment (excludes deferred retirement) shall receive employment service credit, for retirement purposes only, for all hours of accrued, unused sick leave (exclusive of any sick leave hours said employee is eligible to receive and elects to receive in compensation at the time of retirement, pursuant to Section 5.1.5 – Sick Leave Payoff).

5.1.5 Sick Leave Payoff

Employees who leave City service in good standing shall receive compensation (cash in) of all accumulated, unused sick leave based upon the rate of three percent (3%) for each year of service up to a maximum of fifty percent (50%) of their sick leave balance. Sick leave payoff would be subject to a maximum of 600 hours for 37.5 hour per week employees and 840 hours for 56-hour per week employees, subject to the 3% per year formula noted above. In the event of the death of an employee, payment for unused sick leave based upon the previously stated formula shall be paid to the employee's designated beneficiary.

5.2 VACATION LEAVE

5.2.1 Policy Statement

Each employee represented by this Association shall be eligible to accrue vacation leave benefits. Employees shall be eligible to use accrued vacation leave after six (6) months of employment, subject to the approval of the Fire Chief.

5.2.2 Rate of Accrual

Vacation benefits shall accrue during the probationary period. Each regular full-time employee (part time regular are prorated) shall accrue vacation at the following rate for continuous service:

For 37.5 hour per week employees

| YEARS OF SERVICE | ACCRUAL PER YEAR | ACCRUAL PER PAY PERIOD |
|------------------|------------------------|------------------------|
| 1 – 5 Years | 15 days or 112.5 hours | 4.69 hours |
| 6 Years | 16 days or 120 hours | 5.00 hours |
| 7 Years | 17 days or 127.5 hours | 5.31 hours |
| 8 Years | 18 days or 135 hours | 5.63 hours |
| 9 Years | 19 days or 142.5 hours | 5.94 hours |
| 10 Years | 20 days or 150 hours | 6.25 hours |
| 11 Years | 21 days or 157.5 hours | 6.56 hours |
| 12 Years | 22 days or 165 hours | 6.88 hours |
| 13 Years | 23 days or 172.5 hours | 7.19 hours |
| 14 Years | 24 days or 180 hours | 7.5 hours |
| 15+ Years | 25 days or 187.5 hours | 7.81 hours |

For 56-hour per week employees

| YEARS OF SERVICE | ACCRUAL PER YEAR | ACCRUAL PER PAY PERIOD |
|------------------|--------------------------|------------------------|
| 1 – 5 Years | 7.5 shifts or 180 hours | 7.5 hours |
| 6 Years | 8 shifts or 192 hours | 8 hours |
| 7 Years | 8.5 shifts or 204 hours | 8.5 hours |
| 8 Years | 9 shifts or 216 hours | 9 hours |
| 9 Years | 9.5 shifts or 228 hours | 9.5 hours |
| 10 Years | 10.0 shifts or 240 hours | 10 hours |
| 11 Years | 10.5 shifts or 252 hours | 10.5 hours |
| 12 Years | 11 shifts or 264 hours | 11 hours |
| 13 Years | 11.5 shifts or 276 hours | 11.5 hours |
| 14 Years | 12 shifts or 288 hours | 12 hours |
| 15+ Years | 12.5 shifts or 300 hours | 12.5 hours |

5.2.3 Administration of Vacation Leave

The City Manager, upon the recommendation of the Fire Chief, may advance vacation credits to any eligible employee, except that if the employee leaves City employment before accruing the used vacation leave said employee will reimburse the City for the advanced vacation leave.

In recognition of exempt status from FLSA, time off for vacation leave purposes shall not be deducted from the employee's accrual unless the employee is absent for the full work day.

The time at which an employee may use his/her accrued vacation leave and the amount to be taken at any one time, shall be determined by the Fire Chief with particular regard for the needs of the City, but also, insofar as possible, considering the wishes of the employee.

In the event that one or more City holidays falls within an annual vacation leave, such holidays shall not be charged as vacation leave, unless the employee is on a schedule to be paid for designated holidays in lieu of days off.

5.2.4 *Vacation Accrual Cap*

At any time during each calendar year employees will be limited (capped) in the number of vacation hours they can accrue.

No employee may accrue more than 265 hours for 37.5 hour per week employees and 396 hours for 56-hour per week employees. Vacation accruals will resume once the employee's accumulated vacation balance falls below the allowable cap limit.

Employees may, for special situations (i.e., extended medical leave) request an increase in their cap. Each request would need to be in writing, submitted through the department, and receive the approval of the Fire Chief and the City Manager. Such requests would be reviewed on a case-by-case basis and would be evaluated based on the reason for the request and be consistent with the provisions of the MOU. This additional vacation accrual could not exceed one-half of the employee's regular annual vacation accrual. In no case would the addition of vacation accrual over the cap be extended beyond one additional year.

If an employee exceeds the accrued vacation balance (cap) as a result of being on extended leave pursuant to Labor Code Section 4850, those accrued hours would be carried forward and the employee would be allowed to use the additional accrued hours without penalty. In no event will an employee have their vacation hours reduced as a result of exceeding the cap due to having been off on Labor Code 4850 time as a result of an industrial injury, if the time off due to an industrial injury prevented them from taking scheduled vacation.

5.2.5 *Vacation Payoff*

Upon termination of employment by resignation, retirement, or death, employees who leave the municipal service in good standing shall receive compensation of all accrued unused vacation leave earned prior to the effective date of leaving their City position. In the event of the death of an employee, payment for unused vacation leave shall be paid to the employee's designated beneficiary.

5.3 HOLIDAYS

5.3.1 *Days Observed*

Employees covered under this Memorandum of Understanding shall be entitled to the following holidays:

| | |
|------------------------|------------------------|
| New Year's Day | Labor Day |
| Martin Luther King Day | Admission Day** |
| Washington's Birthday* | Veteran's Day |
| Lincoln's Birthday* | Thanksgiving Day |
| Cesar Chavez Day | Day after Thanksgiving |
| Memorial Day | Christmas |
| Independence Day | |

Notes:

*For employees working a 37.5-hour work week, Washington's and Lincoln's birthdays are combined as President's Day; with that said, employees shall receive one floating holiday.

**A floating holiday is provided in lieu of Admission's Day off.

7.5 hours for these floating holidays are automatically added to an employee's Floating Holiday accrual on a semi-annual basis.

5.3.2 *Holiday Pay*

All 56 hour a week shift employees represented by this Association are entitled to additional straight time compensation for every holiday given above. Said compensation shall be paid twice each year on the first pay period of December and the first pay period of June. Holiday pay formula will be based on a 56-hour work week (2,912 hours per year for calculating the hourly rate for a twelve-hour day).

5.4 OTHER LEAVE

5.4.1 *Administrative Leave*

Represented employees working a 37.5-hour work week shall receive ten (10) Administrative Leave days (75 hours) each calendar year (56-hour work week represented employees shall receive 5.0 shifts [120 hours]) subject to the approval of the department head. Unused Administrative Leave does not carry over from one calendar year to the next, nor are unused balances paid off upon an employee's resignation.

In recognition of exempt status from FLSA time off for Administrative leave purposes shall not be deducted from employee accrual, unless the employee is absent for the full workday.

5.4.2 *Bereavement Leave*

In the event of the death of an employee's spouse, registered domestic partner, child, parent, sibling, in-law(s), grandparent, grandchild or relative who lives or has lived in the home of the employee to such an extent that the relative was considered a member of the immediate family and/or another individual who has a legal familial relationship to the employee and resided in the employee's household, up to three (3) days for 37.5 hour per week represented employees (2 shifts for 56 hour per week employees) of bereavement leave within the state and up to five (5) days for 37.5 hour per week represented employees (2 shifts for 56 hour per week employees) of out of state bereavement leave may be granted to attend the funeral.

In those cases where the death involves an individual who had such a relationship with the employees, as defined above, the employee shall sign a simple affidavit describing the relationship and submit this to the Fire Chief as part of the request for bereavement leave.

5.4.3 *Jury Duty*

Employees required to report to jury duty shall be granted a leave of absence with pay from their assigned duty until released by the court. The employee shall notify his/her employer in advance when summoned for jury duty. If the employee is a shift employee and is selected to serve on a jury, said employee shall not be required to perform duty during non-court hours until released by the court.

5.4.4 *Workers Compensation Leave*

Safety employees shall be governed by the provisions of Section 4850, et seq. of the Labor Code. Non-safety employees shall be governed by applicable state law and City Rules and Regulations. Refer to Section 5.1.2 for qualifications regarding use of accrued sick leave.

5.4.5 *Military Leave*

Military leave as defined in State law shall be granted to any regular employee.

All employees entitled to Military Leave shall give the Fire Chief a reasonable opportunity, within the limits of military regulations, to determine when such leave shall be taken.

5.4.6 *Leave of Absences Without Pay*

Leave of absences without pay (for non-medical reasons which are covered by Section 5.4.7.) may be granted in cases of emergency or where such absence would not be contrary to the best interest of the City. Such leave so granted is not a right but an authorized privilege. Employees on authorized leave of absence without pay may not extend such leave without the expressed approval of the Appointing Authority. All other applicable leaves must be exhausted and no vacation, sick leave, or any other paid benefit shall be accrued or used during such leave. The Fire Chief, as Appointing Authority, may grant up to 30 days of leave without pay depending upon the merit of the case. Any leave without pay in excess of 30 days may only be granted upon the recommendation of the Fire Chief and approval of the City Manager and may not exceed a total of six months.

5.4.7 *Family Medical Leave*

Such leave shall be in accordance with applicable State and Federal law.

5.4.8 *Catastrophic Leave*

Association members shall abide by City Policy.

5.4.9 *Absence Without Authorized Leave*

An unauthorized absence of an employee for three consecutive work days may result in an investigation as to the circumstances of the situation and disciplinary action up to and including termination, if warranted.

5.5 ACCRUAL BALANCE ADJUSTMENT

When a member moves from a 56-hour work week assignment to a 37.5-hour work week assignment, accrued vacation, sick, and administrative leave hour balances will be multiplied by .67 to determine new leave balances.

When a member moves from a 37.5-hour work week assignment to a 56-hour work week assignment, accrued vacation, sick, and administrative leave hours will be multiplied by 1.49 to determine new leave balances.

This does not apply to temporary reassignments.

6 TERMS & CONDITIONS OF EMPLOYMENT

6.1 WORK WEEK

The established work week for suppression employees covered by this Memorandum of Understanding shall consist of a fifty-six (56) hour workweek with a three (3) platoon system. A work shift shall be defined as twenty-four (24) consecutive hours, commencing at 0800 and continuing through 0800 the following day. A set shall be defined as two twenty-four hour shifts worked consecutively.

Suppression employees work a fifty-six (56) hour work week in twenty-four (24) hour shifts within a twenty-four (24) day cycle as listed below (commonly referred to as the “2 X 4” schedule):

X = 24 hour on-duty period

0 = 24 hour off-duty period

Example: XXOOOO/XXOOOO/XXOOOO/XXOOOO

The 2 X 4 schedule shall not change the rules regarding use of sick leave. Employees should notify the Fire Department administration that sick leave use is needed according to current policy and before each 24-hour shift.

The established workweek for 37.5-hour employees shall be negotiable between the Employee and the Fire Chief, with the final schedule determined by the Fire Chief’s approval.

6.2 HOURLY RATE

The hourly rate for personnel covered by this MOU shall be based on 1950 annual work hours for represented job classes working a 37.5-hour work week and 2912 annual work hours for represented job classes working a 56-hour work week.

6.3 OVERTIME

Employees in the FLSA exempt classifications of Administrative Chief/Fire Division Chief or Battalion Chief will be paid overtime for additional days authorized and worked in excess of their regular work week schedule provided that:

1. The employee is assigned to overtime relief duty as shift commander, Strike Team Leader, or other authorized emergency overhead assignment; and
2. The Fire Chief has authorized the overtime work in writing and in advance of the performance of the work. The overtime authorized in this section will be paid at time and one half of the 56-hour rate, regardless of whether the employee normally works a 37.5 hour or 56-hour schedule.

6.4 CONTRACTUAL OVERTIME LEAVE

With the Fire Chief’s approval, contractual Overtime Leave, in lieu of overtime pay, may be taken subject to the following rules:

6.4.1 *Accrual Limit*

Battalion Chiefs filling a Specialty Assignment on a 37.5-hour work week schedule, who work overtime as specified in Section 6.3, may accrue up to 75 hours of Contractual Overtime Leave after which said employee must accept overtime pay in lieu of accruing additional Contractual Overtime Leave.

6.4.2 *Overtime Rate*

Battalion Chiefs filling a Specialty Assignment on a 37.5-hour work week schedule, who work overtime as specified in Section 6.3, may elect to accrue Contractual Overtime Leave on an hour for hour basis subject to the limitations in Section 6.4.1. Employees who elect Contractual Overtime Leave must take the time off and will be paid based on the 37.5-hour rate when the Contractual Overtime Leave time is taken.

6.5 SPECIALTY ASSIGNMENT

If through mutual agreement with the Fire Chief operations personnel are assigned to the 37.5-hour work schedule, as opposed to the 56-hour schedule, for assignments such as training, fire prevention, or other administrative functions, such employee shall receive five percent (5%) premium pay. The length of the assignment shall be based on mutual agreement between the employee and the Fire Chief. When an employee filling a specialty assignment works overtime beyond the regularly scheduled work day as a shift commander, strike team leader or other authorized emergency overhead assignment, the five percent (5%) specialty assignment premium pay will not be paid on the overtime hours.

6.6 SELECTION

6.6.1 Selection Process

The City's Human Resources Department shall be responsible for the administration of all recruitments.

6.6.2 Referral Process

All qualified candidates, based upon competitive examination, shall be placed on the Eligibility List for the appropriate job classification. The Fire Chief shall have the authority of "the Rule of the List" and all candidates on a current Eligibility List shall be eligible for referral to the Fire Chief for final selection.

6.6.3 Battalion Chief Qualifications

In addition to other qualifications described in the Fire Department's Career Development Guide, qualifications for candidates for Chief Officer positions represented by this Association in the Fire Department will include three (3) years of line captain experience or two (2) years of line captain experience if appointed to an acting assignment.

6.7 PROBATIONARY PERIOD

6.7.1 Purpose of Probation

Each employee shall serve a period of probation beginning on the date of initial appointment to their position. The purpose of probation shall be to determine the employee's ability to perform satisfactorily the duties prescribed for the position, prior to the employee entering regular status.

6.7.2 Length of Probationary Period

The probationary period on original and promotional appointments shall be for twelve (12) months.

6.7.3 Rejection During Probation

During the probationary period an employee may be rejected at any time by the Fire Chief without the right of appeal.

6.7.4 Extension of Probationary Period

The probationary period shall not be extended except in the case of extended illness or injury or compelling personal situation during which time the employee was unable to work. In such cases, the probationary period may be extended for the length of time the ill or injured employee was unable to work.

6.7.5 *Notification of Extension or Rejection*

On determining that a probationary employee's work is not satisfactory, the Fire Chief shall notify the Human Resources Director in writing of his/her intention to extend the employee's probationary period or reject the employee. After discussion with the Human Resources Director, the Fire Chief shall notify the employee in writing of his/her extension or rejection.

6.7.6 *Regular Status*

For the purpose of this agreement, regular status shall mean; full time, non-probationary status. Regular status shall commence with the day following the expiration date of a probationary period.

6.7.7 *Promotion of Probationary Employee*

An employee serving a probationary period may be promoted to a position in a higher position classification provided he/she is certified from the appropriate Eligible List. The employee promoted in this manner shall serve a new probationary period for the position to which the employee is promoted and the new probationary period and promotional appointment shall be effective the same date.

6.7.8 *Unsuccessful Passage of Promotional Probation*

An employee who does not successfully pass his/her promotional probationary period shall be reinstated to the position in which the employee held regular status prior to his/her promotion and all previous rights and privileges restored. Provided, however, that if the cause for not passing the promotional probationary period is sufficient grounds for dismissal, the employee shall be subject to dismissal without reinstated to the lower position. If the employee has completed the probationary period in the prior classification and the employee is subject to dismissal without reinstatement, the employee has the opportunity to appeal pursuant to the provisions of the Firefighters Procedural Bill of Rights Act and this Memorandum of Understanding.

6.8 PERSONNEL RULES & REGULATIONS

6.8.1 *Drug & Alcohol Policy*

SRFCOA agree to adhere to the Drug and Alcohol Policy as outlined in the San Rafael Firefighters' Association contract.

6.8.2 *Outside Employment Policy*

Association members shall abide by City's policy dated June 27, 2007.

6.8.3 *Temporary Light (Modified) Duty Policy Statement*

SRFCOA agrees to follow the City of San Rafael's Modified Light Duty Work Policy dated June 6, 2008.

6.8.4 *No Smoking/Tobacco Use Policy*

Employees hired by the City of San Rafael after 7/1/08 are required to sign a condition of employment statement that they agree not to smoke or use tobacco products of any kind while employed by the City of San Rafael. This signature must be obtained prior to the date of hire.

Employees hired before 7/1/08 will not be allowed to smoke or use tobacco products as follows:

1. While inside any City of San Rafael structure or space
2. While inside any City/Fire Department vehicle
3. While in public when on-duty or in uniform
4. In compliance with State and local ordinance

The City will provide tobacco cessation assistance to employees who desire to stop using tobacco products. Employees will be referred to the City's employee assistance program for initial assistance and, if needed, will be eligible to receive up to \$2500 in additional funds to complete a certified tobacco cessation program. Written approval from the Fire Chief is required for the additional funding.

6.8.5 Medical Standards

The City will establish pre-employment medical standards for all classifications represented by the San Rafael Fire Chief Officers' Association.

6.9 MISCELLANEOUS

6.9.1 Return of City Equipment

Upon termination of employment, all tools, equipment, and other city property assigned to any employee shall be returned to the Fire Department.

6.9.2 Political Activity

The political activity of employees shall comply with pertinent provisions of State and Federal law.

6.9.3 Staffing Levels

Any changes in the current staffing levels of positions represented by this Association will be subject to meet and confer.

6.9.4 Career Development Program

The San Rafael Fire Chief Officers' Association agrees to the Career Development Guidelines as written.

6.9.5 Gym Reimbursement

Employees are eligible to receive up to \$16.50 per month reimbursement for paid gym memberships, workout classes or similar ongoing fitness activities. Such reimbursement shall be reported as taxable income to the employee.

7 PROCEDURES

7.1 DEMOTION & SUSPENSION

7.1.1 Demotion

The Fire Chief may demote an employee when the following occurs:

- a. The employee fails to perform his/her required duties.
- b. An employee requests such a demotion.

No employee shall be demoted to a classification for which he/she does not possess the minimum qualifications.

When the action is initiated by the Fire Chief, written notice of demotion shall be provided to an employee at least ten (10) calendar days before the effective date of the demotion, and a copy filed with the Human Resources Department.

Demotion pursuant to Section 7.1.1 (a) shall be deemed disciplinary action and as such shall be handled according to the provisions of the Section titled "Disciplinary Action" of this Memorandum of Understanding.

7.1.2 Suspension

On the recommendation of the Fire Chief, the City Manager may suspend an employee from a position at any time for a disciplinary purpose. Intended suspension action shall be reported immediately to the Human Resources Director and shall be taken in accordance with the Section titled Disciplinary Action of this Memorandum of Understanding and provisions for exempt status employees.

7.2 TERMINATION OF EMPLOYMENT

7.2.1 Resignation

An employee wishing to leave City service in good standing shall file with his/her immediate supervisor, at least fourteen (14) calendar days before leaving the service, a written resignation stating the effective date and reason for leaving. A copy of the resignation shall be forwarded to the Fire Chief and the Human Resources Department.

7.2.2 Termination/ Demotion - Lack of work or funds

The Fire Chief may terminate an employee because of reorganization, abolition of position, and shortage of funds. Said termination shall be considered a Reduction In Force and shall be processed in accordance with Article 7.6, Reduction in Force, of this Memorandum of Understanding.

7.2.3 Termination - Disciplinary Reasons

An employee may be terminated for disciplinary reasons, as provided in Article 7.3, Disciplinary Action, of this Memorandum of Understanding.

7.2.4 Termination - Probation

The rejection of an employee during his/her initial probationary period is covered in Article 7.3, Probationary Period, of this Memorandum of Understanding.

7.2.5 Retirement

Retirement from City service shall, except as otherwise provided, be subject to the terms and conditions of the City's contract, as amended from time to time, with the Marin County Retirement System.

7.3 DISCIPLINARY ACTION

7.3.1 Authority

The City shall have the right to discharge or discipline any employee for dishonesty, insubordination, drunkenness, incompetence, negligence, failure to perform work as required or to observe the Department's safety rules and regulations or for engaging in strikes, individual or group slowdowns or work stoppages, or for violating or ordering the violation of the Memorandum of Understanding.

7.3.2 *Definition*

Disciplinary action shall mean discharge/dismissal, demotion, reduction in salary, and/or suspension resulting in loss of pay. Any disciplinary action taken shall be consistent with the provisions of the Fair Labor Standards Act as it relates to exempt employees.

7.3.3 *Causes for Disciplinary Action*

The City may discipline or discharge an employee for the following:

- a. Fraud in securing appointment.
- b. Negligence of duty.
- c. Violation of safety rules.
- d. Unacceptable attendance record including tardiness, overstaying lunch or break periods.
- e. Possession, distribution or under the influence of alcoholic beverages, non-prescription or unauthorized narcotics or dangerous drugs during working hours.
- f. Inability, unwillingness, refusal or failure to perform work as assigned, required or directed.
- g. Unauthorized soliciting on City property or time.
- h. Conviction of a felony or conviction of a misdemeanor involving moral turpitude.
- i. Unacceptable behavior towards (mistreatment or discourteousness to) the general public or fellow employees or officers of the City.
- j. Falsifying employment application materials, time reports, records, or payroll documents or other City records.
- k. Disobedience to proper authority.
- l. Misuse of City property.
- m. Violation of any of the provisions of these working rules and regulations or departmental rules and regulations.
- n. Disorderly conduct, participation in fights, horseplay or brawls.
- o. Dishonesty or theft.
- p. Establishment of a pattern of violations of any City policy or rules and regulations over an extended period of time in which a specific incident in and of itself would not warrant disciplinary action, however, the cumulative effect would warrant such action.
- q. Failure to perform to an acceptable level of work quality and quantity.
- r. Insubordination.
- s. Other acts inimical to the public service.
- t. Inability or refusal to provide medical statement on cause of illness or disability.

7.3.4 *Appeals*

Whenever punitive action is undertaken, the offending employee shall have the opportunity for an administrative appeal which will be conducted in conformance with the Administrative Procedures Act and this Memorandum of Understanding. If an employee feels he or she has been unjustly disciplined/discharged, he or she shall have the right to appeal his or her case through the appropriate procedure established in this Memorandum of Understanding. Such appeal must be filed with the City Manager by the employee in writing within ten (10) working days from the date of the discipline/discharge and unless so filed the right of appeal is lost.

7.3.5 *Proceeding Heard by City Manager*

The appellant may submit the appeal directly to the City Manager or may request arbitration. If an employee elects to have an appeal heard by the City Manager, the employee must state in writing that he or she waives his/her right to an appeal that conforms to the procedures of the Administrative Procedure Act.

7.3.6 *City Manager and Arbitration*

If arbitration is requested, the arbitration will be held in conformance with the Administrative Procedure Act, California Code of Regulations, and other applicable statutes. Representatives of the City and the appellant shall meet within fourteen (14) calendar days to select a mutually acceptable arbitrator. The fees and expenses of the arbitrator and of a court reporter shall be shared equally by the appellant and the City.

A hearing before the arbitrator shall be held within 60 calendar days of selection of the arbitrator unless the mutually accepted Arbitrator's schedule does not so permit, in which case the hearing shall be held not more than 120 days after the selection of the arbitrator. In addition to arbitrators proposed by the State Mediation and Conciliation Service, the parties shall be free to select from a pool of arbitrators mutually agreed to by the City and the Association. The arbitrator shall hear each party's case as presented during the hearing and shall subsequently have the power to affirm, reject, or provide a lesser form of discipline. Decisions of the Arbitrator on matters properly before him/her shall be final and binding on the parties hereto, to the extent permitted by the Charter of the City.

7.4 GRIEVANCE PROCEDURE

7.4.1 *Definition*

A grievance is any dispute which involves the interpretation or application of any provision of this Memorandum of Understanding (excluding Article 1.3 and Article 1.5 of this M.O.U.), or any Fire Department policy specifically referenced herein, except issues concerning appeals of punitive action, which is governed by Article 7.3. Policy 1-VI-3 is specifically incorporated by reference. Proposals to add to or change this Memorandum of Understanding or written agreement or addenda supplementary hereto shall not be grievable.

7.4.2 *Initial Discussion*

Any employee who believes that he or she has a grievance may discuss his or her complaint with the Fire Chief. If the issue is not resolved within ten (10) working days, or if the employee elects to submit his or her grievance directly to an official of the association, the procedures hereafter specified shall be invoked.

7.4.3 *Referral to City Manager*

Any employee or any official of the Association may notify the City Manager and Fire Chief in writing that a grievance exists, and in such notification state the particulars of the grievance, and, if possible, what remedy or resolution is desired.

No grievance may be processed under Section 7.4.4 below which has not been first heard and investigated in pursuance of Section 7.4.2. A grievance which remains unresolved ten (10) working days after it has been submitted to the City Manager in writing may be referred to the next step.

Any time limit may be extended to a definite date by mutual agreement of the Association and the appropriate management representative.

7.4.4 City Manager and Arbitration

If the grievance is not resolved in the previous Section 7.4.3 of this Memorandum of Understanding, the grievant, the Association, or the City, after completion of the previous step in the grievance procedure, may submit the grievance directly to the City Manager or may request arbitration. If arbitration is requested, representatives of the City and the Grievant shall meet within ten (10) working days to select a mutually acceptable arbitrator. The selection process will include a review of the arbitrator's availability for the hearing. The fees and expenses of the arbitrator and of a court reporter shall be shared equally by the Grievant and the City. Each party, however, shall bear the cost of its own presentations, including preparation and post hearing briefs, if any. A hearing before the arbitrator shall be held within 60 calendar days of selection of the arbitrator unless the mutually accepted Arbitrator's schedule does not so permit, and the arbitrator shall render a decision which is binding on the parties hereto, to the extent permitted by the Charter of the City. No Arbitrator shall have the power to amend or modify this Memorandum of Understanding or written agreements or addenda supplementary hereto or to establish any new terms or conditions of employment.

7.5 FURLOUGH PROGRAM

The employees of this Association endorse the Furlough Program described in Exhibit "B" attached to this Memorandum of Understanding.

7.6 REDUCTION IN FORCE

7.6.1 Authority

The Fire Chief may lay off, without prejudice, any regular employee because of lack of work or funds, or organizational alterations, or for reasons of economy or organizational efficiency.

7.6.2 Notice

Employees designated for layoff or demotion in lieu of lay off shall be notified in writing at least thirty (30) calendar days prior to the anticipated date of lay off or demotion. The Association shall also be so notified.

7.6.3 Order of Layoff

Layoffs and/or reductions in force shall be made by classification. A classification is defined as a position or number of positions having the same title, job description and salary. Extra-hire employees shall be laid off before permanent employees in the affected classification. In effecting the preceding order, a part-time permanent employee with more seniority can displace a full-time permanent employee.

7.6.4 Seniority

If two or more employees within a classification have achieved permanent status, such employees will be laid off or reduced on the following basis:

- a. Seniority within the affected classifications will be determinative. Such seniority shall include time served in higher classification(s). The computation of seniority for part-time employees will be credited on a pro-rata basis to full-time service. Time spent on a City Manager approved leave of absence without pay does not count toward seniority.
- b. If the seniority of two or more employees in the affected classification or higher classification(s) is equal, departmental seniority shall be determinative.

- c. If all of the above factors are equal, the date of regular status in City service shall be determinative.
- d. If all of the above are equal, date of certification for appointment shall be determinative.

7.6.5 Bumping Rights

An employee designated to be laid off may bump into a class at the same salary level, or into the next lower classification in which such employee has previously held regular status. An employee who is bumped shall be laid off in the same manner as an employee whose position is abolished.

7.6.6 Transfer Rights

The Human Resources Director will make every effort to transfer an employee who is to be affected by a reduction in force to another vacant position for which such employee may qualify. The length of eligibility for such transfer will be the period of notification as provided in Section 7.6.2, but no longer than the effective date of such layoff or reduction.

7.7 RE-EMPLOYMENT

7.7.1 General Guidelines

Individuals who have been laid off or demoted shall be offered re-appointment to the same classification in which they held status in the order of seniority in the classification. Individuals demoted in lieu of reduction in force shall be offered restoration to the highest class in which they held status and in which there is a vacancy prior to the appointment of individuals who have been laid off.

7.7.2 Right to Re-Employment

Each person who has been laid off or demoted in lieu of a layoff from a position the person held, shall, in writing, be offered re-appointment in the same classification should a vacancy occur in the classification within two years after the layoff or demotion. Prior to being re-employed, the employee must pass a physical exam administered by a City appointed physician and must pass the background check administered by the City.

7.7.3 Time Limits

Should the person not accept the re-appointment within seven (7) calendar days after the date of the offer, or should the person decline or be unable to begin work within two weeks after the date of acceptance of the offer, the person shall be considered unavailable for employment, shall forfeit the right to re-employment and shall be removed from the re-employment list.

7.7.4 Availability

Whenever a person is unavailable for re-employment, the next senior person who is eligible on the re-employment list shall be offered re-employment.

7.7.5 Probationary Status

Employees re-appointed under the provisions above will not be required to complete a new probationary period if they had previously held permanent status in the classification. Employees who had not completed their probationary period shall serve the remainder of the probationary period upon re-appointment.

7.7.6 *Restoration of Benefits*

Employees restored to previously held positions shall be deemed to have returned from a leave of absence for the purpose of all rights and benefits legally permissible. Time not on the payroll will not count as time worked for the purposes of seniority accrual.

**SAN RAFAEL FIRE CHIEF OFFICERS'
ASSOCIATION:**

CITY OF SAN RAFAEL:

Matt Windrem, Battalion Chief

Cristine Alilovich, Assistant City Manager

Kyle Hamilton, Battalion Chief

Sylvia Gonzalez-Shelton, HR Operations Mgr

Date

Date

SAN RAFAEL FIRE CHIEF OFFICERS' ASSOCIATION
SALARY SCHEDULE
Effective July 1, 2021

| Wage Classes | Title | A | B | C | D |
|---------------------|-----------------|-----------|-----------|-----------|-----------|
| 7112 | Battalion Chief | \$ 13,134 | \$ 13,791 | \$ 14,480 | \$ 15,204 |

**Employees in a specialty assignment shall receive five percent (5%) premium pay.*

SAN RAFAEL FIRE CHIEF OFFICERS' ASSOCIATION
SALARY SCHEDULE
Effective July 1, 2022

| Wage Classes | Title | A | B | C | D |
|--------------|-----------------|-----------|-----------|-----------|-----------|
| 7112 | Battalion Chief | \$ 13,659 | \$ 14,342 | \$ 15,059 | \$ 15,812 |

**Employees in a specialty assignment shall receive five percent (5%) premium pay.*

SAN RAFAEL FIRE CHIEF OFFICERS' ASSOCIATION
SALARY SCHEDULE
Effective July 1, 2023

| Wage Classes | Title | A | B | C | D |
|---------------------|-----------------|-----------|-----------|-----------|-----------|
| 7112 | Battalion Chief | \$ 14,206 | \$ 14,916 | \$ 15,662 | \$ 16,445 |

**Employees in a specialty assignment shall receive five percent (5%) premium pay.*

**San Rafael Fire Chief Officers Association
Exhibit B**

FURLOUGH PROGRAM

Both the City of San Rafael and the Fire Chief Officer's Association employees recognize the current economic condition of the State of California and the City of San Rafael. Through this recognition and in a cooperative spirit, the City of San Rafael and the Fire Chief Officer's Association have worked expeditiously on the development of a Furlough Program. This Agreement does not mean the City will necessarily implement furloughs; but in the event it is necessary to implement due to continued economic problems in the City of San Rafael, the procedures for this Furlough Program shall provide for both Voluntary Time Off (herein described as VTO) and Mandatory Time Off (herein described as MTO).

Voluntary Time Off (VTO).

The City will develop and distribute to all employees a survey to determine who might be interested in VTO and the extent to which that interest translates into hours (cost savings) during the coming fiscal year. The needs of the City and the respective departments (as determined by the Department Head and City Manager) will need to be considered in the actual granting of VTO. Any VTO time granted and the resulting savings will have a corresponding impact on the time needed through MTO.

1. An employee's VTO time would count in determining how many hours of MTO an employee needed to take during the fiscal year.
2. An employee selecting VTO would receive one half hour of furlough induced Personal Leave time off for every hour of VTO taken not to exceed the number of furlough induced Personal Leave time off an employee scheduled for MTO would receive (establishes a maximum cap of 5%). This furlough induced Personal Leave time is to be taken as described in 4.b.
3. Employees who take VTO at a time other than when MTO is taken by other employees will have to take vacation leave, compensatory time off or leave without pay if the MTO results in the closure of the department.

Mandatory Time Off (MTO).

MTO will be taken by the employee during the MTO period when feasible in their respective department (as determined by the Department Head and City Manager). The City will attempt to schedule MTO time in blocks of days (between Christmas and New Years) or individual days next to scheduled holidays and/or weekends.

1. Employees may not take paid vacation time in lieu of designated MTO time.
2. MTO time shall be considered time in pay status for the accrual of leave and eligibility for holidays. MTO time will not impact health, dental and life insurance benefits. At this time MTO time will impact Marin County retirement contributions; but if the Marin County Retirement System changes its policy on this the City will, effective the first of the month following notice from the Marin County Retirement System, make the necessary change in the program's administration to correspond with the change in the policy. Any employee who notifies the City no later than the first day of the fiscal year of the contract term of their retirement date and retires from the Marin County Retirement System during the term of this contract shall be

San Rafael Fire Chief Officers Association
Exhibit B

exempted from the MTO requirements. If said employee did not retire during the fiscal year as stated, said employee would be docked in pay an amount equivalent to the number of MTO hours taken by other represented employees.

3. MTO time shall apply toward time in service for step increases, completion of probation, and related service credit.
4. Other Terms and Conditions:
 - a. The MTO program shall be limited to a maximum five percent (5%) reduction in work hours/pay for the fiscal year. For each MTO hour deducted the involved employee shall be credited with an one half hour added to a furlough induced Personal Leave balance.
 - b. Personal Leave accrued through the MTO Program may be taken beginning the first day of the following fiscal year with supervisory approval. Furlough induced Personal Leave has no cash value upon termination of employment. If an employee is laid off before having the opportunity to take unused furlough induced Personal Leave said employee would be eligible to take the unused furlough induced Personal leave during the thirty day layoff notice period.
 - c. The employees represented by this Association may elect to give up pay for holidays worked in lieu of mandatory time off, as long as the dollar value of the holiday pay equates to the dollar value of the designated mandatory time off.
 - d. Should the City of San Rafael experience a financial windfall during the fiscal year that furloughs are implemented, the City agrees to re-open discussions on this Furlough Program.
 - e. The City agrees that it will attempt to distribute the dollar value of any MTO time implemented equally over the remaining number of pay periods in the fiscal year.



SAN RAFAEL CITY COUNCIL AGENDA REPORT

Department: Human Resources

Prepared by: Sylvia Gonzalez-Shelton,
Human Resources Operations Manager

City Manager Approval: _____

A handwritten signature in black ink, appearing to be 'AS', written over a horizontal line.

TOPIC: MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF SAN RAFAEL AND SAN RAFAEL POLICE MID-MANAGEMENT ASSOCIATION

SUBJECT: RESOLUTION APPROVING A MEMORANDUM OF UNDERSTANDING PERTAINING TO COMPENSATION AND WORKING CONDITIONS FOR SAN RAFAEL POLICE MID-MANAGEMENT ASSOCIATION (JULY 1, 2021 THROUGH JUNE 30, 2024)

RECOMMENDATION: Adopt Resolution.

BACKGROUND:

The San Rafael Police Mid-Management Association (“SRPMMA”) currently represents 6 full-time positions in the San Rafael Police Department. The most recent Memorandum of Understanding (“MOU”) for SRPMMA expired on June 30, 2020 and was extended by side letter through June 30, 2021. Over the past few months, representatives of the City and SRPMMA have met in good faith to negotiate the terms of a successor MOU. The City and SRPMMA reached a tentative agreement on June 22, 2021, for a three-year successor MOU and SRPMMA membership subsequently ratified the tentative agreement.

ANALYSIS:

The following are the highlights that reflect the terms and significant economic items included in the tentative agreement between the City and SRPMMA. In addition to the economic items, some operational items were also addressed in the tentative agreements, all of which can be found in the attached successor MOU.

1. **Term of the Agreement:** July 1, 2021 through June 30, 2024
2. **Salary Increase:** Individual classification salary increase percentages may be lower or higher than the percentages listed below, based on the amount of labor market adjustment agreed to for each position in the bargaining unit. The salary schedule included in the attached successor MOU authorizes the proposed new salary for each position.
 - a. Year 1: Value of a 4% base wage increase for the bargaining group, effective July 1, 2021

FOR CITY CLERK ONLY

Council Meeting:

Disposition:

- b. Year 2: Value of a 4% base wage increase for the bargaining group, effective July 1, 2022
- c. Year 3: Value of a 4% base wage increase for the bargaining group, effective July 1, 2023

3. Non-Economic Items: In addition to items discussed above, tentative agreement was reached on other proposals, which reflect minor changes to existing provisions with no additional cost. The attached MOU includes all of the changes agreed to by the parties. A brief overview of these negotiated MOU sections includes:

- Educational Incentive (Section 3.3.2): Incorporating side letter agreement language regarding education pay.
- Sick Leave (Section 5.1.3): Update familial relationships under definition of “immediate family” to be more in line with definition under California Paid Family Leave.
- City Manager and Arbitration (section 7.3.3): Update language to allow the mutually acceptable Arbitrator to provide an alternative recommendation for disciplinary action in addition to the ability to affirm or reject the City’s form of discipline.

FISCAL IMPACT:

The current total annual salary and benefit cost to the City for the 6 FTE positions represented by SRPMMA is \$ \$2,227,022. The additional ongoing incremental cost of the successor MOU beyond the FY 20/21 budget is:

| | <u>Incremental FY 2021-22</u> | <u>Incremental FY 2022-23</u> | <u>Incremental FY 2023-24</u> |
|--------------------------------|--|--|--|
| Wages: | | | |
| Base Salary | \$42,589 | \$44,292 | \$46,064 |
| Other costs: | | | |
| Pension* | \$33,032 | \$34,353 | \$35,727 |
| Taxes (Medicare, W/C) | <u>\$ 4,710</u> | <u>\$ 4,898</u> | <u>\$ 5,094</u> |
| Total Incremental Cost: | \$80,331 | \$83,543 | \$86,885 |

**This incremental pension cost results only from the negotiated wage increase and does not include the cost of associated MCERA rate changes. The terms and conditions of the pension benefit plan remain unchanged.*

While the incremental cost is \$80,331 for fiscal year 2021-2022, \$83,543 for fiscal year 2022-2023, and \$86,885 for fiscal year 2023-2024, the increases are compounding and therefore the projected total salary and benefit cost increase for the items specified above is \$494,964 for the three-year term. The increase in compensation included in this resolution is in line with the City’s current budget projections. Funding for these positions is provided for in the City’s General Fund.

OPTIONS:

The City Council has the following options to consider in this matter:

- Staff’s recommendation to adopt the resolution.
- Adopt resolution with modifications.
- Direct staff to return with more information.
- Take no action.

RECOMMENDED ACTION:

Staff recommends that the City Council adopt the Resolution to Approve the Memorandum of Understanding between the City of San Rafael and San Rafael Police Mid-Management Association pertaining to compensation and working conditions (July 1, 2021 through June 30, 2024).

ATTACHMENTS:

- Resolution with attached MOU between the City of San Rafael and San Rafael Police Mid-Management Association for July 1, 2021 to June 30, 2024 (and all attachments).

RESOLUTION NO.

RESOLUTION OF THE SAN RAFAEL CITY COUNCIL APPROVING A MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY AND SAN RAFAEL POLICE MID-MANAGEMENT ASSOCIATION (SRPMMA) PERTAINING TO COMPENSATION AND WORKING CONDITIONS (JULY 1, 2021 THROUGH JUNE 30, 2024)

WHEREAS, the San Rafael Police Mid-Management Association (SRPMMA) labor agreement with the City will expire on June 30, 2021, after a one-year extension; and

WHEREAS, the City of San Rafael and representatives of SRPMMA have met and conferred in good faith with regard to wages, hours and working conditions in accordance with the provisions of the Meyers-Milias-Brown Act; and

WHEREAS, a Memorandum of Understanding (“MOU”) pertaining to the three-year period from July 1, 2021, through June 30, 2024, and has been ratified by SRPMMA members;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SAN RAFAEL DOES RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

Section 1: From and after the date of adoption of this Resolution, the City of San Rafael and San Rafael Police Mid-Management Association (SRPMMA) shall utilize the MOU for the period beginning July 1, 2021, attached hereto, as the official document of reference respecting compensation and working conditions for employees represented by SEIU.

Section 2: The schedules describing classes of positions and salary ranges are attached to said MOU and, together with the MOU itself, are hereby adopted and shall be attached hereto and incorporated in full.

I, Lindsay Lara, Clerk of the City of San Rafael, hereby certify that the foregoing Resolution was duly and regularly introduced and adopted at a regular meeting of the City Council of the City of San Rafael, held on Monday, the 19th of July 2021, by the following vote, to wit:

AYES: Councilmembers:

NOES: Councilmembers:

ABSENT: Councilmembers:

Lindsay Lara, City Clerk

MEMORANDUM OF UNDERSTANDING

between

CITY OF SAN RAFAEL

and

SAN RAFAEL POLICE MID-MANAGEMENT ASSOCIATION

JULY 1, 2021 - JUNE 30, 2024

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Exhibit A Salary Schedule for September 1, 2021 – June 30, 2024

MEMORANDUM OF UNDERSTANDING
between
CITY OF SAN RAFAEL
and
SAN RAFAEL POLICE MID-MANAGEMENT ASSOCIATION

This Memorandum of Understanding is entered into pursuant to the provisions of 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 representative 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 Memorandum of Understanding shall be presented to the City Council of the City of San Rafael as the joint recommendation of the undersigned parties for salary and employee benefit adjustments for the period commencing July 1, 2021 and ending June 30, 2024.

1 GENERAL PROVISIONS

1.1. INTRODUCTION

1.1.1. Scope of Agreement

The salaries, hours, fringe benefits and working conditions set forth have been mutually agreed upon by the designated bargaining representatives of the City of San Rafael (herein-after called "CITY") and the San Rafael Police Mid-Management Association (herein-after called "ASSOCIATION") and shall apply to all employees of the City working in the classifications and bargaining unit set forth herein (See Exhibit A).

In accepting employment with the City of San Rafael, each employee agrees to be governed by and to comply with the City's Personnel Ordinance, City's Personnel Rules and Regulations, City's Administrative Procedures, and Police Department Rules & Regulations, General Orders and Procedures.

1.1.2. Term of MOU

This agreement shall be in effect from July 1, 2021 through June 30, 2024.

1.2. RECOGNITION

1.2.1. Bargaining Unit

City hereby recognizes the Association as the bargaining representative for purposes of establishing salaries, hours, fringe benefits and working conditions for all employees within the San Rafael Police Mid-Management Association Bargaining Unit (as referenced in Exhibit A attached).

1.3. NON-DISCRIMINATION

1.3.1. In General

The parties to this contract agree that they shall not, in any manner, discriminate against any person whatsoever because of race, color, age, religion, ancestry, national origin, sex, sexual orientation, perceived sexual orientation, gender, gender expression, gender identity, marital

status, medical condition (cancer-related or genetic characteristics), genetic information (including family medical history) or physical or mental disability.

Any employee who believes they are being discriminated against should refer to the City of San Rafael's Harassment Policy for the process of receiving an internal administrative review of their complaint. This administrative procedure shall be used as the internal complaint procedure in lieu of the grievance procedure outlined in this MOU (Article 7.4).

1.3.2. Bargaining Unit Discrimination

No member, official, or representative of the Association shall, in any way, suffer any type of discrimination in connection with continued employment, promotion, or otherwise by virtue of membership in or representation of Association.

1.4. INSPECTION OF MEMORANDUM OF UNDERSTANDING

Both City and Association agree to keep duplicate originals of this agreement on file in a readily accessible location available for inspection by any City employee, or member of the public, upon request.

1.5. EXISTING LAWS, REGULATIONS & POLICIES

This MOU is subject to all applicable laws.

1.6. STRIKES & LOCKOUTS

During the term of this MOU, the City agrees that it will not lock out employees, and the Association agrees that it will not encourage or approve any strike or slowdown growing out of any dispute relating to the terms of this Agreement. The Association will take whatever lawful steps are necessary to prevent any interruption of work in violation of this Agreement, recognizing with the City that all matters of controversy within the scope of this Agreement shall be settled by established procedures set forth in the City's charter, ordinances, and regulations, as may be amended from time to time.

1.7. SEVERABILITY

If any article, paragraph or section of this MOU shall be held to be invalid by operation of law, or by any tribunal of competent jurisdiction, or if compliance with or any enforcement of any provision hereof be restrained by such tribunal, the remainder of this MOU shall not be affected thereby, and the parties shall enter into meet and confer sessions for the sole purpose of arriving at a mutually satisfactory replacement for such article, paragraph or section.

1.8. PREVAILING RIGHTS

All matters within the scope of meeting and conferring which have previously been adopted through rules, regulations, ordinance or resolution, which are not specifically superseded by this MOU, shall remain in full force and effect throughout the term of this Agreement.

1.9. FULL UNDERSTANDING, MODIFICATION, WAIVER

1.9.1. Understanding

The parties jointly represent to the City Council that this MOU sets forth the full and entire understanding of the parties regarding the matters set forth herein.

1.9.2. Waiver & Modification

Except as specifically otherwise provided herein, it is agreed and understood that each party hereto voluntarily and unqualifiedly waives its right and agrees that the other shall not be required to meet and confer with respect to any subject or matter covered herein, not as to

wages or fringe benefits during the period of the term of this MOU. The foregoing shall not preclude the parties hereto from meeting and conferring at any time during the term of this Agreement with respect to any subject matter within the scope of meeting and conferring for a proposed MOU between the parties to be effective on or after July 1, 2024.

2 MMBA

2.1. BARGAINING UNIT RIGHTS

2.1.1. Bargaining Unit Stewards Designation

The Association shall by written notice to the City Manager designate certain of its members as Employee Representatives.

2.1.2. Release Time

One hundred (100) hours per calendar year shall be provided for union release time, apart from MMB activity, with ten days advance notice and approval of the Police Chief. Any additional hours shall be granted only with ten days advance notice and approval of the Police Chief.

2.1.3 Association Orientation of New Employees

Whenever the City hires an employee within any classification covered by this Memorandum of Understanding and represented by the Association, the City will provide the new employee with a copy of the current Memorandum of Understanding. The City shall make available two hours, at a mutually agreeable time, during the initial thirty (30) days of employment for new employee orientation by the Association. In addition, the City will also provide reasonable advance notice to the Association of all employee orientations conducted by the City.

2.1.4 Employee Information

The City shall provide the Association with the name, job title, department, work location, work, home and personal cell phone numbers, home address and personal email address on file with the City for all employees within the Association every 120 days. In addition, a report with similar information of each Association new hire will be provided to the Association within 30 days of the hire date.

2.2. DUES DEDUCTION

2.2.1. Collection of Dues

The City agrees, upon written consent of the employee involved, to deduct dues as established by the Association from the salaries of its members. The sums so withheld shall be remitted by the City along with a list of employees who have had said dues deducted.

2.2.2. Dues Collection during Separation from Employment

The provisions specified above shall not apply during periods of separation from the representative bargaining unit by any such employee but shall reapply to such employee commencing with the next full pay period following the return of the employee to the representative bargaining unit. The term separation includes transfer out of the bargaining unit, layoff, and leave without pay absences with a duration of more than five (5) working days.

2.3. MANAGEMENT RIGHTS

The City reserves, retains, and is vested with, solely and exclusively, all rights of management which have not been expressed abridged by specific provision of this Memorandum of Understanding or by law to manage the City, as such rights existed prior to the execution of this

Memorandum of Understanding. The sole and exclusive rights of management, as they are not abridged by this Agreement or by law, shall include, but not be limited to, the following rights:

1. To manage the City generally and to determine the issues of policy.
2. To determine the existence or non-existence of facts which are the basis of the management decision.
3. To determine the necessity of organization or any service or activity conducted by the City and expand or diminish services.
4. To determine the nature, manner, means, technology, and extent of services to be provided to the public.
5. Methods of financing.
6. Types of equipment or technology to be used.
7. To determine and/or change the facilities, methods, technology, means and size of the work force by which the City operations are to be conducted.
8. To determine and change the number of locations, relocation's and types of operations, processes and materials to be used in carrying out all City functions including, but not limited to, the right to contract for or subcontract my work or operation of the City.
9. To assign work to and schedule employees in accordance with requirements as determined by the City, and to establish and change work schedules and assignments.
10. To relieve employees from duties for lack of work or similar non-disciplinary reasons.
11. To establish and modify productivity and performance programs and standards.
12. To discharge, suspend, demote or otherwise discipline employees for proper cause in accordance with the provisions and procedures set forth in City Personnel rules and Regulations.
13. To determine job classifications and to reclassify employees.
14. To hire, transfer, promote and demote employees for non-disciplinary reasons in accordance with this Memorandum of Understanding and the City's Personnel Rules and Regulations.
15. To determine policies, procedures and standards for selection, training, and promotion of employees.
16. To establish employee performance standards including, but not limited to quality and quantity standards; and to require compliance therewith.
17. To maintain order and efficiency in its facilities and operations.
18. To establish and promulgate and/or modify rules and regulations to maintain order and safety in the City which are not in contravention with this Agreement.
19. To take any and all necessary action to carry out the mission of the City in emergencies.

Nothing contained within Article 2.3, Management Rights, is intended to, in any way, supersede or infringe upon the rights of the recognized employee Association as provided under applicable Federal and State law, including, but not limited to California State Government Code Sections 3500 through 3510 inclusive.

2.4. COMMENCEMENT OF NEGOTIATIONS

Both parties agree to begin the meet and confer process no later than February 1, 2024, regarding the terms and conditions applicable to an MOU effective July 1, 2024. The process will be initiated by the San Rafael Police Mid-Managers Association through the submittal of upcoming contract requests it wishes to be considered.

3 COMPENSATION

3.1. GENERAL WAGES AND COMPENSATION

The City embraces the succession planning model and values promotion from within. The City recognizes that this model works best when the salary ranges and total compensation align appropriately. Due to the fact that Police Sergeants are eligible to receive both overtime and a variety of specialty pays, and Police Lieutenants and Captains are limited in these areas, the current alignment is not optimal. Thus, the viability of the succession plan model is compromised. The City recognizes that there is a compaction issue between the Lieutenants and Sergeants when considering the various special pay differentials that are applied to the Sergeant pay. The City agrees to utilize the expertise of a classification and compensation consultant to conduct a total compensation survey of the Sergeant, Lieutenant and Captain job classes with comparable agencies. The City commits to complete the study and for staff to recommend an implementation plan to City Council by June 30, 2017. If adjustments are warranted, SRPMMA positions will be prioritized as funds are available.

3.1.1. Pay Dates

City employees are paid twice per month on the 15th and the last working day of the month. When a holiday falls on a pay day, the pay day will be transferred to the following day of regular business unless the Finance Department is able to complete the payroll by the previous work day. The method of the distributing payroll shall be established by the Finance Director.

3.1.2. General Wage Increase

In the Year 1, compensation increases will take effect the pay period including July 1, 2021 or the first full pay period following Council ratification of a new MOU, whichever occurs later.

In Year 1, the City will provide a 1.6% general salary increase plus a 2.4% equity adjustment (4% total);

In Year 2, the City will provide a 1.6% general salary increase plus a 2.4% equity adjustment (4% total); and,

In Year 3, the City will provide a 1.6% general salary increase plus a 2.4% equity adjustment (4% total).

3.1.3. Definitions

Total Compensation shall be defined as: Top step salary (excluding longevity pay steps), educational incentive pay, holiday pay, uniform allowance, employer paid deferred compensation (except for such portion that may be part of employee cafeteria plan), employer's contribution towards employees' share of retirement, employer's retirement contribution, employer paid contributions toward insurance premiums for health, life, long term disability, dental and vision plans, and employer paid cafeteria/flexible spending accounts.

The **CPI** shall be the percentage change in the San Francisco-Oakland-San Jose Area All Urban Consumer index as published by the Bureau of Labor Statistics for the one-year period ending the month of October 2016 and each October thereafter during the term of the contract.

3.1.4. Compensation Plan

The Compensation Plan adopted by the City Council shall provide for salary schedules, rates, ranges, ascending salary steps for all members of the Association and any other special circumstances or items related to the total compensation paid employees.

Each position within the classified services shall be allocated to an appropriate classification in the compensation plan on the basis of duties and responsibilities. Each classification shall be assigned a five-step salary range with corresponding ascending salary rates assigned to each step. All persons entering the classified service shall be compensated in accordance with the salary plan then in effect.

3.2. STEP INCREASES

3.2.1. Entry Level Step

All initial employment shall be at the first step of the salary range. The Police Chief may authorize a position at an appropriate higher salary when, in his/her opinion, it is necessary to obtain qualified personnel. Initial employment appointments above Step C will require City Manager Approval.

3.2.2. Consideration for Step Increases

An employee shall be considered for a step increase annually until the top step has been reached. Advancement to a higher salary within a salary step schedule may be granted for continued satisfactory service by the employee in the performance of his/her duties. Salary step advancement shall be made only upon the recommendation of the Police Chief concerned, with the approval of the City Manager or his/her designee, and are not automatic, but based on acceptable work performance.

Accelerated salary step increases may be granted an employee based upon the recommendation of the Police Chief and approval of the City Manager for exceptional job performance.

3.2.3. Merit Increases

Employees at the maximum step of their salary step schedule may be granted a merit performance step increase of up to five percent (5%) above and beyond their top salary step. A merit step increase may be effective for up to one (1) year. A merit step increase may be withdrawn after the specified period of time and is not a disciplinary action and is not appealable. Merit step increases may be granted in recognition of meritorious performance beyond the scope of regular duties and in response to extraordinary conditions.

Management and Mid-Management employees shall be evaluated annually based on the evaluation program adopted by the City Council in October of 1996 and incorporated by reference herein.

3.3. ADDITIONAL PAY

3.3.1. Shift Differential Pay

A five percent (5%) shift differential shall be paid for Police Lieutenant regularly scheduled to work fifty percent (50%) or more of their shift after 5:00 p.m.

Shift differential shall not be considered an additional percentage on salary for personnel involved but shall apply only to hours actually worked; e.g., differential does not apply to sick leave, vacation or compensatory time, but does include overtime for employees regularly assigned to the swing or graveyard shifts. The current operational policies and provisions for shift rotation and assignment remain in effect.

3.3.2. Educational Incentive

The Educational Incentive for Police Captain and Police Lieutenant who have received their POST Management Certificate will be a flat dollar amount of \$264.50 bi-monthly.

3.3.3. Educational Expense Reimbursement

The Educational Expense Reimbursement Program shall apply to all employees of the Police Department represented by this contract who have completed a total of two (2) or more continuous years of full-time service with the San Rafael Police Department. The Educational Expense Reimbursement Program shall relate to the completion of college credits while off-duty for job-related courses awarded from an accredited community college or an accredited college or an accredited university. Job-related courses are defined as those which contribute to current job performance or prepare the employee for other City positions, including but not limited to obtaining bilingual skills. An eligible employee who takes a job-related course during off-duty hours at an accredited institution of learning shall be eligible to receive reimbursement for the costs of tuition, fees, and course materials, up to a maximum of \$1,500 per fiscal year.

3.3.4. Bilingual Pay

Full Fluency Program

A five percent (5%) bilingual pay incentive shall be paid to designated bilingual employees at the full fluency level

Conversational Fluency Program

A two and one-half percent (2.5%) bilingual pay incentive shall be paid to designated employees who speak Spanish at the conversational level.

Foreign Language Pay Provisions

The City will pay, in advance, for any authorized training or educational costs related to an employee becoming fluent in a foreign language up to an amount equal to the cost of the industry standard. Employees enrolled in such bilingual training are obligated to reimburse the City through payroll deductions over a period of three (3) years for one half the cost of any such education after the completion of such course. The employee is obligated to reimburse the City for the full amount of such education costs if he/she drops out of the education program or does not successfully pass the certification test. In the event an employee must reimburse the full amount, reimbursement shall be through payroll deductions over the course of three (3) years or in full upon separation.

Within the limits established in items 1 and 2 of this section, to qualify for either the Full or Conversational Programs, employees must be certified as proficient in a language deemed to be of work related value to the Police Department as determined by the Police Chief and approved by the City Manager by established standards. It is agreed that full fluency or conversational proficiency certification may be obtained by passing a standardized departmental test (to be developed by the department) or fluency certification issued by an agency approved by the Police Chief. Conversational proficiency certification may be obtained by an employee achieving a Certificate of Completion from One Twelve USA, or passing a departmental conversational test, or a conversational certification issued by an agency approved by the Police Chief.

Fluency in more than one foreign language does not entitle an employee to more than the 5% bilingual pay differential. Both parties agree to annual re-certification of proficiency to continue eligibility for the bilingual differential.

Shift assignments and distribution of bilingual employees shall be at the discretion of the Police Chief.

3.3.5. *Uniform Allowance*

The represented classification will receive a uniform allowance of \$885.00 for each six (6) months of service ending June 30 and December 31. A pro-rated portion of the allowance may be given for the first and last six (6) months of service upon recommendation of the Police Chief and approval of the City Manager or their designee.

4 BENEFITS

4.1 EMPLOYEE BENEFITS COMMITTEE

Both parties agree to continue to utilize the Employee Benefits Committee for ongoing review of benefit programs, cost containment and cost savings options. The Committee shall be made up of representatives of the SEIU, SEIU-Childcare, Western Council of Engineers, Local 1 – Confidential, Police, Fire, Management, and Mid-Management employees.

The Employee Benefits Committee may make recommendations for changes to existing benefits. However, changes to benefits identified in this agreement shall only occur after the City and Association have mutually agreed to meet and confer on such changes and have completed the meet and confer process, including impasse resolution.

4.2 HEALTH & WELFARE

Upon reasonable advance notice to the Association, the City shall have the option of either contracting with the Public Employees Retirement System (PERS) Health Benefits Division for health insurance or contracting directly with some or all of the providers of health insurance under the PERS program; provided, however, contracting directly with the providers shall not cause any material reduction in insurance benefits for active or retired employees from those benefits available under the PERS program; and provided further such contracting shall not cause a material increase in premiums for either the City or the employees. There shall be no requirement for the City to meet and confer upon the City's exercising the option described above in accordance with the provisions of this paragraph.

4.2.1 Full Flex Cafeteria Plan

Effective January 1, 2010, the City implemented a full flex cafeteria plan for active employees, in accordance with IRS Code Section 125. Active employees participating in the City's full flex cafeteria plan shall receive a monthly flex dollar allowance to purchase benefits under the full flex cafeteria plan. The ongoing monthly flex dollar allowance shall be:

| | |
|--|------------|
| For employee only: | \$ 813.18 |
| For employee and one dependent: | \$1,473.00 |
| For employee and two or more dependents: | \$1,915.00 |

The City shall contribute to the cost of medical coverage for each eligible employee and his/her dependents, an amount not to exceed the California Public Employees' Medical and Hospital Care Act (PEMHCA) Minimum contribution, as determined by CalPERS on an annual basis. This portion of the monthly flex dollar allowance is identified as the City's contribution towards PEMHCA. The monthly flex dollar allowance (including the PEMHCA minimum contribution) may be used in accordance with the terms of the cafeteria plan to purchase health benefits or may be converted to taxable income. For example, in calendar year 2016, a single employee's monthly flex dollar allowance for health was \$813.18, which includes the \$125.00 designated by CalPERS as the City's monthly PEMHCA contribution. The flex dollar allowance must be used to purchase health coverage and any remaining balance would be converted to taxable income.

4.2.2 *Retirees Health Insurance*

Employees represented by the Police Mid-Management Association who retire from the Marin County Employees' Retirement Association (MCERA) within 120 days of leaving their City of San Rafael position (and who comply with the appropriate retirement provisions under the MCERA laws and regulations) are eligible to continue in the City's retiree group health insurance program offered through PEMHCA. The City's contribution towards retiree coverage shall be the PEMHCA minimum contribution as determined by CalPERS on an annual basis.

- a. **Employees hired by the City before January 1, 2010.** The City shall make a monthly retiree health insurance payment on behalf of employees hired before January 1, 2010 and who retire from the City of San Rafael as described in this section. The City's monthly payment shall not exceed \$566 per month. This monthly payment shall include the PEMHCA minimum contribution. The City's retiree health insurance payment shall continue for the lifetime of the retiree and retiree's spouse, in accordance with PEMHCA eligibility provisions for coverage.
- b. **Employees hired by the City on or after January 1, 2010** and who meet the eligibility requirements for retiree health insurance are eligible to continue in the City's group health insurance program. The City's maximum contribution towards retiree coverage under this subsection, 4.2.2b, shall be the PEMHCA minimum contribution as determined by CalPERS on an annual basis. The City shall not be responsible for making any contributions towards the cost of coverage of the retiree's spouse, registered domestic partner, or dependents upon the employee's retirement from the City in excess of the PEMHCA minimum contribution as required by CalPERS.

4.2.3 *Health and Dependent Care Spending Accounts*

City will offer as part of its Section 125 Plan for as long as such a plan is desired by the Association and available pursuant to the IRS Code a Health and Dependent Care Spending Accounts. The Flexible Spending Accounts offered by the City include:

- a. **Healthcare Spending Account:** Out-of-pocket medical expenses that qualify under the IRS Code effective January 1, 2013 at IRS Code limit, not to exceed \$2,500.
- b. **Dependent Care Spending Accounts:** Dependent care expenses that qualify under the IRS Code at the IRS Code limit.
- c. **Premium Only Plan:** Excess Medical premiums shall be deducted from employee's pay with pre-tax dollars as long as such deduction is allowable under the applicable IRS Code.

City shall establish annual enrollment period and each employee must re-enroll annually for either plan noted in a. and/or b. City shall have the authority to implement changes to the 125 Programs to comply with changes in applicable IRS laws without having to go through the meet and confer process.

4.3 DENTAL PLAN

The City will provide a dental insurance program providing 100% coverage for diagnostic and preventative care, \$25 deductible on corrective care (80/20) per patient per calendar year and orthodontic coverage (50/50); and 80/20 coverage of casts, crowns, and restorations in accordance with the plan document of the provider. The coverage limits are as follows:

Annual Program maximum (per covered person) is \$1500

Maximum lifetime orthodontics (per covered person) is \$1,000

Annual Program deductible (per person/per family) is \$25/\$75 for classes I & II only.

4.4 VISION PLAN

The City will contract for a vision plan for employee only vision benefits. Employees will be eligible to enroll qualified family members and will pay the premium costs for such enrollment.

4.5 LIFE INSURANCE

The City shall pay premiums for a life insurance and Accidental Death and Dismemberment (AD&D) policy for each employee. The life and AD&D policy shall provide a \$150,000 life insurance and a \$150,000 AD&D benefit.

4.6 LONG TERM DISABILITY POLICY

The City shall pay premiums for a Long-Term Disability Policy for each employee. The Long-Term Disability policy shall provide for salary replacement of 66.67% of an individual's salary up to a maximum disability benefit of \$7,500 per month

4.7 RETIREMENT CONTRIBUTION

4.7.1 City Paid Employee Retirement (City Paid Member Contribution)

Bargaining unit members shall pay the full share of the employee's contribution to the Marin County Retirement System.

Effective the pay period including September 1, 2013, all current and future "classic" and "new" bargaining unit members shall contribute an additional 1% of pensionable compensation to MCERA, over and above the employee's contribution noted above. The only employees excluded from this payment are long-term City employees with thirty or more years of City service who no longer have to pay any employee contribution to the Marin County Retirement System.

4.7.2 Retirement Plans

The City shall provide the Marin County Employee Retirement Association 3% at 55 retirement program to all classic safety members, as defined under the 1937 Act Government Code Section 31664, subject to Marin County Employee Retirement Association procedures and regulations and applicable 1937 Act laws that govern such plans. This shall be based on an employee's single highest year of compensation.

The City shall provide the Marin County Employee Retirement Association 2.7% at 55 retirement program to all miscellaneous members, as defined under the 1937 Act Government Code Section 31676, subject to Marin County Employee Retirement Association procedures and regulations and applicable 1937 Act laws that govern such plans. This shall be based on an employee's single highest year of compensation.

Safety employees hired on or after July 1, 2011 will receive an MCERA retirement benefit at the formula 3%@55 calculated based on the average of their highest three years of compensation, with a 2% COLA benefit cap.

Non-safety employees hired on or after July 1, 2011 will receive an MCERA retirement benefit at the formula 2%@55 calculated based on the average of their highest three years of compensation, with a 2% COLA benefit cap.

New safety members as defined by the Public Employees' Pension Reform Act of 2013 shall receive pension benefits as defined by law.

4.7.3 Member Cost of Living Rates

Bargaining unit members who are eligible to participate in the Marin County Employee Retirement Association will pay their full share of members' cost of living rates as allowed under Articles 6 and 6.8 of the 1937 Retirement Act. Miscellaneous and safety member contribution

rates include both the basic and COLA portions (50% of COLA is charged to members as defined in the 1937 Act).

4.7.4 Pension Costs

The parties shall discuss pension issues during the term of this MOU utilizing the Labor-Management Committee process memorialized in Section 6.6.5 of this agreement.

5 LEAVES

5.1 SICK LEAVE

5.1.1 Eligibility

Sick leave with pay shall be granted to each eligible employee. Sick leave shall not be considered as a privilege which an employee may use at his/her discretion but shall be allowed only in case of necessity and actual sickness or disability. The employee is required to notify employee's immediate supervisor or Police Chief according to department Rules and Regulations at the beginning of his/her daily duties. Every employee who is absent from his/her duties for two (2) consecutive work days shall file with the Human Resources Director, a physician's certificate or the employee's personal affidavit verifying the employee's eligibility for sick leave. The inability or refusal by said employee to furnish the requested information, as herein required, shall constitute good and sufficient cause for disciplinary action, including dismissal.

In recognition of exempt status from FLSA, time off for sick leave purposes shall not be deducted from the employee's account, unless the employee is absent for the full work day.

5.1.2 Sick Leave Accrual

All eligible full-time employees shall earn sick leave credits at the rate of one (1) working day per month commencing with the date of employment. Unused sick leave may be accumulated to an amount not to exceed twelve hundred (1200) hours. The sick leave accrual rate is prorated for eligible part time employees. The cap on sick leave accrual, twelve hundred (1200) hours, does not apply for accrual purposes but does apply for sick leave separation payoff purposes.

5.1.3 Use of Sick Leave

An employee may use accrued sick leave during their probationary period. An employee eligible for sick leave with pay shall be granted such leave for the following reasons:

1. Personal illness or illness within the immediate family (immediate family under Section 5.1.3 is defined as employee's spouse, registered domestic partner, children, parents, in-laws, grandparent, grandchild and/or sibling), or physical incapacity resulting from causes beyond the employee's control; or
2. Enforced quarantine of the employee in accordance with community health regulations.
3. Medical appointments that cannot be scheduled during non-working hours shall be charged to sick leave, unless the employee is a sworn peace officer.

5.1.4 Advance of Sick Leave

Whenever circumstances require, and with the approval of the City Manager, sick leave may be taken in advance of accrual up to a maximum determined by the City Manager, provided that any employee separated from the service who have been granted sick leave that is un-accrued at the time of such separation shall reimburse the City of all salary paid in connection with such un-accrued leave.

5.1.5 Service Credit for Sick Leave

Employees who are eligible to accrue sick leave and who retire from the City of San Rafael, on or after July 1, 2002, and within 120 days of leaving City employment (excludes deferred retirement), shall receive employment service credit, for retirement purposes only, for all hours of accrued, unused sick leave (exclusive of any sick leave hours said employee is eligible to receive and elects to receive in compensation at the time of retirement, pursuant to Section 5.1.6 Compensation for Unused Portion (Sick leave Payoff).

5.1.6 Compensation for Unused Portion

By resignation, retirement or death, an employee who leaves the City in good standing shall receive compensation for all accrued, unused sick leave based upon the rate of three percent (3) for each year of service up to a maximum of fifty percent (50%) of their sick leave balance.

5.2 VACATION LEAVE

5.2.1 Eligibility

Annual vacation with pay shall be granted to each eligible employee. Vacation leave accrued shall be prorated for those employees working less than full time. Employees will be permitted to use accrued vacation leave after six (6) months of employment subject to the approval of the Police Chief.

5.2.2 Rate of Accrual

Vacation benefits shall accrue during the probationary period. Each regular full time employee (part-time regular employees are prorated) shall commence to accrue vacation at the following rate for continuous service. For the purpose of this section, one (1) day equals eight (8) hours.

| <u>Years of Service</u> | <u>Leave Accrual rate/year</u> |
|-------------------------|--------------------------------|
| 1 - 5 years | 15 days or 120 hours |
| 6 years | 16 days or 128 hours |
| 7 years | 17 days or 136 hours |
| 8 years | 18 days or 144 hours |
| 9 years | 19 days or 152 hours |
| 10 years | 20 days or 160 hours |
| 11 years | 21 days or 168 hours |
| 12 years | 22 days or 176 hours |
| 13 years | 23 days or 184 hours |
| 14 years | 24 days or 192 hours |
| 15 years plus | 25 days or 200 hours |

5.2.3 Administration of Vacation Leave

The City Manager, upon the recommendation of the Police Chief, may advance un-accrued vacation to any permanent regular and part time employee. If the employee leaves City employment before accruing the used vacation leave, said employee will reimburse the City the value of the advanced vacation leave.

In recognition of exempt status from FLSA, time off for vacation leave purposes shall not be deducted from the employees' accrual, unless the employee is absent for the full work day.

The time at which an employee may use his/her accrued vacation leave and the amount to be taken at any one time, shall be determined by the Police Chief with particular regard for the needs of the City, but also, insofar as possible, considering the wishes of the employee.

In the event that one or more City holidays fall within an annual vacation leave, such holidays shall not be charged as vacation leave, and the vacation leave shall be extended accordingly.

Employees who terminate their employment shall be paid in a lump sum for all accrued vacation leave earned prior to the effective date of termination.

5.2.4 Vacation Cap

No employee may accrue more than 250 hours vacation leave. Vacation accruals will resume once the employee's accumulated vacation balance falls below the allowable cap limit.

Employees may, for special situations (i.e., extended medical leave), request an increase in their cap. Each request would need to be in writing, submitted through the department, and receive the approval of the Police Chief and the City Manager. Such requests would be reviewed on a case-by-case basis and would be evaluated based on the reason for the request. This additional vacation accrual could not exceed one-half of the employee's regular annual vacation accrual. In no case would the addition over the cap be extended beyond one additional year.

5.3 HOLIDAYS

The following holidays will be observed:

| | |
|-----------------------|------------------------|
| New Years Day | Martin Luther King Day |
| Washington's Birthday | Lincoln's Birthday |
| Cesar Chavez Day | Memorial Day |
| Independence Day | Labor Day |
| Admission Day | Veteran's Day |
| Thanksgiving Day | Day after Thanksgiving |
| Christmas Day | |

5.4 OTHER LEAVE

5.4.1 Administrative Leave

Mid-Management employees in this Association shall receive eighty (80) hours of Administrative Leave each calendar year subject to the approval of the Police Chief and the City Manager. Unused Administrative Leave does not carry over from one calendar year to the next, nor are unused balances paid off upon an employee's resignation.

In recognition of exempt status from FLSA time off for Administrative leave purposes shall not be deducted from employee's accrual, unless the employee is absent for the full work day.

5.4.2 Bereavement Leave

In the event of the death of an employee's spouse, registered domestic partner, child, parent, sibling, in-laws, grandparent, grandchild or relative who lives or has lived in the home of the employee to such an extent that the relative was considered a member of the immediate family and/or another individual who has a legal familial relationship to the employee and resided in the employee's household, up to three (3) days of paid bereavement leave within the state and up to five (5) days of paid bereavement leave out-of-state may be granted for bereavement leave.

In those cases where the death involves an individual who had such a relationship with the employee as defined above, the employee shall sign a simple affidavit describing the relationship and submit this to the Police Chief as part of the request for bereavement leave.

5.4.3 Jury Duty

Employees required to report to jury duty shall be granted a leave of absence with pay from their assigned duties until released by the court, provided that the employee provides advance notice to the Police Chief and remits to the City all per diem service fees except mileage or subsistence allowance within thirty days from the termination of such duty.

5.4.4 Military Leave

Military leave shall be granted in accordance with the State of California Military and Veteran's Code as amended from time to time. All employees entitled to military leave shall give the City Manager and the Police Chief an opportunity within the limits of military regulations, to determine when such leave shall be taken.

5.4.5 Leave of Absence Without Pay

Leave of absence without pay may be granted by the City Manager upon the written request of the employee. Applicable accrued leave must be exhausted prior to the granting of leave without pay. Applicable benefits do not accrue during times of leave without pay and Police Officer status is removed.

5.4.6 Industrial Injury Leave

For benefits under Workers' Compensation, an employee should report any on the job injury to his/her supervisor as soon as possible, preferably within twenty-four (24) hours. The Human Resources Department coordinates benefits for Workers' Compensation claims.

For further information, see the City's Workers' Compensation policy located on the Intranet (<https://intranet.cityofsanrafael.org>).

Employees of the City who have suffered any disability arising out of, and in the course of their employment as defined by the Workers' Compensation Insurance and Safety Act of the State of California are entitled to all benefits allowed them by the Workers' Compensation Insurance and Safety Act of the State of California.

SAFETY EMPLOYEES

Compensation leave payments are governed by Labor Code Section 4850. Labor Code Section 4850 provides that employees who sustain an industrial injury which precludes them from working are eligible to receive full salary for a period of up to one year during the period of such disability.

The following rule applies to both Safety and Non-Safety personnel who have suffered an industrial injury/illness: Available accrued sick leave cannot be used for more than 60 calendar days after one of the following has been determined:

- a. The employee has reached a maximum medical improvement and/or has been determined "permanent and stationary";
- b. The employee has been determined to be unable to return to their usual and customary occupation, with or without reasonable accommodation.

Given the above has occurred, the next steps would include:

- a. The interactive process; attempt to locate other appropriate employment within the City.

- b. If none available proceed with termination process, including disability retirement application and/or Skelly process, if appropriate.

5.4.7 Medical Leave of Absence

Family leave shall be granted in accordance with the federal Family and Medical Leave Act of 1993 and the California Family Rights Act of 1991. Requests for Family Care Leave are submitted to the Police Chief for approval and reviewed by the Human Resources Director for consistency with the law prior to approval. Employees approved for this type of leave must use appropriate accrued and unused vacation leave and/or compensatory time before going on leave without pay status. Accrued and unused sick leave may be used if requested. Sick leave usage is to be consistent with the sick leave provisions of the MOU. To be eligible for this family leave benefit, an employee must have worked for the City of San Rafael for at least 12 months and have worked a minimum of 1,250 hours in the previous 12-month period. For details, please see the City’s FMLA policy located on the Intranet (<https://intranet.cityofsanrafael.org>).

5.4.8 Absence without Authorized Leave

An unauthorized absence of an employee for three consecutive work days shall constitute an automatic resignation from City service.

5.4.9 Catastrophic Leave

All employees of the Police Department should refer to the Citywide Catastrophic Leave Policy located on the City’s Intranet (<https://intranet.cityofsanrafael.org>).

6 TERMS & CONDITIONS OF EMPLOYMENT

6.1 HOURS OF WORK

The established work week for the Police Department shall be 00:01 hours Sunday through 24:00 hours Saturday. Job classifications covered by this Memorandum of Understanding would be scheduled to work during normal business working hours, Monday through Friday.

6.1.1 Alternative Work Week

Police Lieutenants and Police Captains have the option of working a 4-10 or 5-8 plan as shown below:

| Schedule | Definition |
|----------|--|
| 4-10 | Four (4) consecutive ten (10) hour days with three (3) consecutive days off. |
| 5-8 | Five (5) consecutive eight (8) hour days with two (2) consecutive days off. |

The Police Chief reserves the right to change schedules based on emergency circumstances.

6.2 OVERTIME

The following special provisions for the payment of overtime will apply to (the FLSA exempt) Police Lieutenants and Police Captains.

6.2.1 Special Events, Extra Duty Requests and Grant Operations

Employees shall be compensated at the overtime rate for the highest Police Sergeant as determined by the Police Department Business Office and shall not exceed grant limitations for extended hours worked for special events and grant operations which are compensated outside of the City’s General Fund. Police Lieutenants and Police Captains will only be allowed to work overtime on such assignments under any of the following circumstance:

- a. Required management staffing at the request of the Police Chief or his/her designee
- b. Backfill of a vacant sworn officer position if the overtime opportunity has been posted for at least seven (7) days and remains unfilled, or if the vacancy remains unfilled less than forty-eight (48) hours prior to the event.

Both parties understand and agree that nothing within this overtime provision shall alleviate represented employees from management duties during special events and grant operations.

6.3 PROBATIONARY PERIOD

6.3.1 Purpose of Probation

Each employee shall serve a period of probation beginning on the date of appointment. Such period shall be for the purpose of determining the employee's ability to perform satisfactorily the duties prescribed for the position.

6.3.2 Length of Probationary Period

The probationary period on original and promotional appointments shall be for twelve (12) months.

6.3.3 Rejection During Probation

During the probationary period, an employee may be rejected at any time by the Police Chief without the right of appeal.

6.3.4 Notification of Rejection

On determining that a probationary employee's work is not satisfactory, the Police Chief shall notify the Human Resources Director in writing of his/her intention to reject the employee. After discussion with the Human Resources Director, the Police Chief shall notify the employee in writing of his/her rejection.

6.3.5 Extension of Probationary Period

The probationary period shall not be extended except in the case of extended illness or injury or compelling personal situation during which time the employee was unable to work. In such cases, the probationary period may be extended for the length of time the ill or injured employee was unable to work.

6.3.6 Regular Status

Regular status in the assigned (new) position shall commence with the day following the expiration date of the probationary period.

6.3.7 Promotion of Probationary Employee

An employee serving a probationary period may be promoted to a position in a higher classification provided he/she is certified from the appropriate Eligibility List. The employee promoted in this manner shall serve a new probationary period for the position to which employee is promoted and the new probationary period and promotional appointment shall be effective the same date.

6.3.8 Unsuccessful Passage of Promotional Probation

An employee who does not successfully pass his/her promotional probationary period shall be reinstated to the position in which the employee held regular status prior to his/her promotion and all previous rights and privileges restored. Provided, however, that if the cause for not passing the promotional probationary period was sufficient grounds for dismissal, the employee shall be subject to dismissal without reinstatement to the lower position.

6.4 PERSONNEL RULES & REGULATIONS

This Association accepts the revised Personnel Rules and Regulations presented in a documented dated April 1991.

6.4.1 Employer-Employee Resolution

The City and the Association agree to abide by the City of San Rafael's Employer-Employee Relations Resolution.

6.4.2 Drug and Alcohol Policy

The City and Association jointly recognize alcoholism and drug abuse as illnesses which may be treatable. The parties are concerned regarding alcoholism and drug problems which cause poor attendance and unsatisfactory employment related performance and/or which may pose a danger to employees or the public. Therefore, the City and Association endorse the concept of a drug free work place.

Possession and/or sale of illegal drugs, use of illegal drugs or misuse of prescribed drugs or alcohol, or being under the influence of drugs or alcohol while on the job is strictly prohibited. Employees violating this policy are subject to discipline, up to and including termination. When reasonable cause (relates to readiness and/or ability to perform job responsibilities) exists, the City may require employees to submit to a medical examination, including but not limited to a urine or blood analysis, to determine whether the employee is using drugs or alcohol. Said testing shall occur on City time and be paid for by the City. An employee's failure to submit to a medical examination will be considered an act of insubordination and, therefore, subject to disciplinary action.

Depending on the circumstances causing the order for medical examination, employees testing positive may be subject to discipline, up to and including termination. Upon being informed that the employee tested positive, the employee may request a meeting with the Human Resources Director and the Police Chief to review the test results and provide the employee's explanation for such results.

Employees are encouraged to voluntarily participate in the City sponsored employee assistance program (EAP). However, EAP participation may be a City-mandated alternative to disciplinary action arising out of a violation of the City's drug and alcohol policy.

As a course of participating in the EAP on a mandated basis, an employee may be required to enter into a "return to work agreement" with the City. Said agreement shall stipulate ongoing freedom from drug and/or alcohol use as a condition of continued employment.

Employees who seek voluntary assistance for alcohol and/or substance abuse will not be disciplined for seeking such assistance. Requests from employees to the Police Chief for such assistance shall remain confidential and shall not be revealed to other employees or management personnel who do not have a need to know, without the employee's consent. Employees enrolled in substance abuse programs shall be subject to all employer rules, regulations and job performance standards with the understanding that an employee enrolled in such a program is receiving treatment for an illness.

An employee who is disciplined/discharged for inappropriate alcohol and/or drug use may appeal such action pursuant to Section 7.4.4 of the Memorandum of Understanding.

6.4.3 Outside Employment Policy

All employees of the Police Department should refer to the Citywide policy located on the City's Intranet (<https://intranet.cityofsanrafael.org>) for policies and procedures related to outside employment.

6.4.4 Harassment Policy

It is the City's intent and purpose to provide all officials, employees, applicants and contractors with an environment that is free from any form of harassment, discrimination or retaliation. Employees shall refer to the City Policy against Harassment, Discrimination and Retaliation which is available on the City's Intranet website.

6.4.5 Wireless Communication Policy

Union members agree to adhere to the provisions of the City's Wireless Communication Policy which is available on the City's Intranet Website.

6.4.6 Use of City Vehicle

The City agrees to allow all currently represented classified positions covered by this agreement (Police Captain and Police Lieutenant) the use of department vehicles, as practiced on the date the MOU was adopted by the City Council for FY 91-92, as they are expected to respond to emergencies. During the term of this contract the Police Chief and members of this Association shall meet and confer on the development of a specific policy related to City Vehicle Use.

6.4.7 Temporary Modified Duty Policy

The purpose of this temporary modified duty program is to minimize the loss of productive time, while at the same time reintroducing the employee to work sooner to prevent deterioration of skills, facilitate recovery and reduce income loss. Modified duty assignments will be structured so that employees are not placed in a duty status that would aggravate or re-incur an injury or illness. Modified duty assignments are to be limited to temporary periods and are not to be used to create a permanent modified duty assignment.

1. Coverage

Any employee who suffers a temporary and partial disability due to an industrial or non-industrial injury or illness will be covered by this modified duty program.

2. Determination/Required Reports

- a. Modified Duty assignments may be made following evaluation and determination by the Police Chief. The determination will be based on available medical information, and consultation with the employee or the affected supervisor. Determination will also be based on the needs of the City and the impact of modified duty departmental operations.
- b. After the initial report, updated medical reports shall be submitted to the Police Chief at two-week intervals, or at other agreed upon intervals, for as long as the employee is off work. Reports will be required for all industrial or non-industrial injuries or illnesses regardless of whether or not a modified duty assignment has been made.
- c. Reports will be evaluated by the Police Chief for purposes of continuing or terminating a current modified duty assignment or to determine when to commence a modified duty assignment.

3. Modified Duty Assignments - Definitions/Restrictions

- a. Modified duty assignments may consist of reduced work hours, limited work or any combination thereof.
- b. Modified duty assignments will not adversely affect the employee's normal wage rate or retirement benefits.
- c. Modified duty assignments will be within the employee's assigned department and will involve work which is consistent with the duties of the employee's classification.

- d. When feasible, modified duty assignments will be during the employee's normal shift and duty hours. However, if it is determined that no useful work will be performed during the normal shift or duty hours, the employee will be assigned modified duty during normal office hours of 8:00 a.m. to 5:00 p.m. Monday through Friday.
 - e. Specific modified duty assignments will be developed based upon a case by case review of the medical restrictions, so as not to aggravate or incur an injury or illness.
 - f. Employees will not be placed in modified duty assignments that, in the normal course of events, will require that they provide direct field emergency response.
4. Holidays/Vacations
- a. Holidays shall be observed in accordance with the modified duty assignment work hours and work week. That is, if an employee is assigned to work hours in a department, division, or operating unit where employees in that work unit take the holiday off, so shall the modified duty employee. If the employees are assigned to work hours on a work holiday, so shall the modified duty employee. Compensation for holidays shall be in accordance with applicable Memorandum of Understanding or the Personnel Rules and Regulations.
 - b. Employees assigned to modified duty shall take their assigned (selected) vacation as normally scheduled. Vacations shall cover the same number of duty and calendar days as would have been enjoyed by the employee if they had remained on full duty. Employees may reschedule their assigned (selected) vacation with the approval of the Police Chief, provided the rescheduling does not result in increased costs or lost time to the City for relief personnel to cover the rescheduled vacation.
5. Return to Full Duty
Employees will be returned to full duty as soon as possible following medical certification that the employee is able to resume the full duties of his or her classification.

6.5 MISCELLANEOUS

6.5.1 Gratuities / Solicitation of Contributions

All employees of the Police Department should refer to Departmental Rules and Regulations 300.48 and 300.50 for the rules and procedures related to gratuities/solicitation.

6.5.2 Return of City Equipment

Upon termination of employment, all tools, equipment, and other City property assigned to any employee shall be returned to the employee's supervisor.

6.5.3 Political Activity

The political activity of City employees shall comply with pertinent provisions of State and Federal Law.

6.5.4 Employment of Relatives

The City retains the right:

1. To refuse to place one party to a relationship under the direct supervision of the other party to a relationship where such has the potential for creating adverse impact on supervision, safety, security or morale.
2. To refuse to place both parties to a relationship in the same department, division or facility where such has the potential for creating adverse impact on supervision, safety, security, or morale, or involves potential conflicts of interest.

6.5.5 Gym Reimbursement

Employees are eligible to receive up to \$50 reimbursement per month for paid gym memberships, workout classes or similar ongoing fitness activities. Such reimbursement shall be paid once per year by the City in a lump-sum check and reported as taxable income to the employee.

6.5.6 Public Safety Center Fitness Program

PURPOSE AND SCOPE:

The purpose of this policy is to establish guidelines for employees utilizing the Public Safety Center (PSC) fitness facility. The Department requires all those electing to use the PSC fitness facility to adhere to the conditions and policies as described in this policy. Persons who do not meet the conditions as described in this directive will be deemed to be engaging in activities outside the scope of their employment, and the City shall not have any liability for injuries or losses resulting from such activities. The City will not accept responsibility for injuries incurred as a result of recreational exercise/activities or competitive events.

PROCEDURES:

It is the position of the City to encourage a high level of physical fitness among police personnel. To assist employees in achieving this goal, the Department has implemented an on-duty work-out policy for all San Rafael Police employees.

- A. On-Duty Participation:
 - 1. On-duty participation is defined as one hour of on-duty time for the purpose of exercise.
- B. Exercise time and use of the PSC fitness facility may not begin until the Waiver and Release of Liability form has been read, signed, and filled out for all employees.
- C. Use of the Public Safety Center fitness facility by Participants:
 - 1) All personnel, regardless of assignment, may use the PSC fitness facility for workouts between the hours of 0500hrs to 2200hrs.
 - 2) There shall be no meals or snacks eaten in the PSC fitness facility; water or other workout drinks are acceptable.
 - 3) All personnel using the PSC fitness facility shall wipe down all equipment after use and pick up any trash.
- D. The PSC fitness facility is the only approved and authorized on-duty work out facility:
 - 1) On duty exercise must take place within the PSC so employees can remain available for emergencies or return to their duty assignment in the event exigencies arise. Employees must be prepared to change into uniform without undue delay if necessary.
 - 2) The PSC fitness facility is located on the second floor. This area is close to the sleeping quarters of the firefighters and police employees should respect the shared area appropriately.
- E. On duty exercise time shall be utilized in lieu of a meal break. Personnel participating in an on-duty work out will remain personally responsible for sustenance at their desk as time permits in the balance of their workload.

- F. Provisions of the on-duty exercise policy that are specifically related to personnel assigned to Patrol are as follows:
- 1) On-duty exercise time is approved by the Watch Commander or his/ her designee only when the shift is above minimum staffing. Due consideration must be given to staffing and activity levels. Exercise time may be canceled at the discretion of the Watch Commander (or designee). The Watch Commander's decision regarding on-duty exercise cannot be grieved.
 - 2) No more than one (1) employee from patrol may exercise on-duty at any given time. When on-duty, there shall only be one (1) on-duty patrol officer in the workout room at a time.
 - 3) A police radio shall be audible inside the PSC fitness facility any time patrol personnel are exercising. Patrol personnel shall respond to their call sign when called from communications.
 - 4) Participants assigned to patrol wishing to use on-duty time for exercise must request the desired time at the beginning of the shift. Requests may also be made a shift in advance. Seniority will be used to determine exercise times.
 - 5) Reports and calls for service have priority over exercise time. No work-related assignments should remain pending while working out unless they can be completed in a timely manner without incurring overtime,
 - 6) Personnel participating in on-duty workouts shall not be permitted to do so in conjunction with briefing at the beginning of their shift or proximate to the completion of their shift. On-duty workouts may only take place at the direction and with approval of the Watch Commander (or designee).
 - 7) On-duty exercise time may not be taken on the last hour of the shift (as enumerated in section 7 of this section).
 - 8) During Field Training, neither the Field Training Officer (FTO) nor the Officer in Training (OIT) may utilize the PSC fitness facility on-duty.
- G. Employees are required to immediately report any injuries or serious illnesses while using the PSC fitness facility to their supervisor:
- H. Miscellaneous provisions of the on-duty exercise policy:
- 1) No exercise program hours will be carried over from one day to the next.
 - 2) Performance issues, at the discretion of the Chief of Police, may be the basis for an individual being denied permission to participate in on-duty exercise.
 - 3) Break periods (rest breaks) cannot be used to extend exercise time.
 - 4) The provisions and implementation of this on-duty exercise policy will not be subject to challenge or grievance by employees.

INJURIES OR SERIOUS ILLNESSES:

Employees are required to immediately report all injuries or serious illnesses that require medical attention. Following such an injury, exercise privileges will be suspended immediately until further notice. Determination of when an injured participant may resume exercise activity will be at the discretion of the Chief of Police or his/her designee following a complete review of the injury report. This determination will be based on the nature of the injury and the health/fitness needs of the individual.

- a) An injured employee may be required to submit a memo detailing their injury/illness and obtain clearance in writing from the attending physician prior to resuming exercise activities.
- b) Once cleared to resume physical fitness activities, the injured participant will follow the exercise prescribed without deviation. Deviation from the prescribed exercise program may result in disqualification from using the PSC fitness facility on-duty and off-duty.
- c) Those participants whose injury/illness requires a "light duty" status may use the PSC fitness facility following a clearance by their attending physician. Exercise activity will be limited to the fitness program prescribed.
- d) Failure to immediately report any injury or illness resulting from working out in the PSC fitness facility may result in loss of facility use privileges both on and off duty.

OFF DUTY EXERCISE BY EMPLOYEES:

Employees may use the PSC fitness facility during their off-duty time under the following guidelines:

- a) Must read, sign, and submit the Waiver and Release of Liability form, which must then be authorized by the Chief of Police.
- b) Exercise sessions are on off-duty time only and there is no limit to how many times one can use the facility.
- c) Follow all safety rules.
- d) Follow all guidelines as described in this policy.
- e) Only SRPD employees are allowed to use the facility.

GENERAL SAFETY RULES:

- a) Proper warmup and cooldown activities are to be performed before and after weight training and cardiovascular workout sessions.
- b) All safety stops and mechanisms on exercise equipment must be properly adjusted before each use.
- c) All weight plates must be removed from the lifting bar and returned to the proper storage rack immediately after use.
- d) Proper athletic footwear and shirts must be worn while exercising in the PSC fitness facility.
- e) All injuries or exercise equipment needing repair should be reported to the Watch Commander immediately.
- f) Spotters are required for all heavy lifting. If no spotters are available, no heavy lifting will be allowed.

PROGRAM LENGTH:

- a) This will be a pilot program for six (6) months. At the end of the six months, the program will be evaluated by the Chief of Police to determine if the program should continue and/or be modified.
- b) If at any time during the program the Chief of Police determines that it is detrimental to the functioning of the department, the Chief may cancel the program. The Chiefs decision to cancel the program will not be subject to challenge or grievance.

7 PROCEDURES

7.1 DEMOTION & SUSPENSION

7.1.1 Demotion

The City Manager or his/her designee may demote an employee when the following occurs:

- a. The employee fails to perform his/her required duties.
- b. The need for a position which an employee fills no longer exists;
- c. An employee requests such a demotion.

No employee shall be demoted to a classification for which he/she does not possess the minimum qualifications of the position at the time of demotion.

When the action is initiated by the City Manager or his/her designee, written notice of demotion shall be provided to an employee at least ten (10) working days before the effective date of the demotion, and a copy filed with the Human Resources Department.

Withholding a salary step increase or withdrawing a merit step increase within or above the salary range of the employee's position shall not be deemed a demotion.

Disciplinary demotion action shall be in accordance with Article 7.3 "Disciplinary Action."

7.1.2 Suspension

The City Manager may suspend an employee from a position at any time for a disciplinary purpose. Intended suspension action shall be reported immediately to the Human Resources Director and shall be taken in accordance with Article 7.3 "Disciplinary Action."

7.2 TERMINATION OF EMPLOYMENT

7.2.1 Resignation

An employee wishing to leave City service in good standing shall file with his/her immediate supervisor, at least fourteen (14) days before leaving the service, a written resignation stating the effective date and reason for leaving. A copy of the resignation shall be forwarded to the City Manager and the Human Resources Department.

7.2.2 Termination - Layoff

The City Manager or his/her designee may terminate an employee because of changes in duties or organization, abolition of position, shortage of work or funds, or completion of work for which employment was made.

7.2.3 Termination - Disciplinary Action

An employee may be terminated at any time for disciplinary action, as provided in Article 7.3 "Disciplinary Action."

7.2.4 Retirement

Retirement from City service shall, except as otherwise provided, be subject to the terms and conditions of the City's contract, as amended from time to time, with the Marin County Retirement System.

7.2.5 Rejection During Probation

An employee may be terminated from their position during the probationary period of their initial appointment to the City's classified service without Right of Appeal.

7.3 DISCIPLINARY ACTION

7.3.1 Right to Discipline & Discharge

Disciplinary action shall mean discharge/dismissal, demotion, reduction in salary, and suspension resulting in loss of pay.

The City shall have the right to discharge or discipline any employee for dishonesty, insubordination, drunkenness, incompetence, negligence, failure to perform work as required or to observe the Department's safety rules and regulations or for engaging in strikes, individual or group slowdowns or work stoppages, or for violating or ordering the violation of the Memorandum of Understanding.

The City may discipline or discharge an employee for the following:

- a. Fraud in securing appointment.
- b. Negligence of duty.
- c. Violation of safety rules.
- d. Unacceptable attendance record including tardiness, overstaying lunch or break periods.
- e. Possession, distribution or under the influence of alcoholic beverages, non-prescription or unauthorized narcotic or dangerous drugs during working hours.
- f. Inability, unwillingness, refusal or failure to perform work as assigned, required or directed.
- g. Unauthorized soliciting on City property or time.
- h. Conviction of a felony or conviction of a misdemeanor involving moral turpitude.
- i. Unacceptable behavior toward (mistreatment or discourteousness to) the general public or fellow employees or officers of the City.
- j. Falsifying employment application materials, time reports, records, or payroll documents or other City records.
- k. Disobedience to proper authority.
- l. Misuse of City property.
- m. Violation of any of the provisions of these working rules and regulations or departmental rules and regulations.
- n. Disorderly conduct, participation in fights, or brawls.
- o. Dishonesty or theft.
- p. Establishment of a pattern of violations of any City policy or rules and regulations over an extended period of time in which a specific incident in and of itself would not warrant disciplinary action, however, the cumulative effect would warrant such action.
- q. Failure to perform to an acceptable level of work quality and quantity.
- r. Insubordination.
- s. Other acts inimical to the public service.

7.3.2 Appeals

If an employee feels he or she has been unjustly disciplined/discharged, he or she shall have the right to appeal his or her case through the appropriate procedure (Article 7.4). Such appeal must be filed with the City Manager by the employee in writing within five (5) working days from the date of the discipline/discharge; unless so filed the right of appeal is lost.

7.3.3 City Manager and Arbitration

The employee (appellant) may submit the appeal directly to the City Manager or may request arbitration. If arbitration is requested, representatives of the City and the employee (appellant) shall meet promptly to select a mutually acceptable arbitrator. The fees and expenses of the arbitrator and of a court reporter shall be shared equally by the Association and the City.

A hearing before the arbitrator shall be held within sixty days of the selection of the arbitrator unless the arbitrator's schedule does not so permit. The arbitrator shall hear each party's case as presented during the hearing, and shall subsequently have the power to affirm, reject, or provide a lesser form of discipline. Decisions of the Arbitrator on matters properly before them shall be final and binding on the parties hereto, to the extent permitted by the Charter of the City.

In addition to the arbitrators proposed by the State Mediation and Conciliation Service, the parties shall be free to select from a pool of arbitrators mutually selected by the City and the Association.

7.4 GRIEVANCE PROCEDURE

7.4.1 Definition

A grievance is any dispute which involves the interpretation or application of any provision of this Memorandum of Understanding.

7.4.2 Initial Discussions

Any employee who believes that he or she has a grievance may discuss his or her complaint with the Police Chief or with such management official as the Police Chief may designate. If the issue is not resolved within five (5) working days in the Department, or if the employee elects to submit his or her grievance directly to an official of the employee organization which is formally recognized as the representative of the classification of which he or she is assigned, the procedures hereafter specified may be invoked.

7.4.3 Referral to the City Manager

Any employee or any official of the employee organization which have been formally recognized by the City and which has jurisdiction over any position directly affected by the grievance, may notify the City Manager and Police Chief in writing that a grievance exists and, in such notification, state the particulars of the grievance and, if possible, the nature of the determination which is desired.

No grievance may be processed under Section 7.4.4 below which has not first been heard and investigated in pursuance of Section 7.4.2. A grievance which remains unresolved thirty (30) calendar days after it has been submitted in writing may be referred to the next step.

Any time limit may be extended to a definite date by mutual agreement of the Association and the appropriate management representative.

7.4.4 City Manager and Arbitration

If the grievance is not resolved in the previous step, the grievant, the Association, or the City may, after completion of the previous step in the grievance procedure, submit the grievance directly to the City Manager or may request arbitration. If arbitration is requested, representatives of the City and the Association shall meet promptly to select a mutually acceptable arbitrator. The fees and expenses of the arbitrator and of a court reporter shall be shared equally by the Association and the City. Each party, however, shall bear the cost of its own presentations, including preparation and post hearing briefings, if any.

No Arbitrator shall entertain, hear, decide or make recommendations on any dispute involving a position over which a recognized employee organization has jurisdiction unless such dispute falls within the definition of grievance as hereinabove set forth in paragraph (1) of this section.

Proposals to add to or change this Memorandum of Understanding or written agreement or addenda supplementary hereto shall not be grievable and nor proposal to modify, amend or terminate this Memorandum of Understanding, not any matter or subject under this section; and no Arbitrator shall have the power to amend or modify this Memorandum of Understanding or written agreements or addenda supplementary hereto or to establish any new terms or conditions of employment. No changes in the Memorandum of Understanding or interpretations thereof will be recognized unless agreed to by the City Manager and the Association.

A hearing before the arbitrator shall be held within 60 days of the selection of the arbitrator unless the arbitrator's schedule does not so permit, and the arbitrator shall render a decision which is binding on the parties hereto, to the extent permitted by the Charter of the City.

7.5 REDUCTION IN FORCE

In reduction of force, the last employee appointed within the represented classification shall be the first employee laid off, and in re-hiring, the last employee laid off shall be the first employee re-hired until the list of former employees is exhausted, provided that the employee retained or re-hired is capable, in the opinion of the City, to perform the work required. An employee laid off from City services prior to being re-hired must pass the physical examination administered by a City-appointed physician and must pass the background check administered by the Police Department. The names of employees laid off shall be placed on a Re-employment Eligibility List as hereinafter specified.

The Re-employment Eligibility List shall consist of names of employees and former employees having probationary or permanent status who were laid off in that classification. The rank order on such lists shall be determined by relative seniority as specified above. Such list shall take precedence over all other eligible lists in making appointments to the classification in which the employee worked.

The name of any person laid off shall continue on the appropriate Re-employment Eligible List for a period of one (1) year after it is placed thereon. The names of any eligible employees on a Re-employment Eligibility List shall be automatically removed from said list at the expiration of the appropriate period of eligibility.

**SAN RAFAEL POLICE MID-MANAGEMENT
ASSOCIATION:**

CITY OF SAN RAFAEL:

Dan Fink, Police Lieutenant

Cristine Alilovich, Assistant City Manager

Scott Eberle, Police Lieutenant

Sylvia Gonzalez-Shelton, HR Operations Mgr

Date

Date

SAN RAFAEL POLICE MID-MANAGEMENT ASSOCIATION
SALARY SCHEDULE
Effective July 1, 2021

Exhibit A

| Grade | Position | A | B | C | D | E |
|--------------|----------------------------|----------|----------|----------|----------|----------|
| 6103 | POLICE CAPTAIN (Benchmark) | \$12,804 | \$13,444 | \$14,116 | \$14,822 | \$15,563 |
| 6110 | POLICE LIEUTENANT | \$11,336 | \$11,903 | \$12,498 | \$13,123 | \$13,779 |

SAN RAFAEL POLICE MID-MANAGEMENT ASSOCIATION
SALARY SCHEDULE
Effective July 1, 2022

Exhibit A

| Grade | <u>Position</u> | A | B | C | D | E |
|--------------|----------------------------|----------|----------|----------|----------|----------|
| 6103 | POLICE CAPTAIN (Benchmark) | \$13,316 | \$13,981 | \$14,681 | \$15,415 | \$16,185 |
| 6110 | POLICE LIEUTENANT | \$11,789 | \$12,379 | \$12,998 | \$13,648 | \$14,330 |

SAN RAFAEL POLICE MID-MANAGEMENT ASSOCIATION
SALARY SCHEDULE
Effective July 1, 2023

Exhibit A

| Grade | <u>Position</u> | A | B | C | D | E |
|--------------|----------------------------|----------|----------|----------|----------|----------|
| 6103 | POLICE CAPTAIN (Benchmark) | \$13,848 | \$14,541 | \$15,268 | \$16,031 | \$16,833 |
| 6110 | POLICE LIEUTENANT | \$12,261 | \$12,874 | \$13,518 | \$14,194 | \$14,903 |



SAN RAFAEL CITY COUNCIL AGENDA REPORT

Department: Human Resources

Prepared by: Sylvia Gonzalez-Shelton,
Human Resources Operations Manager

City Manager Approval: 

TOPIC: APPROVAL OF THE NEW RESOLUTION THAT AUTHORIZES COMPENSATION FOR EXECUTIVE MANAGEMENT EMPLOYEES

SUBJECT: RESOLUTION ESTABLISHING THE COMPENSATION AND WORKING CONDITIONS FOR UNREPRESENTED EXECUTIVE MANAGEMENT EMPLOYEES (JULY 1, 2021 THROUGH JUNE 30, 2024) AND FY 20-21 FURLOUGH REPAYMENT

RECOMMENDATION: Adopt Resolution establishing the Compensation and Working Conditions for Unrepresented Executive Management Employees (July 1, 2021 through June 30, 2024), which includes repayment of the FY 20-21 furlough.

BACKGROUND:

The unrepresented Executive Management employee group includes 13 positions assigned in various City departments. These Executive Managers lead and direct the ongoing services and operations around the City to achieve the goals of the City Council. The Unrepresented Executive Management Salary Resolution expired on June 30, 2020 and was extended by side letter through June 30, 2021. In keeping with the equity adjustment approach for Unrepresented Mid-Management and Executive Management employees, salary increases for each position depend on the extent to which each position is behind the labor market average. The recommended increases for the Unrepresented Executive Management group are in line with what has been proposed for approval by the City Council for non-safety bargaining groups for the same three-year period.

ANALYSIS:

The following reflects highlights of the recommended salary resolution and is consistent with the economic guidelines authorized by the City Council. The attached resolution includes all the recommended changes.

1. **Term of the Resolution:** July 1, 2021 through June 30, 2024
2. **Salary Increase:** Individual salary increase percentages for unrepresented Executive Management positions are based on how far behind each position is in comparison to the labor market average. Positions that over the labor market are eligible for a 1.6% base wage increase. Positions 10% or less behind the labor market average are eligible for a 3.5% base wage increase. Positions that are

FOR CITY CLERK ONLY

Council Meeting: _____

Disposition: _____

more than 10% behind the labor market average are eligible for a 4% base wage increase. The salary schedule included in the attached resolution authorizes the proposed new salary for each position.

3. **Prior year resolution extension – restoration of 3% base wage:** In FY 20/21, all employees (except WCE, Local 1, Mid-Management and Executive Management) received a minimum 3% base wage increase with the 1-year contract extension implemented for FY 20/21. The timing of the COVID-19 pandemic and the associated financial losses which were projected at that time, resulted in an unintended disparate treatment of WCE, Local 1, Mid-Management and Executive Management, who did not receive this same base wage increase. However, the City is now in a financial position to “restore” a 3% base wage increase to these groups. The 3% base wage will apply to all Unrepresented Executive Management positions and is reflected in the attached salary schedule effective July 1, 2021.

FY 20-21 Furlough Repayment

In response to the global COVID-19 pandemic that began in the spring of 2020, the City of San Rafael declared a local state of emergency. In anticipation of dire financial circumstances, the City exercised its management rights under the salary resolution and implemented a Citywide furlough for all non-safety positions. Based on the best financial projections available at the time, it was necessary and prudent to implement the furlough in order to avoid potential workforce reductions in the future.

Year-end review of the FY 20/21 budget shows that the City’s projected revenue losses anticipated due to the pandemic fortunately did not materialize as expected and the City is projecting a financial surplus for fiscal year 20/21. As a result, the City is in a financial position at this time to issue repayments to employees who were furloughed over the last year. The circumstances that make it possible for the City to reimburse employees for the furlough are extremely unique in nature and this one-time reimbursement for FY 20/21 is non-precedential. The City will issue a one-time re-payment equal to the actual furlough reduction amount taken by each Unrepresented Executive Management employee for FY 20/21. The City has already made MCERA pension contributions on each employee’s regular (non-furloughed) payroll amount each pay period during FY 20/21, therefore the City will not make any additional contributions to Classic or PEPRA employees’ pensions and the repayment amount is subject to normal payroll taxation. The total amount of the furlough repayment for the Unrepresented Executive Management group is \$74,200.

FISCAL IMPACT:

The current total annual salary and benefit cost to the City for the 13 Executive Management employees is \$4,008,684. The additional ongoing incremental cost of the recommended salary resolution beyond the FY 20/21 budget is:

| | <u>Incremental FY 2021-22</u> | <u>Incremental FY 2022-23</u> | <u>Incremental FY 2023-24</u> |
|--------------------------------|--|--|--|
| Wages: | | | |
| Base Salary | \$ 83,452 | \$ 86,698 | \$ 90,071 |
| Other costs: | | | |
| Pension* | \$ 43,417 | \$ 45,104 | \$ 46,857 |
| Taxes (Medicare, W/C) | <u>\$ 2,726</u> | <u>\$ 2,832</u> | <u>\$ 2,943</u> |
| Total Incremental Cost: | \$129,595 | \$134,634 | \$139,871 |

**This incremental pension cost results only from the negotiated wage increase and does not include the cost of associated MCERA rate changes. The terms and conditions of the pension benefit plan remain unchanged.*

While the incremental cost is \$129,595 for fiscal year 2021-2022, \$134,634 for fiscal year 2022-2023, and \$139,871 for fiscal year 2023-2024, the increases are compounding and therefore the projected cumulative wages and other costs total \$797,924 plus \$74,200 in one-time costs for the furlough repayment, totaling \$872,124 for the three-year term. The incremental cost for fiscal year 21-22 includes the prior year (fiscal year 20/21) restoration of a 3% base wage increase. The increase in compensation included in this resolution is in line with the City's current budget projections. Funding for these positions is provided for in the City's General Fund.

OPTIONS:

The City Council has the following options to consider in this matter:

- Accept staff's recommendation to adopt the resolution.
- Adopt resolution with modifications.
- Direct staff to return with more information.
- Take no action.

RECOMMENDED ACTION:

Staff recommends that the City Council adopt the Resolution Establishing the Compensation and Working Conditions for Unrepresented Executive Management Employees (July 1, 2021 through June 30, 2024), which includes repayment of the FY 20-21 furlough.

ATTACHMENTS:

1. Resolution Establishing the Compensation and Working Conditions for Unrepresented Executive Management Employees (July 1, 2021 through June 30, 2024), with attachments

RESOLUTION NO.

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN RAFAEL ESTABLISHING THE
COMPENSATION AND WORKING CONDITIONS FOR UNREPRESENTED EXECUTIVE
MANAGEMENT EMPLOYEES
(July 1, 2021 through June 30, 2024)**

WHEREAS, the Salary Resolution establishing the terms of compensation for the Unrepresented Executive Management group expired on June 30, 2021; and

WHEREAS, Unrepresented Executive Management employees were subject to a 5% furlough reduction for Fiscal Year 2020-21; and

WHEREAS, year-end review of the FY 20-21 budget shows that the City's projected revenue losses anticipated due to the pandemic did not materialize as expected and the City is in a financial position to issue repayment of the furlough reduction; and

WHEREAS, the circumstances that make it possible for the City to reimburse employees for the furlough are extremely unique in nature and this one-time reimbursement for FY 20-21 is non-precedential;

NOW, THEREFORE BE IT RESOLVED that the City Council of the City of San Rafael hereby approve the following compensation and working conditions for Unrepresented Executive Management employees and repayment of the furlough reduction taken for FY 20-21.

1. EXECUTIVE MANAGEMENT EMPLOYEES

The Executive Management Employees of the City of San Rafael are the Executive Management Job Class Titles ("Executives") enumerated in Exhibit A, attached hereto and incorporated herein. This Resolution shall constitute the compensation and conditions of employment for the Executives for the period from July 1, 2021 through June 30, 2024.

2. SALARY AND COMPENSATION GOALS

A. GOALS AND COMPENSATION DEFINITIONS

It is the goal of the City Council to try to achieve a total compensation package for all Executives that is competitive compared to similar cities in our labor market. The survey cities are Fairfield, Hayward, San Leandro, South San Francisco, Alameda, Napa, Novato, and Santa Rosa. The Council's goal is to attract and retain the most qualified Executives in accordance with the City's ability to pay.

Total Compensation for survey purposes shall be defined as: Top step salary (excluding longevity pay steps), educational incentive pay, holiday pay, uniform allowance, auto allowance, employer paid deferred compensation (except for such portion that may be part of employee cafeteria plan), employer's contribution towards employees' share of retirement, employer's retirement contribution, employer paid contributions toward insurance premiums for health, life, long term disability, dental and vision plans, Executive Management allowance, and employer paid cafeteria/flexible spending accounts.

B. COMPENSATION SURVEYS

In order to measure progress towards the above-stated goal, the City shall survey all Executive Management positions in the final year of the Resolution in advance of discussions regarding a successor Resolution.

Identified survey positions from other agencies include positions that are filled as well as those that may be unfilled, so long as the position is identified by the survey agency as being on the salary schedule and having a job class description. The appropriate survey positions will be selected for Executive Management positions based upon similar work and similar job requirements.

The City shall review the survey data for accuracy and completeness. The City shall provide the survey data to all Executives.

C. SALARY INCREASES

Prior year contract extension – restoration of 3% base wage: For FY 20-21, all bargaining groups (except WCE, Local 1, Mid-Management and Executive Management) received a 3% base wage increase for the 1-year contract extension which was implemented for FY 20/21. The timing of the COVID-19 pandemic and the associated financial losses which were projected at that time, resulted in an unintended disparate treatment of the bargaining groups. WCE, Local 1, Mid-Management and Executive Management did not receive this same 3% base wage increase for FY 20-21. However, the City is now in a financial position to “restore” the 3% base wage increase to those groups. The 3% base wage increase will apply to all Executive management positions and is reflected in the attached salary schedule.

Individual classification salary increase percentages depend on the labor market adjustment applied to each position. The salary schedule included with this salary resolution authorizes the proposed new salary for each position.

D. CAR ALLOWANCE

The monthly car allowance paid to the Executives shall be \$350. Executives identified in Exhibit A may be eligible to have use of a city car in lieu of the monthly car allowance at the discretion of the City Manager.

3. INSURANCE

Health & Dental Insurance benefits are prorated for part-time employees in accordance with the percentage of full-time work schedule. Domestic partners who are registered with the Secretary of State and same-sex spouses are considered dependents under these benefits. Pertinent taxes will be applied to coverage provided to registered domestic partners and same sex spouses as required by federal and state laws.

A. HEALTH INSURANCE

1. **Health Insurance for Active Employees.** Effective January 1, 2009, the City implemented a full flex cafeteria plan for active employees, in accordance with IRS Code Section 125. Active employees participating in the City’s full flex cafeteria plan shall receive a monthly flex dollar allowance to purchase benefits under the full flex cafeteria plan.

The monthly flex dollar allowance effective the paycheck of December 15, 2020 shall be:

| | |
|--|------------|
| For employee only: | \$ 673.42 |
| For employee and one dependent: | \$1,346.82 |
| For employee and two or more dependents: | \$1,750.88 |

Flex dollar allowances for Executive Management Employees represented by this resolution shall increase on the December 15th paycheck of each subsequent year by up to a maximum of three percent (3%) on an annual basis, based on but not to exceed the Kaiser Bay Area premium rate increase for the upcoming calendar year.

The City shall contribute to the cost of medical coverage for each eligible employee and his/her dependents, an amount not to exceed the California Public Employees' Medical and Hospital Care Act (PEMHCA) contribution, as determined by CalPERS on an annual basis. This portion of the monthly flex dollar allowance is identified as the City's contribution towards PEMHCA. The balance of the monthly flex dollar allowance (after the PEMHCA minimum contribution) may be used in accordance with the terms of the cafeteria plan to purchase health benefits or may be converted to taxable income.

Conditional Opt-Out Payment: An employee may elect to waive the City's health insurance coverage and receive the value of the Employee Only contribution as a monthly Opt-Out payment in accordance with the terms of the cafeteria plan, and the Affordable Care Act, if the employee complies with the following conditions:

- 1) The employee certifies that the employee and all individuals in the employee's tax family for whom coverage is waived, have alternative Minimum Essential Coverage as defined by the Patient Protection and Affordable Care Act through a provider other than a federal marketplace, a state exchange, or an individual policy.
- 2) During the City's annual open enrollment period, the employee must complete an annual written attestation confirming that the employee and the other members of the employee's tax family are enrolled in alternative Minimum Essential Coverage. The employee agrees to notify the City no later than 30 days if the employee or other member(s) of the employee's tax family lose coverage under the alternative Minimum Essential Coverage Plan.
- 3) The employee understands that the City is legally required to immediately stop conditional opt-out payments if the City learns that the employee and/or members of the employee's family do not have the alternative Minimal Essential Coverage.

The City reserves the right to modify at any time, the amount an employee is eligible to receive under this paragraph, if required by IRS Cafeteria Plan regulations, other legislation or Federal and/or California agency guidance.

Miscellaneous Allowance for Employees hired on or before January 1, 2009:

The City shall pay to employees hired on or before January 1, 2009 a miscellaneous allowance in an amount equivalent to the difference between the employee's benefit election for coverage under PEMHCA and their flex dollar allowance, if their benefit election under PEMHCA exceeds their flex dollar allowance. The miscellaneous allowance shall be treated as income. An employee may use the miscellaneous allowance to pay for health coverage on a pre-tax basis as defined under the City's Cafeteria plan.

2. Health Insurance for Retirees

a. Executives Hired prior to April 1, 2007 and who retire from the Marin County Employees' Retirement Association (MCERA) within 120 days of leaving their City of San Rafael Executive Management position (and who comply with the appropriate retirement provisions under the MCERA laws and regulations) are eligible to continue in the City's group health insurance program. The City's contribution towards the coverage of retirees under this subsection (3.A.2.a) shall be the PEMHCA minimum contribution as determined by CalPERS on an annual basis.

On a monthly basis, the City shall make a longevity payment equivalent to the difference between the PEMHCA minimum contribution and the premium cost of coverage, for the retiree and the retiree's spouse/registered domestic partner or surviving spouse/registered domestic partner and/or qualified dependent children's coverage under PEMHCA up to the maximum contribution the City makes towards the cost of coverage of an active employee hired prior to April 1, 2007. The City's longevity contribution shall remain in effect for the retired manager's life and that of the retired manager's spouse/registered domestic partner or surviving spouse/registered domestic partner.

As described in this subsection, the City shall reimburse retired Executives and their spouses or registered domestic partners the Medicare Part B standard premium amount, as determined by the Centers of Medicare and Medicaid Services (CMS) on an annual basis. To initiate reimbursement, retirees must submit proof of payment of the Medicare Part B premiums to the Human Resources Department. If the Medicare Part B is deducted from social security, the retiree/spouse/domestic partner may submit a copy of the social security check, the Medicare Part B bill, or other relevant documentation. Reimbursements will be processed on a quarterly basis. This reimbursement shall remain in effect for the retired Executive's life and that of the retired Executive's spouse/registered domestic partner or surviving spouse/registered domestic partner.

b. Executives hired on or after April 1, 2007 and who retire from the Marin County Employees' Retirement Association (MCERA) within 120 days of leaving their City of San Rafael position (and comply with the appropriate retirement provisions under the MCERA laws and regulations) are eligible to continue in the City's group health insurance program. The City's contribution towards the coverage of retirees under this subsection (3.A.2.b) shall be the PEMHCA minimum contribution as determined by CalPERS on an annual basis.

On a monthly basis, the City shall make a longevity payment equivalent to the difference between the PEMHCA minimum contribution and the premium cost of coverage, up to \$600, for the retiree. The City shall not be responsible for making any contributions towards the cost of coverage of the retiree's spouse, registered domestic partner or retiree's dependents. The City's longevity contribution shall cease on the retired manager's death. The City shall not be responsible for reimbursing retired Executives and/or their spouses for any Medicare premiums paid by the retired manager and/or the retired manager's spouse or surviving spouse.

c. Executives hired on or after January 1, 2009 and who retire from the Marin County Employees' Retirement Association (MCERA) within 120 days of leaving their City of San Rafael position (and comply with the appropriate retirement provisions under the MCERA laws and regulations) are eligible to continue in the City's group health insurance program. The City's contribution towards the coverage of retirees under this subsection (3.A.2.c) shall be the

PEMHCA minimum contribution as determined by CalPERS on an annual basis. The City shall not be responsible for reimbursing retired Executives and/or their spouses for any Medicare premiums paid by the retired manager and/or the retired manager's spouse or surviving spouse.

The City shall additionally make available a retiree health care trust to enable these employees to prefund retiree health care premiums while employed by the City. The retiree health care trust shall be funded by the mandatory annual conversion of 50 hours of sick time in service on July 1 of each year, provided an employee has a remaining balance of 75 hours of sick leave after the conversion.

B. LIFE INSURANCE

The City shall provide a basic group life insurance plan in the amount of \$250,000 at no cost to the employee

C. LONG-TERM DISABILITY INSURANCE

The City shall provide long term disability (LTD) insurance, at no cost to the employee, with a benefit of two-thirds (2/3) of the employee's monthly salary, up to a maximum benefit of \$7,500 (reduced by any deductible benefits).

D. DENTAL INSURANCE

The City shall make available to employees an additional flex dollar allowance equal to \$113 per month to purchase dental coverage under the City's dental plan. The City shall pay dental premiums on behalf of the employee and eligible dependents.

E. VISION PLAN

The City will contract for and pay for a vision plan for "employee plus dependent" vision benefits.

F. EMPLOYEE ASSISTANCE PLAN

The City provides an Employee Assistance Program (EAP) with confidential personal counseling on work and family related issues such as eldercare, substance abuse, etc. Supervisors may also utilize the EAP to refer employees to counselors for work related assistance.

4. RETIREMENT

A. EMPLOYER PAID MEMBER CONTRIBUTION (EPMC)

Each Manager is responsible for paying the full cost of their employee contribution rate as established by the Marin County Employee Retirement Association.

Effective September 1, 2013, in accordance with MCERA and City administrative requirements, all Executive employees will pay an additional contribution of one percent (1%) of pensionable compensation toward the normal cost of pension provided by the Marin County Employees Retirement Association, in addition to the current employee contribution towards pension as determined by MCERA.

The only employees excluded from this payment are long-term City employees with thirty or more years of City service who no longer have to pay any employee contribution to the Marin County Retirement System.

B. COLA

Executives participating in the Marin County Employee Retirement Association will pay their full share of members' cost of living rates as allowed under Articles 6 and 6.8 of the 1937 Retirement Act. Miscellaneous and safety member contribution rates include both the basic and COLA portions (currently 50% of the COLA is charged to members as defined in the 1937 Act).

C. RETIREMENT PLAN

The City shall provide the Marin County Employee Retirement Association 2.7% @55 retirement program to all miscellaneous Executives subject to Marin County Employee Retirement Association procedures and regulations and applicable 1937 Act laws. This is based on an employee's single highest year of compensation.

Employees hired on or after July 1, 2011 will receive an MCERA retirement benefit at the formula 2% at 55, calculated based on the average of their highest three years of compensation, in accordance with MCERA regulations. The annual pension adjustment shall be a maximum of 2% COLA. Minimum retirement age is 55.

Employees hired by the City on or after January 1, 2013 who are defined as "new members" of MCERA in accordance with the Public Employees' Pension Reform Act (PEPRA) of 2013, shall be enrolled in the MCERA 2% @ 62 plan for Miscellaneous members. The employee is responsible for paying the employee contribution of half of the total normal cost of the plan, as defined by MCERA, through a payroll deduction. Final compensation will be based upon the highest annual average compensation earnable during the thirty-six (36) consecutive months of employment immediately preceding the effective date of his or her retirement or some other period designated by the retiring employee.

D. SERVICE CREDIT FOR SICK LEAVE

Executives who are eligible to accrue sick leave and who retire from the City of San Rafael, on or after 07/01/95 and within 120 days of leaving City employment (excludes deferred retirements), shall receive employment service credit (incorporated from Resolution #9414, dated July 17, 1995), for retirement purposes only, for all hours of accrued, unused sick leave (exclusive of any sick leave hours they are eligible to receive and they elect to receive in compensation at the time of retirement, pursuant to Section 5-A of this Resolution).

This provision will no longer be available to Executives hired after June 30, 2009.

E. EXECUTIVE MANAGEMENT ALLOWANCE

As of September 16, 2015, the Executive Management Allowance of 4.59% was rolled into base pay for all Unrepresented Executive Management employees.

5. LEAVES OF ABSENCE

A. SICK LEAVE

Executives shall earn sick leave credits at the rate of one (1) working day per month commencing with the date of employment. Accrued sick leave may be used during their probationary period.

Executives who leave City service in good standing shall receive compensation (cash in) of all accumulated, unused sick leave based upon the rate of three percent (3%) for each year of service up to a maximum of fifty percent (50%) of their sick leave balance. In the event of the death of an

employee, payment for unused sick leave (based upon the previously stated formula) shall be paid to the employee's designated beneficiary.

Executives may accrue unlimited sick leave for usage purposes. However, a maximum of one thousand, two hundred hours (1,200) accrual applies for cash-in purposes at the time of City separation.

Executives may use sick leave prior to completion of probation. In recognition of Executives' exempt status under FLSA, time off for sick leave purposes shall not be deducted from a Manager's sick leave accrual, unless the employee is absent for the full workday.

Use of sick leave for work-related injuries or illnesses shall not be required when it is determined by the treating physician that this status is permanent and stationary.

B. VACATION LEAVE

1. **Vacation Accrual** - Vacation is accrued when an employee is on pay status and is credited on a semi-monthly basis. Eligible employees accrue vacation at the following rate for continuous service performed in pay status:

| <u>Years of service</u> | <u>Leave Accrual rate/yearly</u> |
|-------------------------|----------------------------------|
| 1-5 years | 15 days |
| 6 years | 16 days |
| 7 years | 17 days |
| 8 years | 18 days |
| 9 years | 19 days |
| 10 years | 20 days |
| 11 years | 21 days |
| 12 years | 22 days |
| 13 years | 23 days |
| 14 years | 24 days |
| 15 plus years | 25 days |

In recognition of Executives' exempt status under FLSA, time off for vacation leave purposes shall not be deducted from a Manager's vacation accrual unless the employee is absent for the full workday.

2. **Administration of Vacation Leave**

The City Manager may advance vacation leave to a Manager; prior approval is required. Executives may accrue a maximum of 250 hours of vacation. Vacation leave accrual shall resume once the employee's accumulated vacation leave balance falls below the accrual limit of 250 hours. Executives who terminate their employment shall be paid in a lump sum for all accrued vacation leave earned prior to the date of termination. Executives may not utilize accrued vacation, administrative leave time, or personal leave time to extend their retirement date and service credit at the end of their city service. The vacation accrual may be increased to a maximum of 300 hours at the discretion of the City Manager.

3. **Annual Option for Payment of Accrued Vacation Leave**

A Manager who has taken at least ten (10) days of vacation in the preceding twelve (12) months, may request that his/her accrued vacation, not to exceed fifty-two and 1/2 (52.5) hours, be paid

to him/her in cash. The request may be granted at the discretion of the City Manager. Executives may not cash-in more than fifty-two and 1/2 (52.5) hours within any twelve (12) month period.

C. ADMINISTRATIVE LEAVE

Executives shall receive ten (10) Administrative Leave days (75 hours) each calendar year subject to the approval of the City Manager. An additional three (3) days may be granted at the discretion and with approval of the City Manager. Unused Administrative Leave shall not carry over from one calendar year to the next, nor shall unused Administrative Leave balances be paid to a Manager upon his/her resignation.

In recognition of exempt status under FLSA time off for Administrative leave purposes shall not be deducted from a Manager's administrative leave accrual, unless the employee is absent for the full workday.

D. HOLIDAYS

City shall provide eleven designated holidays and two floating holidays per calendar year to Executives. The hours for the floating holidays are automatically added to an employees' vacation accrual on a semi-annual basis.

E. BEREAVEMENT LEAVE

In the event of the death of a Manager's spouse, child, parent, brother, sister, in-law(s), relative who lives or has lived in the home of the employee, and/or another individual who has a legal familial relationship to the employee and resided in the employee's household, the City shall provide bereavement leave up to a maximum of three (3) days within the state and five (5) days out-of-state.

F. CATASTROPHIC LEAVE

All Executives shall abide by the City's Catastrophic Leave Policy.

6. EMPLOYMENT TERMS

A. HOURS OF WORK

The WORK WEEK will reflect thirty-seven and one-half (37.5) hours for all job classes. Unless otherwise designated, the normal business hours for vacation, sick and administrative leave deduction and sick and administrative leave accrual purposes for Executives shall be 7.5 hours per day.

B. DRUG FREE WORK PLACE

All Executives shall abide by the City's Drug and Alcohol Policy.

C. FURLOUGH PLAN

Executives endorse the Furlough Program described in Exhibit B.

D. PAY FOR PERFORMANCE EVALUATION SYSTEM

Executives shall be evaluated annually based upon the evaluation program adopted by the City Council in October of 1996 and incorporated by reference herein.

E. OUTSIDE EMPLOYMENT

All Executives shall abide by the City's Outside Employment Policy.

F. GYM REIMBURSEMENT

Employees are eligible to receive up to \$16.50 per month reimbursement for paid gym memberships. Such reimbursement shall be reported as taxable income to the employee.

I, **LINDSAY LARA**, Clerk of the City of San Rafael, hereby certify that the foregoing resolution was duly and regularly introduced and adopted at a regular meeting of the Council of said City held on the 19th day of July 2021 by the following vote, to wit:

AYES: COUNCILMEMBERS:

NOES: COUNCILMEMBERS:

ABSENT: COUNCILMEMBERS:

LINDSAY LARA, CITY CLERK

**SAN RAFAEL UNREPRESENTED EXECUTIVE MANAGEMENT
SALARY SCHEDULE
Effective July 1, 2021**

| Grade | Position | A | B | C | D | E |
|-------|---|-----------|-----------|-----------|-----------|-----------|
| 2501 | Assistant City Attorney | \$ 12,035 | \$ 12,637 | \$ 13,268 | \$ 13,932 | \$ 14,628 |
| 2001 | Assistant City Manager | \$ 14,305 | \$ 15,020 | \$ 15,771 | \$ 16,560 | \$ 17,387 |
| 2300 | Community Development Director | \$ 13,888 | \$ 14,583 | \$ 15,312 | \$ 16,078 | \$ 16,881 |
| 4205 | Director of Digital Service & Open Government | \$ 12,646 | \$ 13,278 | \$ 13,942 | \$ 14,639 | \$ 15,371 |
| 2801 | Director of Economic Development & Innovation | \$ 12,646 | \$ 13,278 | \$ 13,942 | \$ 14,639 | \$ 15,371 |
| 2205 | District Manager/Engineer (SRSD) | \$ 12,585 | \$ 13,214 | \$ 13,875 | \$ 14,568 | \$ 15,297 |
| 2140 | Finance Director | \$ 12,646 | \$ 13,278 | \$ 13,942 | \$ 14,639 | \$ 15,371 |
| 7101 | Fire Chief | \$ 14,235 | \$ 14,946 | \$ 15,694 | \$ 16,478 | \$ 17,302 |
| 1106 | Human Resources Director | \$ 12,646 | \$ 13,278 | \$ 13,942 | \$ 14,639 | \$ 15,371 |
| 2406 | Library and Recreation Director | \$ 13,283 | \$ 13,947 | \$ 14,644 | \$ 15,376 | \$ 16,145 |
| 6101 | Police Chief | \$ 14,235 | \$ 14,946 | \$ 15,694 | \$ 16,478 | \$ 17,302 |
| 2201 | Public Works Director | \$ 13,956 | \$ 14,653 | \$ 15,386 | \$ 16,155 | \$ 16,963 |

| Position | Monthly Salary |
|--------------------------|----------------|
| City Manager (Appointed) | \$ 20,987 |

**SAN RAFAEL UNREPRESENTED EXECUTIVE MANAGEMENT
SALARY SCHEDULE
Effective July 1, 2022**

| Grade | Position | A | B | C | D | E |
|-------|---|-----------|-----------|-----------|-----------|-----------|
| 2501 | Assistant City Attorney | \$ 12,456 | \$ 13,079 | \$ 13,733 | \$ 14,419 | \$ 15,140 |
| 2001 | Assistant City Manager | \$ 14,877 | \$ 15,621 | \$ 16,402 | \$ 17,222 | \$ 18,083 |
| 2300 | Community Development Director | \$ 14,375 | \$ 15,093 | \$ 15,848 | \$ 16,640 | \$ 17,472 |
| 4205 | Director of Digital Service & Open Government | \$ 13,152 | \$ 13,809 | \$ 14,500 | \$ 15,225 | \$ 15,986 |
| 2801 | Director of Economic Development & Innovation | \$ 13,151 | \$ 13,809 | \$ 14,499 | \$ 15,224 | \$ 15,986 |
| 2205 | District Manager/Engineer (SRSD) | \$ 13,025 | \$ 13,676 | \$ 14,360 | \$ 15,078 | \$ 15,832 |
| 2140 | Finance Director | \$ 13,151 | \$ 13,809 | \$ 14,499 | \$ 15,224 | \$ 15,986 |
| 7101 | Fire Chief | \$ 14,804 | \$ 15,544 | \$ 16,321 | \$ 17,137 | \$ 17,994 |
| 1106 | Human Resources Director | \$ 13,151 | \$ 13,809 | \$ 14,499 | \$ 15,224 | \$ 15,986 |
| 2406 | Library and Recreation Director | \$ 13,814 | \$ 14,505 | \$ 15,230 | \$ 15,991 | \$ 16,791 |
| 6101 | Police Chief | \$ 14,804 | \$ 15,544 | \$ 16,321 | \$ 17,137 | \$ 17,994 |
| 2201 | Public Works Director | \$ 14,514 | \$ 15,239 | \$ 16,001 | \$ 16,801 | \$ 17,642 |

| Position | Monthly Salary |
|--------------------------|----------------|
| City Manager (Appointed) | \$ 21,721 |

**SAN RAFAEL UNREPRESENTED EXECUTIVE MANAGEMENT
SALARY SCHEDULE
Effective July 1, 2023**

| Grade | Position | A | B | C | D | E |
|-------|---|-----------|-----------|-----------|-----------|-----------|
| 2501 | Assistant City Attorney | \$ 12,892 | \$ 13,537 | \$ 14,214 | \$ 14,924 | \$ 15,670 |
| 2001 | Assistant City Manager | \$ 15,472 | \$ 16,246 | \$ 17,058 | \$ 17,911 | \$ 18,806 |
| 2300 | Community Development Director | \$ 14,878 | \$ 15,621 | \$ 16,403 | \$ 17,223 | \$ 18,084 |
| 4205 | Director of Digital Service & Open Government | \$ 13,678 | \$ 14,362 | \$ 15,080 | \$ 15,834 | \$ 16,625 |
| 2801 | Director of Economic Development & Innovation | \$ 13,677 | \$ 14,361 | \$ 15,079 | \$ 15,833 | \$ 16,625 |
| 2205 | District Manager/Engineer (SRSD) | \$ 13,481 | \$ 14,155 | \$ 14,863 | \$ 15,606 | \$ 16,386 |
| 2140 | Finance Director | \$ 13,677 | \$ 14,361 | \$ 15,079 | \$ 15,833 | \$ 16,625 |
| 7101 | Fire Chief | \$ 15,396 | \$ 16,166 | \$ 16,974 | \$ 17,823 | \$ 18,714 |
| 1106 | Human Resources Director | \$ 13,677 | \$ 14,361 | \$ 15,079 | \$ 15,833 | \$ 16,625 |
| 2406 | Library and Recreation Director | \$ 14,366 | \$ 15,085 | \$ 15,839 | \$ 16,631 | \$ 17,462 |
| 6101 | Police Chief | \$ 15,396 | \$ 16,166 | \$ 16,974 | \$ 17,823 | \$ 18,714 |
| 2201 | Public Works Director | \$ 15,094 | \$ 15,849 | \$ 16,641 | \$ 17,474 | \$ 18,347 |

| Position | Monthly Salary |
|--------------------------|----------------|
| City Manager (Appointed) | \$ 22,482 |

EXECUTIVE MANAGEMENT SALARY RESOLUTION
EXHIBIT "B"

FURLOUGH PROGRAM

Both the City of San Rafael and the Management Group employees recognize the current economic condition of the State of California and the City of San Rafael. Through this recognition and in a cooperative spirit the City of San Rafael and these employees have worked expeditiously on the development of a Furlough Program. This does not mean the City will necessarily implement furloughs; but in the event it is necessary to implement due to continued economic problems in the City of San Rafael the procedures for this Furlough Program shall provide for both Voluntary Time Off (herein described as VTO) and Mandatory Time Off (herein described as MTO).

Voluntary Time Off (VTO).

The needs of the City and the respective departments (as determined by the Department Director and City Manager) will need to be considered in the actual granting of VTO. Any VTO time granted and the resulting savings will have a corresponding impact on the time needed through MTO.

1. An employee's VTO time would count in determining how many hours of MTO an employee needed to take during the fiscal year.
2. Employees who take VTO at a time other than when MTO is taken by other employees will have to take vacation leave, compensatory time off or leave without pay if the MTO results in the closure of the department.

Mandatory Time Off (MTO).

The City will attempt to schedule MTO time in blocks of days (between Christmas and New Years) or individual days next to scheduled holidays and/or weekends.

1. Employees may not take paid vacation time in lieu of designated MTO time.
2. For retirement calculation purposes of the MTO, the City shall follow the policies and procedures of the Marin County Employees' Retirement Association (MCERA) at the time of the furlough.
3. Any employee who notifies the City no later than 07/30/11 of their retirement date and retires from the City during FY 11-12 shall be exempted from the MTO requirements. If said employee did not retire during FY 11-12 as stated, said employee would be docked in pay an amount equivalent to the number of MTO hours taken by other represented employees.
4. MTO time shall apply toward time in service for step increases, completion of probation, and related service credit subject to the policies and procedures of the Marin County Employees' Retirement Association (MCERA).

Other Terms and Conditions.

1. The MTO salary reduction shall be limited to a maximum five percent (5%) reduction in work hours/pay for the fiscal year. When the maximum MTO reduction (5%) is implemented, the involved employee shall be credited with three (3) days of float time.
2. Float Time accrued through the MTO Program must be taken in the fiscal year following the furlough, with supervisory approval, or the leave will be forfeited. The float days have no cash value upon termination of employment.
3. Should the City experience a financial windfall during the fiscal year that furloughs are implemented, the City agrees to re-open discussions on this Furlough Program.
4. The VTO/MTO salary reduction is intended to be permanent for the term of this contract.



SAN RAFAEL CITY COUNCIL AGENDA REPORT

Department: Human Resources

Prepared by: Sylvia Gonzalez-Shelton,
Human Resources Operations Manager

City Manager Approval: _____

TOPIC: APPROVAL OF THE NEW RESOLUTION THAT AUTHORIZES COMPENSATION FOR MID-MANAGEMENT EMPLOYEES

SUBJECT: RESOLUTION ESTABLISHING THE COMPENSATION AND WORKING CONDITIONS FOR UNREPRESENTED MID-MANAGEMENT EMPLOYEES (JULY 1, 2021 THROUGH JUNE 30, 2024) AND FY 20-21 FURLOUGH REPAYMENT

RECOMMENDATION: Adopt Resolution Establishing the Compensation and Working Conditions for Unrepresented Mid-Management Employees (July 1, 2021 through June 30, 2024), which includes repayment of the FY 20-21 furlough.

BACKGROUND:

The unrepresented Mid-Management employee group (“Mid-Managers”) includes 27 positions assigned to various City departments. These Mid-Managers support ongoing services and operations around the City. The Unrepresented Mid-Management Salary Resolution expired on June 30, 2020 and was extended by amendment through June 30, 2021. In keeping with the equity adjustment approach for Unrepresented Mid-Management and Executive Management employees, salary increases for each position depend on the extent to which each position is behind the labor market average. The recommended increases for the Unrepresented Mid-Management group are in line with what has being proposed for approval by the City Council for non-safety bargaining groups for the same three-year period.

ANALYSIS:

The following reflects highlights of the recommended salary resolution and is consistent with the economic guidelines authorized by the City Council. The attached resolution includes all of the recommended changes.

- 1. Term of the Resolution:** July 1, 2021 through June 30, 2024
- 2. Salary Increase:** Individual salary increase percentages for the Unrepresented Mid-Management are based on how far behind each position is in comparison to the labor market average. Positions that over the labor market are eligible for a 1.6% base wage increase. Positions 10% or less

FOR CITY CLERK ONLY

Council Meeting: _____

Disposition: _____

behind the labor market average are eligible for a 3.5% base wage increase. Positions that are more than 10% behind the labor market average are eligible for a 4% base wage increase. The salary schedule included in the attached resolution authorizes the proposed new salary for each position.

- 3. Prior year resolution extension – restoration of 3% base wage:** In FY 20/21, all employees (except WCE, Local 1, Mid-Management and Executive Management) received a minimum 3% base wage increase with the 1-year contract extension implemented for FY 20/21. The timing of the COVID-19 pandemic and the associated financial losses which were projected at that time, resulted in an unintended disparate treatment of WCE, Local 1, Mid-Management and Executive Management, who did not receive this same base wage increase. However, the City is now in a financial position to “restore” a 3% base wage increase to these groups. The 3% base wage will apply to all Unrepresented Mid-Management positions and is reflected in the attached salary schedule effective July 1, 2021.

FY 20-21 Furlough Repayment

In response to the global COVID-19 pandemic that began in the spring of 2020, the City of San Rafael declared a local state of emergency. In anticipation of dire financial circumstances, the City exercised its management rights under the salary resolution and implemented a Citywide furlough for all non-safety positions. Based on the best financial projections available at the time, it was necessary and prudent to implement the furlough in order to avoid potential workforce reductions in the future.

Year-end review of the FY 20/21 budget shows that the City’s projected revenue losses anticipated due to the pandemic fortunately did not materialize as expected and the City is projecting a financial surplus for fiscal year 20/21. As a result, the City is in a financial position at this time to issue repayments to employees who were furloughed over the last year. The circumstances that make it possible for the City to reimburse employees for the furlough are extremely unique in nature and this one-time reimbursement for FY 20/21 is non-precedential. The City will issue a one-time re-payment equal to the actual furlough reduction amount taken by each Unrepresented Mid-Management employee for FY 20/21. The City has already made MCERA pension contributions on each employee’s regular (non-furloughed) payroll amount each pay period during FY 20/21, therefore the City will not make any additional contributions to Classic or PEPRA employees’ pensions and the repayment amount is subject to normal payroll taxation. The total amount of the furlough repayment for the Unrepresented Mid-Management group is \$110,700.

FISCAL IMPACT:

The current total annual salary and benefit cost to the City for the 27 Mid-Management employees is \$5,716,357. The additional ongoing incremental cost of the recommended salary resolution beyond the FY 20/21 budget is:

| | <u>Incremental FY 2021-22</u> | <u>Incremental FY 2022-23</u> | <u>Incremental FY 2023-24</u> |
|--------------------------------|--|--|--|
| Wages: | | | |
| Base Salary | \$ 112,564 | \$116,492 | \$120,561 |
| Other costs: | | | |
| Pension* | \$ 56,712 | \$ 58,696 | \$ 60,750 |
| Taxes (Medicare, W/C) | <u>\$ 4,248</u> | <u>\$ 4,373</u> | <u>\$ 4,447</u> |
| Total Incremental Cost: | \$173,524 | \$179,561 | \$185,758 |

SAN RAFAEL CITY COUNCIL AGENDA REPORT / Page: 3

**This incremental pension cost results only from the negotiated wage increase and does not include the cost of associated MCERA rate changes. The terms and conditions of the pension benefit plan remain unchanged.*

While the incremental cost is \$173,524 for fiscal year 2021-2022, \$179,561 for fiscal year 2022-2023, and \$185,758 for fiscal year 2023-2024, the increases are compounding and therefore the projected cumulative wages and other costs total \$1,065,452 plus \$110,700 in one-time costs for the furlough repayment, totaling \$1,176,152 for the three-year term. The incremental cost for fiscal year 21-22 includes the prior year (fiscal year 20/21) restoration of a 3% base wage increase. The increase in compensation included in this resolution is in line with the City's current budget projections. Funding for these positions is provided for in the City's General Fund.

OPTIONS:

The City Council has the following options to consider in this matter:

- Accept staff's recommendation to adopt the resolution.
- Adopt resolution with modifications.
- Direct staff to return with more information.
- Take no action.

RECOMMENDED ACTION:

Staff recommends that the City Council adopt the Resolution Establishing the Compensation and Working Conditions for Unrepresented Mid-Management Employees (July 1, 2021 through June 30, 2024), which includes repayment of the FY 20-21 furlough.

ATTACHMENTS:

1. Resolution Establishing the Compensation and Working Conditions for Unrepresented Mid-Management Employees (July 1, 2021 through June 30, 2024), with attachments

RESOLUTION NO.

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN RAFAEL ESTABLISHING THE COMPENSATION AND WORKING CONDITIONS FOR UNREPRESENTED MID-MANAGEMENT EMPLOYEES (July 1, 2021 through June 30, 2024)

WHEREAS, the Salary Resolution establishing the terms of compensation for the Unrepresented Mid-Management group expired on June 30, 2021; and

WHEREAS, Unrepresented Mid-Management employees were subject to a 5% furlough reduction for Fiscal Year 2020-21; and

WHEREAS, year-end review of the FY 20-21 budget shows that the City's projected revenue losses anticipated due to the pandemic did not materialize as expected and the City is in a financial position to issue repayment of the furlough reduction; and

WHEREAS, the circumstances that make it possible for the City to reimburse employees for the furlough are extremely unique in nature and this one-time reimbursement for FY 20-21 is non-precedential;

NOW, THEREFORE BE IT RESOLVED that the City Council of the City of San Rafael hereby approve the following compensation and working conditions for Unrepresented Mid-Management employees and repayment of the furlough reduction taken for FY 20-21.

1. MID-MANAGEMENT EMPLOYEES

The Mid-Management Employees of the City of San Rafael are the Mid-Management Job Class Titles ("Mid-Managers") enumerated in Exhibit A, attached hereto and incorporated herein. This Resolution shall constitute the compensation and conditions of employment for the Mid-Managers for the period from July 1, 2021 through June 30, 2024.

2. SALARY AND COMPENSATION GOALS

A. GOALS AND COMPENSATION DEFINITIONS

It is the goal of the City Council to try to achieve a total compensation package for all Mid-Managers that is competitive compared to similar cities in our labor market. The survey cities are Fairfield, Hayward, San Leandro, South San Francisco, Alameda, Napa, Novato and Santa Rosa. The Council's goal is to attract and retain the most qualified Mid-Managers in accordance with the City's ability to pay.

Total Compensation for survey purposes shall be defined as: Top step salary (excluding longevity pay steps), educational incentive pay, holiday pay, uniform allowance, employer paid deferred compensation (except for such portion that may be part of employee cafeteria plan), employer's contribution towards employees' share of retirement, employer's retirement contribution, employer paid contributions toward insurance premiums for health, life, long term disability, dental and vision plans, management allowance, and employer paid cafeteria/flexible spending accounts.

B. COMPENSATION SURVEYS

In order to measure progress towards the above-stated goal, the City shall survey the identified Management benchmark positions (Exhibit B) to assess the related Mid-Management positions in the final year of the Resolution in advance of discussions regarding a successor Resolution.

Identified benchmark positions from other agencies include positions that are filled as well as those that may be unfilled, so long as the benchmark position is identified by the survey agency as being on

the salary schedule and having a job class description. Other city/agency positions are established as benchmark positions in San Rafael's compensation survey based upon similar work and similar job requirements.

The City shall review the benchmark and related survey data for accuracy and completeness. The City shall provide the survey data to all Mid-Managers. During the term of this Resolution, Mid-Managers agree to work with the City to identify and implement a new benchmark strategy such as an alignment of Mid-Manager salaries with the respective department director.

C. SALARY INCREASES

Prior year contract extension – restoration of 3% base wage: For FY 20-21, all bargaining groups (except WCE, Local 1, Mid-Management and Executive Management) received a 3% base wage increase for the 1-year contract extension which was implemented for FY 20/21. The timing of the COVID-19 pandemic and the associated financial losses which were projected at that time, resulted in an unintended disparate treatment of the bargaining groups. WCE, Local 1, Mid-Management and Executive Management did not receive this same 3% base wage increase for FY 20-21. However, the City is now in a financial position to “restore” the 3% base wage increase to those groups. The 3% base wage increase will apply to all mid-management positions and is reflected in the salaries listed in the attached salary schedule.

Individual classification salary increase percentages depend on the labor market adjustment applied to each position. The salary schedule included with this salary resolution authorizes the proposed new salary for each position.

3. INSURANCE

Health & Dental Insurance benefits are prorated for part-time employees in accordance with the percentage of full-time work schedule. Domestic partners who are registered with the Secretary of State and same-sex spouses are considered dependents under these benefits. Pertinent taxes will be applied to coverage provided to registered domestic partners and same sex spouses as required by federal and state laws.

A. HEALTH INSURANCE

1. **Health Insurance for Active Employees.** Effective January 1, 2009, the City implemented a full flex cafeteria plan for active employees, in accordance with IRS Code Section 125. Active employees participating in the City's full flex cafeteria plan shall receive a monthly flex dollar allowance to purchase benefits under the full flex cafeteria plan.

The monthly flex dollar allowance effective the paycheck of December 15, 2020 shall be:

| | |
|--|------------|
| For employee only: | \$ 673.42 |
| For employee and one dependent: | \$1,346.82 |
| For employee and two or more dependents: | \$1,750.88 |

Flex dollar allowances shall increase on the December 15th paycheck of each subsequent year by up to a maximum of three percent (3%) on an annual basis, based on but not to exceed the Kaiser Bay Area premium rate increase for the upcoming calendar year.

The City shall contribute to the cost of medical coverage for each eligible employee and his/her dependents, an amount not to exceed the California Public Employees' Medical and Hospital Care Act (PEMHCA) contribution, as determined by CalPERS on an annual basis. This portion of the monthly flex dollar allowance is identified as the City's contribution towards PEMHCA. The balance of the monthly flex dollar allowance (after the PEMHCA minimum contribution) may be used in accordance with the terms of the cafeteria plan to purchase health benefits or may be converted to taxable income.

Conditional Opt-Out Payment: An employee may elect to waive the City's health insurance coverage and receive the value of the Employee Only contribution as a monthly Opt-Out payment in accordance with the terms of the cafeteria plan, and the Affordable Care Act, if the employee complies with the following conditions:

- 1) The employee certifies that the employee and all individuals in the employee's tax family for whom coverage is waived, have alternative Minimum Essential Coverage as defined by the Patient Protection and Affordable Care Act through a provider other than a federal marketplace, a state exchange, or an individual policy.
- 2) During the City's annual open enrollment period, the employee must complete an annual written attestation confirming that the employee and the other members of the employee's tax family are enrolled in alternative Minimum Essential Coverage. The employee agrees to notify the City no later than 30 days if the employee or other member(s) of the employee's tax family lose coverage under the alternative Minimum Essential Coverage Plan.
- 3) The employee understands that the City is legally required to immediately stop conditional opt-out payments if the City learns that the employee and/or members of the employee's family do not have the alternative Minimal Essential Coverage.

The City reserves the right to modify at any time, the amount an employee is eligible to receive under this paragraph, if required by IRS Cafeteria Plan regulations, other legislation or Federal and/or California agency guidance.

Miscellaneous Allowance for Employees hired on or before January 1, 2009:

The City shall pay to employees hired on or before January 1, 2009 a miscellaneous allowance in an amount equivalent to the difference between the employee's benefit election for coverage under PEMHCA and their flex dollar allowance, if their benefit election under PEMHCA exceeds their flex dollar allowance. The miscellaneous allowance shall be treated as income. An employee may use the miscellaneous allowance to pay for health coverage on a pre-tax basis as defined under the City's Cafeteria plan.

2. Health Insurance for Retirees

MID-MANAGERS HIRED PRIOR TO APRIL 1, 2007

- a. **For Mid-Managers who retired before December 1, 2001**, the City's contribution to retiree medical premiums shall be the PEMHCA minimum contribution as designated by PEMHCA on an annual basis.

Longevity Payments: The City shall make a longevity payment equivalent to the difference between the PEMHCA minimum contribution and the premium cost of coverage for the retiree, the retiree's spouse/registered domestic partner and/or qualified dependent children (as defined by PEMHCA) up to \$442 per month. The City's longevity contribution shall remain in effect during the lifetime of the Mid-Manager and Mid-Manager's spouse/registered domestic partner or surviving spouse/registered domestic partner.

- b. **Mid-Managers who retired on or after December 1, 2001** from the Marin County Employees Retirement Association (MCERA) within 120 days of leaving their City of San Rafael Mid-Management position (and who comply with the appropriate retirement provisions under the MCERA laws and regulations) are eligible to receive upon retirement the PEMHCA minimum contribution as designated by PEMHCA on an annual basis.

Longevity Payments: The City shall make a longevity payment equivalent to the difference between the PEMHCA minimum contribution and the premium cost of coverage for the retiree, the retiree's spouse/registered domestic partner and/or qualified dependent children (as defined by PEMHCA) capped at the contribution the City makes towards the health coverage of active Mid-Manager employees. The City's longevity contribution shall

remain in effect during the lifetime of the Mid-Manager and Mid-Manager's spouse/registered domestic partner or surviving spouse/registered domestic partner.

As described in this subsection, the City shall reimburse retired Mid-Managers and their spouses or registered domestic partners the Medicare Part B standard premium amount as determined by the Centers of Medicare and Medicaid Services (CMS) on an annual basis. To initiate reimbursement, retirees must submit proof of payment of the Medicare Part B premiums to the Human Resources Department. If the Medicare Part B is deducted from social security, the retiree/spouse/domestic partner may submit a copy of the social security check, the Medicare Part B bill, or other relevant documentation. Reimbursements will be processed on a quarterly basis. This reimbursement shall remain in effect for the retired Mid-Manager's life and that of the retired Mid-Manager's spouse/registered domestic partner or surviving spouse/registered domestic partner.

MID-MANAGERS HIRED ON OR AFTER APRIL 1, 2007

Mid-Managers who are hired on or after April 1, 2007, and who retire from the Marin County Employees Retirement Association (MCERA) within 120 days of leaving their City of San Rafael position (and comply with the appropriate retirement provisions under the MCERA laws and regulations) are eligible to continue in the City's group health insurance program. The City's contribution towards the coverage of retirees under this subsection (3.A.2.b.) shall be the PEMHCA minimum contribution as determined by CalPERS on an annual basis.

Longevity Payments: The City shall make a longevity payment equivalent to the difference between the PEMHCA minimum contribution and the premium cost of coverage, up to \$600, for the retiree. The City shall not be responsible for making any contributions towards the cost of coverage of the retiree's spouse, registered domestic partner or dependents. The City's longevity contribution shall cease upon the retired Mid-Manager's death.

The City shall not be responsible for reimbursing retired Mid-Managers and/or their spouses for any Medicare premiums paid by the retired Mid-Manager and/or the retired Mid-Manager's spouse or surviving spouse.

MID-MANAGER HIRED ON OR AFTER JANUARY 1, 2009

Mid-Managers who are hired on or after January 1, 2009, and who retire from the Marin County Employees Retirement Association (MCERA) within 120 days of leaving their City of San Rafael position (and comply with the appropriate retirement provisions under the MCERS laws and regulations) are eligible to continue in the City's group health insurance program. The City's contribution towards the coverage of retirees under this subsection (3.A.2.c) shall be the PEMHCA minimum contribution as determined by CalPERS on an annual basis.

The City shall not be responsible for reimbursing retired Mid-Managers and/or their spouses for any Medicare premiums paid by the retired Mid-Manager and/or the retired Mid-Manager's spouse or surviving spouse.

The City shall additionally make available a retiree health care trust to enable these employees to prefund retiree health care premiums while employed by the City. The retiree health care trust shall be funded by the mandatory annual conversion of 50 hours of sick time in service on July 1 of each year, provided an employee has a remaining balance of 75 hours of sick leave after the conversion.

B. LIFE INSURANCE

The City shall provide a basic group life insurance plan in the amount of \$150,000 at no cost to the employee.

C. LONG-TERM DISABILITY INSURANCE

The City shall provide long term disability (LTD) insurance, at no cost to the employee, with a benefit of two-thirds (2/3) of the employee's monthly salary, up to a maximum benefit of \$7500 (reduced by any deductible benefits).

D. DENTAL INSURANCE

The City shall make available to employees, an additional flex dollar allowance equal to \$113 per month to purchase dental coverage under the City's dental plan. The City shall pay dental premiums on behalf of the employee and eligible dependents.

E. VISION PLAN

The City will contract for and pay for a vision plan for "employee plus dependent" vision benefits.

F. EMPLOYEE ASSISTANCE PLAN

The City provides an Employee Assistance Program (EAP) with confidential personal counseling on work and family related issues such as eldercare, substance abuse, etc. Supervisors may also utilize the EAP to refer employees to counselors for work related assistance.

4. RETIREMENT

A. EMPLOYER PAID MEMBER CONTRIBUTION (EPMC)

Each Mid-Manager is responsible for paying the full cost of their employee contribution rate as established by the Marin County Employee Retirement Association.

Effective September 1, 2013, in accordance with MCERA and City administrative requirements, all Mid-Management employees will pay an additional contribution of one percent (1%) of pensionable compensation toward the normal cost of pension provided by the Marin County Employees Retirement Association, in addition to the current employee contribution towards pension as determined by MCERA.

The only employees excluded from this payment are long-term City employees with thirty or more years of City service who no longer have to pay any employee contribution to the Marin County Retirement System.

B. COLA

Mid-Managers participating in the Marin County Employee Retirement Association will pay their full share of members' cost of living rates as allowed under Articles 6 and 6.8 of the 1937 Retirement Act. Miscellaneous and safety member contribution rates include both the basic and COLA portions (currently 50% of the COLA is charged to members as defined in the 1937 Act).

C. RETIREMENT PLAN

The City shall provide the Marin County Employee Retirement Association 2.7% @55 retirement program to all miscellaneous Mid-Manager subject to Marin County Employee Retirement Association procedures and regulations and applicable 1937 Act laws. This is based on an employee's single highest year of compensation.

Employees hired on or after July 1, 2011 will receive an MCERA retirement benefit at the formula 2% at 55, calculated based on the average of their highest three years of compensation, in accordance with MCERA regulations. The annual pension adjustment shall be a maximum of 2% COLA. Minimum retirement age is 55.

Employees hired by the City on or after January 1, 2013 who are defined as "new members" of MCERA in accordance with the Public Employees' Pension Reform Act (PEPRA) of 2013, shall be enrolled in the MCERA 2% @ 62 plan for Miscellaneous members. The employee is responsible for paying the employee contribution of half of the total normal cost of the plan, as defined by MCERA,

through a payroll deduction. Final compensation will be based upon the highest annual average compensation earnable during the thirty-six (36) consecutive months of employment immediately preceding the effective date of his or her retirement or some other period designated by the retiring employee.

D. SERVICE CREDIT FOR SICK LEAVE

Mid-Managers who are eligible to accrue sick leave and who retire from the City of San Rafael, on or after 07/01/95 and within 120 days of leaving City employment (excludes deferred retirements), shall receive employment service credit (incorporated from Resolution #9414, dated July 17, 1995), for retirement purposes only, for all hours of accrued, unused sick leave (exclusive of any sick leave hours they are eligible to receive and they elect to receive in compensation for at the time of retirement, pursuant to Section 5 A. of this Resolution). This provision will no longer be available to Mid-Managers hired after June 30, 2009.

E. MANAGEMENT ALLOWANCE

As of September 16, 2015, the Management Allowance of 4.54% was rolled into base pay for all Unrepresented Mid-Management employees.

5. LEAVES OF ABSENCE

A. SICK LEAVE

Mid-Managers shall earn sick leave credits at the rate of one (1) working day per month commencing with the date of employment. Accrued sick leave may be used during their probationary period.

Mid-Managers who leave City service in good standing shall receive compensation (cash in) of all accumulated, unused sick leave based upon the rate of three percent (3%) for each year of service up to a maximum of fifty percent (50%) of their sick leave balance. In the event of the death of an employee, payment for unused sick leave (based upon the previously stated formula) shall be paid to the employee's designated beneficiary.

Mid-Managers may accrue unlimited sick leave for usage purposes. However, a maximum of one thousand, two hundred hours (1,200) accrual applies for cash-in purposes at the time of City separation.

Mid-Managers may use sick leave prior to completion of probation. In recognition of Mid-Managers' exempt status under FLSA, time off for sick leave purposes shall not be deducted from a Mid-Manager's sick leave accrual, unless the employee is absent for the full work day.

Use of sick leave for work-related injuries or illnesses shall not be required when it is determined by the treating physician that this status is permanent and stationary.

B. VACATION LEAVE

- 1. Vacation Accrual** - Vacation is accrued when an employee is on pay status and is credited on a semi-monthly basis. Eligible employees accrue vacation at the following rate for continuous service performed in pay status:

| <u>Years of service</u> | <u>Leave Accrual rate/yearly</u> |
|-------------------------|----------------------------------|
| 1-5 years | 15 days |
| 6 years | 16 days |
| 7 years | 17 days |
| 8 years | 18 days |
| 9 years | 19 days |
| 10 years | 20 days |

| | |
|---------------|---------|
| 11 years | 21 days |
| 12 years | 22 days |
| 13 years | 23 days |
| 14 years | 24 days |
| 15 plus years | 25 days |

In recognition of Mid-Managers' exempt status under FLSA, time off for vacation leave purposes shall not be deducted from a Mid-Manager's vacation accrual unless the employee is absent for the full work day.

2. Administration of Vacation Leave

The City Manager may advance vacation leave to a Mid-Manager; prior approval is required. Mid-Managers may accrue a maximum of 250 hours of vacation. Vacation leave accrual shall resume once the employee's accumulated vacation leave balance falls below the accrual limit of 250 hours. Mid-Managers who terminate their employment shall be paid in a lump sum for all accrued vacation leave earned prior to the date of termination. Mid-Managers may not utilize accrued vacation, administrative leave time, or personal leave time to extend their retirement date and service credit at the end of their city service. The vacation accrual may be increased to a maximum of 300 hours at the discretion of the City Manager.

3. Annual Option for Payment of Accrued Vacation Leave

A Mid-Manager who has taken at least ten (10) days of vacation in the preceding twelve (12) months, may request that his/her accrued vacation, not to exceed fifty-two and 1/2 (52.5) hours, be paid to him/her in cash. The request may be granted at the discretion of the City Manager. Mid-Managers may not cash-in more than fifty-two and 1/2 (52.5) hours within any twelve (12) month period.

C. *ADMINISTRATIVE LEAVE*

Mid-Managers shall receive ten (10) Administrative Leave days (75 hours) each calendar year subject to the approval of the Department Director and the City Manager. An additional three (3) days may be granted at the discretion and with approval of the department director and the City Manager. Unused Administrative Leave shall not carry over from one calendar year to the next, nor shall unused Administrative Leave balances be paid to a Mid-Manager upon his/her resignation.

In recognition of exempt status under FLSA time off for Administrative leave purposes shall not be deducted from a Mid-Manager's administrative leave accrual, unless the employee is absent for the full work day.

D. *HOLIDAYS*

City shall provide eleven designated holidays and two floating holidays per calendar year to Mid-Managers. The hours for the floating holidays are automatically added to an employees' vacation accrual on a semi-annual basis.

E. *BEREAVEMENT LEAVE*

In the event of the death of a Mid-Manager's spouse, child, parent, brother, sister, in-law(s), relative who lives or has lived in the home of the employee, and/or another individual who has a legal familial relationship to the employee and resided in the employee's household, the City shall provide bereavement leave up to a maximum of three (3) days within the state and five (5) days out-of-state.

F. *CATASTROPHIC LEAVE*

All Mid-Managers shall abide by the City's Catastrophic Leave Policy.

6. EMPLOYMENT TERMS

A. *HOURS OF WORK*

The WORK WEEK will reflect thirty-seven and one-half (37.5) hours for all job classes. Unless otherwise designated, the normal business hours for vacation, sick and administrative leave deduction and sick and administrative leave accrual purposes for Mid-Managers shall be 7.5 hours per day.

B. *DRUG FREE WORK PLACE*

All Mid-Managers shall abide by the City's Drug and Alcohol Policy.

C. *FURLOUGH PLAN*

Mid-Managers endorse the Furlough Program described in Exhibit C attached to this Resolution.

D. *PAY FOR PERFORMANCE EVALUATION SYSTEM*

Mid-Managers shall be evaluated annually based upon the evaluation program adopted by the City Council in October of 1996 and incorporated by reference herein.

E. *OUTSIDE EMPLOYMENT*

All Mid-Managers shall abide by the City's Outside Employment Policy.

F. *CITY VEHICLE*

Under limited circumstances, a city vehicle may be provided to a Mid-Manager if it is determined to be needed to complete his/her job duties and upon approval of the City Manager.

G. *UNIFORM ALLOWANCE*

If required to wear a uniform which is not provided by the City, employee shall receive an annual uniform allowance of \$445 per year, paid in two installments, in June and December.

H. *GYM REIMBURSEMENT*

Employees are eligible to receive up to \$16.50 per month reimbursement for paid gym memberships. Such reimbursement shall be reported as taxable income to the employee.

I. *Professional Development*

The City Manager commits to working with each department's management team to establish dedicated professional development time throughout the year

I, LINDSAY LARA, Clerk of the City of San Rafael, hereby certify that the foregoing resolution was duly and regularly introduced and adopted at a regular meeting of the Council of said City held on the 19th day of July 2021 by the following vote, to wit:

AYES: COUNCILMEMBERS:

NOES: COUNCILMEMBERS:

ABSENT: COUNCILMEMBERS:

LINDSAY LARA, CITY CLERK

SAN RAFAEL UNREPRESENTED MID-MANAGEMENT

SALARY SCHEDULE

Effective July 1, 2021

| Grade | Position | A | B | C | D | E |
|-------|---|-----------|-----------|-----------|-----------|-----------|
| 7315 | Accounting Manager | \$ 9,319 | \$ 9,785 | \$ 10,274 | \$ 10,788 | \$ 11,327 |
| 2400 | Assistant Library and Recreation Director | \$ 10,600 | \$ 11,130 | \$ 11,686 | \$ 12,271 | \$ 12,884 |
| 2202 | Assistant Public Works Director / City Engineer | \$ 12,029 | \$ 12,631 | \$ 13,262 | \$ 13,925 | \$ 14,621 |
| 2302 | Chief Building Official | \$ 11,179 | \$ 11,738 | \$ 12,325 | \$ 12,941 | \$ 13,588 |
| 4203 | Civic Design Manager | \$ 9,910 | \$ 10,405 | \$ 10,926 | \$ 11,472 | \$ 12,045 |
| 2122 | Code Enforcement Supervisor | \$ 7,553 | \$ 7,930 | \$ 8,327 | \$ 8,743 | \$ 9,180 |
| 4204 | Data & Infrastructure Manager | \$ 10,974 | \$ 11,522 | \$ 12,098 | \$ 12,703 | \$ 13,338 |
| 1105 | Deputy City Attorney I | \$ 10,131 | \$ 10,637 | \$ 11,169 | \$ 11,728 | \$ 12,314 |
| 1109 | Deputy City Attorney II | \$ 11,170 | \$ 11,728 | \$ 12,315 | \$ 12,931 | \$ 13,577 |
| 2120 | Deputy Fire Marshall | \$ 9,515 | \$ 9,991 | \$ 10,490 | \$ 11,015 | \$ 11,566 |
| 2135 | Deputy Public Works Director | \$ 10,929 | \$ 11,475 | \$ 12,049 | \$ 12,651 | \$ 13,284 |
| 7313 | Economic Development Coordinator | \$ 9,181 | \$ 9,640 | \$ 10,122 | \$ 10,628 | \$ 11,159 |
| 2128 | Economic Development Manager | \$ 10,095 | \$ 10,600 | \$ 11,130 | \$ 11,686 | \$ 12,271 |
| 7117 | Emergency Services Manager | \$ 8,957 | \$ 9,405 | \$ 9,875 | \$ 10,369 | \$ 10,888 |
| 2107 | Human Resources Operations Manager | \$ 9,041 | \$ 9,493 | \$ 9,968 | \$ 10,466 | \$ 10,989 |
| 2208 | Operations and Maintenance Manager | \$ 9,856 | \$ 10,349 | \$ 10,867 | \$ 11,410 | \$ 11,981 |
| 2208 | Operations and Maintenance Manager (SRSD) | \$ 9,856 | \$ 10,349 | \$ 10,867 | \$ 11,410 | \$ 11,981 |
| 2703 | Parking Services Manager | \$ 9,181 | \$ 9,640 | \$ 10,122 | \$ 10,628 | \$ 11,159 |
| 7312 | Parks Superintendent | \$ 9,000 | \$ 9,450 | \$ 9,923 | \$ 10,419 | \$ 10,940 |
| 2116 | Planning Manager | \$ 10,330 | \$ 10,847 | \$ 11,389 | \$ 11,959 | \$ 12,557 |
| TBD | Product Manager | \$ 9,910 | \$ 10,405 | \$ 10,926 | \$ 11,472 | \$ 12,045 |
| 8103 | Recreation Supervisor | \$ 7,694 | \$ 8,079 | \$ 8,483 | \$ 8,907 | \$ 9,352 |
| 2206 | Senior Civil Engineer (SRSD) | \$ 10,639 | \$ 11,171 | \$ 11,729 | \$ 12,316 | \$ 12,932 |
| 7317 | Senior Code Enforcement Supervisor | \$ 8,337 | \$ 8,753 | \$ 9,191 | \$ 9,651 | \$ 10,133 |
| 2105 | Senior Management Analyst | \$ 8,789 | \$ 9,229 | \$ 9,690 | \$ 10,175 | \$ 10,683 |
| 2203 | Senior Project Manager | \$ 9,171 | \$ 9,629 | \$ 10,111 | \$ 10,616 | \$ 11,147 |
| 8102 | Senior Recreation Supervisor | \$ 8,492 | \$ 8,917 | \$ 9,363 | \$ 9,831 | \$ 10,322 |
| 7310 | Sewer Maintenance Superintendent | \$ 9,000 | \$ 9,450 | \$ 9,923 | \$ 10,419 | \$ 10,940 |
| 7311 | Street Maintenance Superintendent | \$ 9,000 | \$ 9,450 | \$ 9,923 | \$ 10,419 | \$ 10,940 |
| 2150 | Sustainability Program Manager | \$ 7,408 | \$ 7,778 | \$ 8,167 | \$ 8,576 | \$ 9,005 |

SAN RAFAEL UNREPRESENTED MID-MANAGEMENT

SALARY SCHEDULE

Effective July 1, 2022

| Grade | Position | A | B | C | D | E |
|-------|---|-----------|-----------|-----------|-----------|-----------|
| 7315 | Accounting Manager | \$ 9,692 | \$ 10,177 | \$ 10,685 | \$ 11,220 | \$ 11,781 |
| 2400 | Assistant Library and Recreation Director | \$ 10,971 | \$ 11,519 | \$ 12,095 | \$ 12,700 | \$ 13,335 |
| 2202 | Assistant Public Works Director / City Engineer | \$ 12,450 | \$ 13,073 | \$ 13,726 | \$ 14,413 | \$ 15,133 |
| 2302 | Chief Building Official | \$ 11,570 | \$ 12,149 | \$ 12,756 | \$ 13,394 | \$ 14,064 |
| 4203 | Civic Design Manager | \$ 10,068 | \$ 10,572 | \$ 11,100 | \$ 11,655 | \$ 12,238 |
| 2122 | Code Enforcement Supervisor | \$ 7,674 | \$ 8,057 | \$ 8,460 | \$ 8,883 | \$ 9,327 |
| 4204 | Data & Infrastructure Manager | \$ 11,149 | \$ 11,707 | \$ 12,292 | \$ 12,907 | \$ 13,552 |
| 1105 | Deputy City Attorney I | \$ 10,485 | \$ 11,010 | \$ 11,560 | \$ 12,138 | \$ 12,745 |
| 1109 | Deputy City Attorney II | \$ 11,561 | \$ 12,139 | \$ 12,746 | \$ 13,383 | \$ 14,052 |
| 2120 | Deputy Fire Marshall | \$ 9,848 | \$ 10,340 | \$ 10,857 | \$ 11,400 | \$ 11,970 |
| 2135 | Deputy Public Works Director | \$ 11,311 | \$ 11,877 | \$ 12,470 | \$ 13,094 | \$ 13,749 |
| 7313 | Economic Development Coordinator | \$ 9,502 | \$ 9,977 | \$ 10,476 | \$ 11,000 | \$ 11,550 |
| 2128 | Economic Development Manager | \$ 10,448 | \$ 10,971 | \$ 11,519 | \$ 12,095 | \$ 12,700 |
| 7117 | Emergency Services Manager | \$ 9,271 | \$ 9,734 | \$ 10,221 | \$ 10,732 | \$ 11,269 |
| 2107 | Human Resources Operations Manager | \$ 9,403 | \$ 9,873 | \$ 10,366 | \$ 10,885 | \$ 11,429 |
| 2208 | Operations and Maintenance Manager | \$ 10,251 | \$ 10,763 | \$ 11,301 | \$ 11,867 | \$ 12,460 |
| 2208 | Operations and Maintenance Manager (SRSD) | \$ 10,251 | \$ 10,763 | \$ 11,301 | \$ 11,867 | \$ 12,460 |
| 2703 | Parking Services Manager | \$ 9,502 | \$ 9,977 | \$ 10,476 | \$ 11,000 | \$ 11,550 |
| 7312 | Parks Superintendent | \$ 9,360 | \$ 9,829 | \$ 10,320 | \$ 10,836 | \$ 11,378 |
| 2116 | Planning Manager | \$ 10,743 | \$ 11,281 | \$ 11,845 | \$ 12,437 | \$ 13,059 |
| TBD | Product Manager | \$ 10,068 | \$ 10,572 | \$ 11,100 | \$ 11,655 | \$ 12,238 |
| 8103 | Recreation Supervisor | \$ 7,964 | \$ 8,362 | \$ 8,780 | \$ 9,219 | \$ 9,680 |
| 2206 | Senior Civil Engineer (SRSD) | \$ 11,011 | \$ 11,562 | \$ 12,140 | \$ 12,747 | \$ 13,384 |
| 7317 | Senior Code Enforcement Supervisor | \$ 8,470 | \$ 8,893 | \$ 9,338 | \$ 9,805 | \$ 10,295 |
| 2105 | Senior Management Analyst | \$ 9,141 | \$ 9,598 | \$ 10,078 | \$ 10,582 | \$ 11,111 |
| 2203 | Senior Project Manager | \$ 9,446 | \$ 9,918 | \$ 10,414 | \$ 10,935 | \$ 11,481 |
| 8102 | Senior Recreation Supervisor | \$ 8,790 | \$ 9,229 | \$ 9,690 | \$ 10,175 | \$ 10,684 |
| 7310 | Sewer Maintenance Superintendent | \$ 9,360 | \$ 9,829 | \$ 10,320 | \$ 10,836 | \$ 11,378 |
| 7311 | Street Maintenance Superintendent | \$ 9,360 | \$ 9,829 | \$ 10,320 | \$ 10,836 | \$ 11,378 |
| 2150 | Sustainability Program Manager | \$ 7,704 | \$ 8,090 | \$ 8,494 | \$ 8,919 | \$ 9,365 |

SAN RAFAEL UNREPRESENTED MID-MANAGEMENT

SALARY SCHEDULE

Effective July 1, 2023

| Grade | Position | A | B | C | D | E |
|-------|---|-----------|-----------|-----------|-----------|-----------|
| 7315 | Accounting Manager | \$ 10,080 | \$ 10,584 | \$ 11,113 | \$ 11,668 | \$ 12,252 |
| 2400 | Assistant Library and Recreation Director | \$ 11,355 | \$ 11,923 | \$ 12,519 | \$ 13,145 | \$ 13,802 |
| 2202 | Assistant Public Works Director / City Engineer | \$ 12,886 | \$ 13,530 | \$ 14,207 | \$ 14,917 | \$ 15,663 |
| 2302 | Chief Building Official | \$ 11,975 | \$ 12,574 | \$ 13,202 | \$ 13,863 | \$ 14,556 |
| 4203 | Civic Design Manager | \$ 10,229 | \$ 10,741 | \$ 11,278 | \$ 11,842 | \$ 12,434 |
| 2122 | Code Enforcement Supervisor | \$ 7,796 | \$ 8,186 | \$ 8,595 | \$ 9,025 | \$ 9,477 |
| 4204 | Data & Infrastructure Manager | \$ 11,328 | \$ 11,894 | \$ 12,489 | \$ 13,113 | \$ 13,769 |
| 1105 | Deputy City Attorney I | \$ 10,852 | \$ 11,395 | \$ 11,965 | \$ 12,563 | \$ 13,191 |
| 1109 | Deputy City Attorney II | \$ 11,965 | \$ 12,564 | \$ 13,192 | \$ 13,852 | \$ 14,544 |
| 2120 | Deputy Fire Marshall | \$ 10,193 | \$ 10,702 | \$ 11,237 | \$ 11,799 | \$ 12,389 |
| 2135 | Deputy Public Works Director | \$ 11,707 | \$ 12,292 | \$ 12,907 | \$ 13,552 | \$ 14,230 |
| 7313 | Economic Development Coordinator | \$ 9,834 | \$ 10,326 | \$ 10,842 | \$ 11,385 | \$ 11,954 |
| 2128 | Economic Development Manager | \$ 10,814 | \$ 11,355 | \$ 11,923 | \$ 12,519 | \$ 13,145 |
| 7117 | Emergency Services Manager | \$ 9,595 | \$ 10,075 | \$ 10,579 | \$ 11,108 | \$ 11,663 |
| 2107 | Human Resources Operations Manager | \$ 9,779 | \$ 10,268 | \$ 10,781 | \$ 11,320 | \$ 11,886 |
| 2208 | Operations and Maintenance Manager | \$ 10,661 | \$ 11,194 | \$ 11,754 | \$ 12,341 | \$ 12,958 |
| 2208 | Operations and Maintenance Manager (SRSD) | \$ 10,661 | \$ 11,194 | \$ 11,754 | \$ 12,341 | \$ 12,958 |
| 2703 | Parking Services Manager | \$ 9,834 | \$ 10,326 | \$ 10,842 | \$ 11,385 | \$ 11,954 |
| 7312 | Parks Superintendent | \$ 9,735 | \$ 10,222 | \$ 10,733 | \$ 11,269 | \$ 11,833 |
| 2116 | Planning Manager | \$ 11,173 | \$ 11,732 | \$ 12,318 | \$ 12,934 | \$ 13,581 |
| TBD | Product Manager | \$ 10,229 | \$ 10,741 | \$ 11,278 | \$ 11,842 | \$ 12,434 |
| 8103 | Recreation Supervisor | \$ 8,242 | \$ 8,654 | \$ 9,087 | \$ 9,541 | \$ 10,019 |
| 2206 | Senior Civil Engineer (SRSD) | \$ 11,397 | \$ 11,966 | \$ 12,565 | \$ 13,193 | \$ 13,853 |
| 7317 | Senior Code Enforcement Supervisor | \$ 8,605 | \$ 9,036 | \$ 9,487 | \$ 9,962 | \$ 10,460 |
| 2105 | Senior Management Analyst | \$ 9,507 | \$ 9,982 | \$ 10,481 | \$ 11,005 | \$ 11,555 |
| 2203 | Senior Project Manager | \$ 9,729 | \$ 10,216 | \$ 10,726 | \$ 11,263 | \$ 11,826 |
| 8102 | Senior Recreation Supervisor | \$ 9,097 | \$ 9,552 | \$ 10,030 | \$ 10,531 | \$ 11,058 |
| 7310 | Sewer Maintenance Superintendent | \$ 9,735 | \$ 10,222 | \$ 10,733 | \$ 11,269 | \$ 11,833 |
| 7311 | Street Maintenance Superintendent | \$ 9,735 | \$ 10,222 | \$ 10,733 | \$ 11,269 | \$ 11,833 |
| 2150 | Sustainability Program Manager | \$ 8,013 | \$ 8,413 | \$ 8,834 | \$ 9,275 | \$ 9,739 |

**Management Position Benchmark Job Classes for
Mid-Management Positions**

| |
|------------------------------------|
| Community Services Director |
| Library Director |
| Public Works Director |

FURLOUGH PROGRAM

Both the City of San Rafael and the Mid-Management Group employees recognize the current economic condition of the State of California and the City of San Rafael. Through this recognition and in a cooperative spirit the City of San Rafael and these employees have worked expeditiously on the development of a Furlough Program. This Agreement does not mean the City will necessarily implement furloughs; but in the event it is necessary to implement due to continued economic problems in the City of San Rafael the procedures for this Furlough Program shall provide for both Voluntary Time Off (herein described as VTO) and Mandatory Time Off (herein described as MTO).

Voluntary Time Off (VTO).

The needs of the City and the respective departments (as determined by the Department Director and City Manager) will need to be considered in the actual granting of VTO. Any VTO time granted and the resulting savings will have a corresponding impact on the time needed through MTO.

1. An employee's VTO time would count in determining how many hours of MTO an employee needed to take during the fiscal year.
2. Employees who take VTO at a time other than when MTO is taken by other employees will have to take vacation leave, compensatory time off or leave without pay if the MTO results in the closure of the department.

Mandatory Time Off (MTO).

MTO will be taken by the employee during the MTO period when feasible in their respective department (as determined by the Department Director and City Manager). The City will attempt to schedule MTO time in blocks of days (between Christmas and New Years) or individual days next to scheduled holidays and/or weekends.

1. Employees may not take paid vacation time in lieu of designated MTO time.
2. MTO time shall be considered time in pay status for the accrual of leave and eligibility for holidays. MTO time will not impact health, dental and life insurance benefits. At this time MTO time will impact Marin County retirement contributions; but if the Marin County Retirement Association changes its policy on this the City will, effective the first of the month following notice from the Marin County Retirement Association, make the necessary change in the program's administration to correspond with the change in the policy. Any employee who notifies the City no later than 07/30/11 of their retirement date and retires from the Marin County Retirement System during FY 11-12 shall be exempted from the MTO requirements. If said employee did not retire during FY 11-12 as stated, said employee would be docked in pay an amount equivalent to the number of MTO hours taken by other represented employees.
3. MTO time shall apply toward time in service for step increases, completion of probation, and related service credit.

**MID-MANAGEMENT SALARY RESOLUTION
EXHIBIT "C"**

4. Other Terms and Conditions:

- a. The MTO program shall be limited to a maximum five percent (5%) reduction in work hours/pay for the fiscal year. When the maximum MTO reduction (5%) is implemented, the involved employee shall be credited with three (3) days of float time.
- b. Float Time accrued through the MTO Program must be taken in the fiscal year following the furlough, with supervisory approval, or the leave will be forfeited. The float days have no cash value upon termination of employment. If an employee is laid off before having the opportunity to take unused furlough induced float time, said employee would be eligible to take the unused furlough induced float time during the thirty-day layoff notice period.
- c. Should the City of San Rafael experience a financial windfall during the fiscal year that furloughs are implemented, the City agrees to re-open discussions on this Furlough Program.
- d. The City agrees that it will attempt to distribute the dollar value of any MTO time implemented equally over the remaining number of pay periods in the fiscal year.



SAN RAFAEL CITY COUNCIL AGENDA REPORT

Department: Human Resources

Prepared by: Sylvia Gonzalez-Shelton,
Human Resources Operations Manager

City Manager Approval: 

TOPIC: APPROVAL OF THE NEW SALARY RESOLUTION THAT AUTHORIZES COMPENSATION FOR ELECTED CITY CLERK AND PART-TIME CITY ATTORNEY

SUBJECT: RESOLUTION ESTABLISHING THE COMPENSATION AND WORKING CONDITIONS FOR THE ELECTED CITY CLERK AND ELECTED PART-TIME CITY ATTORNEY (JULY 1, 2021 THROUGH JUNE 30, 2024) AND FY 20-21 FURLOUGH REPAYMENT

RECOMMENDATION: Adopt Resolution

BACKGROUND:

The elected City Clerk and elected part-time City Attorney salary resolution expired on June 30, 2020 and was extended by side letter through June 30, 2021. In keeping with the equity adjustment approach for Unrepresented Mid-Management and Executive Management employees, salary increases for these positions depend on the extent to which each position is behind the labor market average. The recommended increases for the elected City Clerk and elected part-time City Attorney are in line with what has been proposed for approval by the City Council for non-safety bargaining groups for the same three-year period.

ANALYSIS:

The following reflects highlights of the recommended salary resolution and is consistent with the economic guidelines authorized by the City Council. The attached resolution includes all of the recommended changes.

1. **Term of the Resolution:** July 1, 2021 through June 30, 2024
2. **Salary Increase:** Individual salary increase percentages for the elected City Clerk and elected part-time City Attorney are based on how far behind each position is in comparison to the labor market average. Positions that over the labor market are eligible for a 1.6% base wage increase. Positions 10% or less behind the labor market average are eligible for a 3.5% base wage increase. Positions that are more than 10% behind the labor market average are eligible for a 4% base wage increase. The salary schedule included in the attached resolution authorizes the proposed new salary for each position.

FOR CITY CLERK ONLY

Council Meeting: _____

Disposition: _____

3. Prior year resolution extension – restoration of 3% base wage: In FY 20/21, all employees (except WCE, Local 1, Mid-Management, Executive Management and elected City Clerk and elected part-time City Attorney) received a minimum 3% base wage increase with the 1-year contract extension implemented for FY 20/21. The timing of the COVID-19 pandemic and the associated financial losses which were projected at that time, resulted in an unintended disparate treatment of employees who did not receive this same base wage increase. However, the City is now in a financial position to “restore” a 3% base wage increase to these groups. The 3% base wage will apply to the Elected City Clerk and Elected Part-Time City Attorney and is reflected in the attached salary schedule effective July 1, 2021.

FY 20/21 Furlough Repayment

In response to the global COVID-19 pandemic that began in the spring of 2020, the City of San Rafael declared a local state of emergency. In anticipation of dire financial circumstances, the City exercised its management rights under the salary resolution and implemented a Citywide furlough for all non-safety positions. Based on the best financial projections available at the time, it was necessary and prudent to implement the furlough in order to avoid potential workforce reductions in the future.

Year-end review of the FY 20/21 budget shows that the City’s projected revenue losses anticipated due to the pandemic fortunately did not materialize as expected and the City is projecting a financial surplus for fiscal year 20/21. As a result, the City is in a financial position at this time to issue repayments to employees who were furloughed over the last year. The circumstances that make it possible for the City to reimburse employees for the furlough are extremely unique in nature and this one-time reimbursement for FY 20/21 is non-precedential. The City will issue a one-time re-payment equal to the actual furlough reduction amount taken by the City Clerk and part-time City Attorney for FY 20/21. The City has already made MCERA pension contributions on each employee’s regular (non-furloughed) payroll amount each pay period during FY 20/21, therefore the City will not make any additional contributions to Classic or PEPRA employees’ pensions and the repayment amount is subject to normal payroll taxation. The total amount of the furlough repayment for the elected City Clerk and elected part-time City Attorney is \$12,600.

FISCAL IMPACT:

The current total annual salary and benefit cost to the City for the elected City Clerk and elected part-time City Attorney is \$426,892. The additional ongoing incremental cost of the recommended salary resolution beyond the FY 20/21 budget is:

| | <u>Incremental FY 2021-22</u> | <u>Incremental FY 2022-23</u> | <u>Incremental FY 2023-24</u> |
|--------------------------------|--|--|--|
| Wages: | | | |
| Base Salary | \$ 9,875 | \$10,270 | \$10,680 |
| Other costs: | | | |
| Pension* | \$ 5,326 | \$ 5,539 | \$ 5,760 |
| Taxes (Medicare, W/C) | <u>\$ 284</u> | <u>\$ 282</u> | <u>\$ 293</u> |
| Total Incremental Cost: | \$15,485 | \$16,091 | \$16,733 |

**This incremental pension cost results only from the negotiated wage increase and does not include the cost of associated MCERA rate changes. The terms and conditions of the pension benefit plan remain unchanged.*

While the incremental cost is \$15,485 for fiscal year 2021-2022, \$16,091 for fiscal year 2022-2023, and \$16,733 for fiscal year 2023-2024, the increases are compounding and therefore the projected cumulative wages and other costs total \$95,370, plus \$12,600 in one-time costs for the furlough

repayment, totaling \$107,970 for the three-year term. The incremental cost for fiscal year 21-22 includes the prior year (fiscal year 20/21) restoration of a 3% base wage increase. The increase in compensation included in this resolution is in line with the City's current budget projections. Funding for these positions is provided for in the City's General Fund.

OPTIONS:

The City Council has the following options to consider in this matter:

- Accept staff's recommendation to adopt the resolution.
- Adopt resolution with modifications.
- Direct staff to return with more information.
- Take no action.

RECOMMENDED ACTION:

Staff recommends that the City Council adopt the Resolution Establishing the Compensation and Working Conditions for the Elected City Clerk and Elected Part-Time City Attorney (July 1, 2021 through June 30, 2024). which includes repayment of the FY 20-21 furlough.

ATTACHMENTS:

1. Resolution Establishing the Compensation and Working Conditions for the Elected City Clerk and Elected Part-Time City Attorney (July 1, 2021 through June 30, 2024)

RESOLUTION NO.

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN RAFAEL ESTABLISHING THE COMPENSATION AND WORKING CONDITIONS FOR THE ELECTED CITY CLERK AND ELECTED PART TIME CITY ATTORNEY (JULY 1, 2021 THROUGH JUNE 30, 2024)

WHEREAS, the Salary Resolution establishing the terms of compensation for the elected City Clerk and City Attorney expired on June 30, 2021; and

WHEREAS, the elected City Clerk and City Attorney were subject to a 5% furlough reduction for Fiscal Year 2020-21; and

WHEREAS, year-end review of the FY 20-21 budget shows that the City's projected revenue losses anticipated due to the pandemic did not materialize as expected and the City is in a financial position to issue repayment of the furlough reduction; and

WHEREAS, the circumstances that make it possible for the City to reimburse employees for the furlough are extremely unique in nature and this one-time reimbursement for FY 20-21 is non-precedential;

NOW, THEREFORE BE IT RESOLVED that the City Council of the City of San Rafael hereby approve the following compensation and working conditions for the Elected City Clerk and Elected Part-Time City Attorney and repayment of the furlough reduction taken for FY 20-21.

1. SALARY

a) Salary Increase

Prior year contract extension – restoration of 3% base wage: In FY 20/21, all employees (except WCE, Local 1, Mid-Management, Executive Management and Elected City Clerk and Elected Part-Time City Attorney) received a minimum 3% base wage increase with the 1-year contract extension implemented for FY 20/21. The timing of the COVID-19 pandemic and the associated financial losses which were projected at that time, resulted in an unintended disparate treatment of employees who did not receive this same base wage increase. However, the City is now in a financial position to “restore” a 3% base wage increase to these groups. The 3% base wage will apply to the Elected City Clerk and Elected Part-Time City Attorney and is reflected in the salary schedule listed below.

Individual classification salary increase percentages depend on the labor market adjustment applied to each position. The proposed new salary for each position is as follows:

Year 1:

| Step | A | B | C | D | E |
|---------------|----------|----------|-----------|-----------|-----------|
| City Clerk | \$ 9,326 | \$ 9,792 | \$ 10,282 | \$ 10,796 | \$ 11,335 |
| City Attorney | N/A | N/A | N/A | N/A | \$ 11,755 |

Year 2:

| Step | A | B | C | D | E |
|---------------|----------|-----------|-----------|-----------|-----------|
| City Clerk | \$ 9,699 | \$ 10,184 | \$ 10,693 | \$ 11,227 | \$ 11,789 |
| City Attorney | N/A | N/A | N/A | N/A | \$ 12,226 |

Year 3:

| Step | A | B | C | D | E |
|---------------|-----------|-----------|-----------|-----------|-----------|
| City Clerk | \$ 10,087 | \$ 10,591 | \$ 11,121 | \$ 11,677 | \$ 12,260 |
| City Attorney | N/A | N/A | N/A | N/A | \$ 12,715 |

b) Car Allowance

An incumbent who holds the City Clerk's office is eligible to receive a monthly car allowance of \$350.

2. INSURANCE

a) Health Insurance: Effective January 1, 2009, the City implemented a full flex cafeteria plan for active employees, in accordance with IRS Code Section 125. Active employees participating in the City's full flex cafeteria plan, including the City Clerk and City Attorney, shall receive a monthly flex dollar allowance to purchase benefits under the full flex cafeteria plan.

The monthly flex dollar allowance effective the paycheck of December 15, 2020 shall be:

| | |
|--|------------|
| For employee only: | \$ 673.42 |
| For employee and one dependent: | \$1,346.82 |
| For employee and two or more dependents: | \$1,750.88 |

Flex dollar allowances shall increase on the December 15th paycheck of each subsequent year by up to a maximum of three percent (3%) on an annual basis, based on but not to exceed the Kaiser Bay Area premium rate increase for the upcoming calendar year.

The City shall contribute to the cost of medical coverage for each eligible employee and his/her dependents, an amount not to exceed the California Public Employees' Medical and Hospital Care Act (PEMHCA) contribution, as determined by CalPERS on an annual basis. This portion of the monthly flex dollar allowance is identified as the City's contribution towards PEMHCA. The balance of the monthly flex dollar allowance (after the PEMHCA minimum contribution) may be used in accordance with the terms of the cafeteria plan to purchase health benefits or may be converted to taxable income.

Conditional Opt-Out Payment: An employee may elect to waive the City's health insurance coverage and receive the value of the Employee Only contribution as a monthly Opt-Out payment in accordance with the terms of the cafeteria plan, and the Affordable Care Act, if the employee complies with the following conditions:

- 1) The employee certifies that the employee and all individuals in the employee's tax family for whom coverage is waived, have alternative Minimum Essential Coverage as defined by the Patient Protection and Affordable Care Act through a provider other than a federal marketplace, a state exchange, or an individual policy.
- 2) During the City's annual open enrollment period, the employee must complete an annual written attestation confirming that the employee and the other members of the employee's tax family are enrolled in alternative Minimum Essential Coverage. The employee agrees to notify the City no later than 30 days if the employee or other member(s) of the employee's tax family lose coverage under the alternative Minimum Essential Coverage Plan.
- 3) The employee understands that the City is legally required to immediately stop conditional opt-out payments if the City learns that the employee and/or members of the employee's family do not have the alternative Minimal Essential Coverage.

The City reserves the right to modify at any time, the amount an employee is eligible to receive under this paragraph, if required by IRS Cafeteria Plan regulations, other legislation or Federal and/or California agency guidance.

Miscellaneous Allowance for Employees hired on or before January 1, 2009:

The City shall pay to employees hired on or before January 1, 2009 a miscellaneous allowance in an amount equivalent to the difference between the employee's benefit election for coverage under PEMHCA and their flex dollar allowance, if their benefit election under PEMHCA exceeds their flex dollar allowance. The miscellaneous allowance shall be treated as income. An employee may use the miscellaneous allowance to pay for health coverage on a pre-tax basis as defined under the City's Cafeteria plan.

b) Health Insurance for Retirees

i) Elected or Appointed officials placed into office prior to April 1, 2007 and who retire from the Marin County Employees' Retirement Association (MCERA) within 120 days of leaving their City of San Rafael elected position of City Clerk or City Attorney (and who comply with the appropriate retirement provisions under the MCERA laws and regulations) are eligible to continue in the City's group health insurance program and receive the PEMHCA minimum contribution as determined by CalPERS on an annual basis.

Longevity Payments: The City shall make a longevity payment equivalent to the difference between the PEMHCA minimum contribution and the premium cost of coverage for the retiree, the retiree's spouse/registered domestic partner and/or qualified dependent children (as defined by PEMHCA) capped at the contribution the City makes towards the health coverage of an active City Attorney or City Clerk. The City's longevity contribution shall remain in effect during the lifetime of the retired City Attorney and City Clerk and their spouse/registered domestic partner or surviving spouse/registered domestic partner.

As described in this subsection, the City shall reimburse retired elected or appointed officials and their spouses or registered domestic partners the Medicare Part B standard premium amount, as determined by the Centers of Medicare and Medicaid Services (CMS) on an annual basis. To initiate reimbursement, retirees must submit proof of payment of the Medicare Part B premiums to the Human Resources Department. If the Medicare Part B is deducted from social security, the retiree/spouse/domestic partner may submit a copy of the social security check, the Medicare Part B bill, or other relevant documentation. Reimbursements will be processed on a quarterly basis. This reimbursement shall remain in effect for the retired elected or appointed official's life and that of the retired elected or appointed official's spouse/registered domestic partner or surviving spouse/registered domestic partner.

ii) Elected or Appointed officials placed into office on or after April 1, 2007 and who retire from the Marin County Employees Retirement Association (MCERA) within 120 days of leaving their City of San Rafael elected position of City Clerk or City Attorney (and comply with the appropriate retirement provisions under the MCERA laws and regulations) are eligible to continue in the City's group health insurance program. The City's contribution towards the coverage of retirees under this subsection shall be the PEMHCA minimum contribution as determined by CalPERS on an annual basis.

Longevity Payments: The City shall make a longevity payment equivalent to the difference between the PEMHCA minimum contribution and the premium cost of coverage, up to \$600, for the retiree. The City shall not be responsible for making any contributions towards the cost of coverage of the retiree's spouse, registered domestic partner or dependents. The City's longevity contribution shall cease upon the retired City Attorney or City Clerk's death.

iii) Elected or Appointed officials placed into office on or after January 1, 2009

Elected or Appointed officials placed into office on or after January 1, 2009, and who retire from the Marin County Employees Retirement Association (MCERA) within 120 days of leaving their City of San Rafael position (and comply with the appropriate retirement provisions under the MCERS laws and regulations) are eligible to continue in the City's group health insurance program. The City's contribution towards the coverage of retirees under this subsection shall be the PEMHCA minimum contribution as determined by CalPERS on an annual basis.

- c) Life Insurance.** The City shall provide a basic group life insurance plan in the amount of \$250,000 at no cost to the employee.
- d) Disability Insurance.** The City shall provide long term disability (LTD) insurance, at no cost to the City Clerk/City Attorney, with a benefit of two-thirds (2/3) of their respective monthly salaries, up to a maximum benefit of \$7500 (reduced by any deductible benefits).
- e) Dental Insurance.** The City shall make available to all employees an additional flex dollar allowance equal to \$113 per month to purchase dental coverage under the City's dental plan. The City shall pay dental premiums on behalf of the City Clerk/City Attorney and eligible dependents.
- f) Vision Plan.** The City will contract for and pay for a vision plan for "employee plus dependent" vision benefits.
- g) Gym Reimbursement.** The City Clerk and City Attorney are eligible to receive up to \$16.50 per month reimbursement for paid gym memberships. Such reimbursement shall be reported as taxable income to the employee.

3) RETIREMENT

- a) Retirement Plan.** The City shall provide the Marin County Employee Retirement Association 2.7% @ 55 retirement program to the City Clerk and City Attorney, subject to Marin County Employee Retirement Association procedures and regulations and applicable 1937 Act laws. This is based on an employee's single highest year of compensation.

Employees hired on or after July 1, 2011 will receive an MCERA retirement benefit at the formula 2% at 55, calculated based on the average of their three highest years of compensation, in accordance with MCERA regulations. The annual pension adjustment shall be a maximum of 2% COLA. Minimum retirement age is 55.

Employees hired by the City on or after January 1, 2013 who are defined as "new members" of MCERA in accordance with the Public Employees' Pension Reform Act (PEPRA) of 2013, shall be enrolled in the MCERA 2% @ 62 plan for Miscellaneous members. The employee is responsible for paying the employee contribution of half of the total normal cost of the plan, as defined by MCERA, through a payroll deduction. Final compensation will be based upon the highest annual average compensation earnable during the thirty-six (36) consecutive months of employment immediately preceding the effective date of his or her retirement or some other period designated by the retiring employee.

- b) Employer Paid Member Contribution (EPMC).** The City Clerk and City Attorney are responsible for the full cost of their own employee contribution rate as established by MCERA.

Effective September 1, 2013, in accordance with MCERA and City administrative requirements, the City Attorney and City Clerk will pay an additional contribution of one percent (1%) of

pensionable compensation toward the normal cost of pension provided by the Marin County Employees Retirement Association, in addition to the current employee contribution towards pension as determined by MCERA. The only employees excluded from this payment are long-term City employees with thirty or more years of City service who no longer have to pay any employee contribution to the Marin County Retirement System.

- c) **COLA.** Participating members in the Marin County Employee Retirement Association will pay their full share of members' cost of living rates as allowed under Articles 6 and 6.8 of the 1937 Retirement Act. Miscellaneous and safety member contribution rates include both the basic and COLA portions (currently 50% of the COLA is charged to members as defined in the 1937 Act).
- d) **Management Allowance.** As of September 16, 2015, the Management Allowance of 4.59% was rolled into base pay for the City Clerk and City Attorney.

I, LINDSAY LARA, Clerk of the City of San Rafael, hereby certify that the foregoing resolution was duly and regularly introduced and adopted at a regular meeting of the City Council of said City the 19th day of July 2021 by the following vote, to wit:

AYES: COUNCILMEMBERS:
NOES: COUNCILMEMBERS:
ABSENT: COUNCILMEMBERS:

LINDSAY LARA, CITY CLERK



**SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY
AGENDA REPORT**

Department: Finance Department

Prepared by: Nadine Atieh Hade,
Finance Director

City Manager Approval: _____

A handwritten signature in black ink, appearing to be the initials 'AS'.

TOPIC: SUCCESSOR AGENCY QUARTERLY INVESTMENT REPORT

**SUBJECT: ACCEPTANCE OF SUCCESSOR AGENCY QUARTERLY INVESTMENT REPORT
FOR THE QUARTER ENDING JUNE 30, 2021**

RECOMMENDATION: Accept investment report for the quarter ending June 30, 2021, as presented.

BACKGROUND: Pursuant to the State of California Government Code Section 53601 and the City's investment policy, last approved by the City Council on [June 7, 2021](#), staff provides the governing body a quarterly report on the Successor Agency's investment activities and liquidity.

ANALYSIS: The Successor Agency checking account had a balance of \$0 at quarter-end. Funds were drawn during the quarter to reimburse the City for the administration of the activities of the Agency, as well as for approved agency commitments.

FISCAL IMPACT: No financial impact occurs by adopting the report.

RECOMENDATION: Accept investment report for the quarter ending June 30, 2021, as presented.

ATTACHMENT:

1. Successor Agency Cash & Investment Report April through June 2021.

FOR CITY CLERK ONLY

Council Meeting:

Disposition:

TREASURER'S CERTIFICATION

I CERTIFY THAT ALL INVESTMENTS MADE ARE IN CONFORMANCE WITH SUCCESSOR AGENCY'S APPROVED INVESTMENT POLICY AND STATE INVESTMENT REGULATIONS. THE SUCCESSOR AGENCY HAS SUFFICIENT LIQUIDITY TO MEET ALL OF THE OBLIGATIONS REQUIRED DURING THE NEXT SIX-MONTH PERIOD, SUBJECT TO OVERSIGHT BOARD APPROVAL OF OBLIGATIONS AND THE SUBSEQUENT TIMELY COUNTY DISBURSEMENT OF FUNDS.

A handwritten signature in blue ink that reads "Nadine Atieh Hade". The signature is written in a cursive style.

Nadine Atieh Hade
Finance Director

SUCCESSOR AGENCY TO SAN RAFAEL REDEVELOPMENT AGENCY

CASH and INVESTMENTS

QUARTER ENDED 6/30/2021

| ISSUER | PURCHASE TYPE | PURCHASE DATE | MATURITY DATE | YIELD | PURCHASE PRICE | PAR VALUE | MARKET VALUE | Days to Maturity | % OF TOTAL | AS OF |
|---|---------------|---------------|---------------|-------|----------------|---------------|--------------|------------------|----------------|-----------|
| <i>CASH ACCOUNTS:</i> | | | | | | | | | | |
| WESTAMERICA | DD | N/A | N/A | | \$ 123,992.83 | \$ 123,992.83 | \$ 39,674.25 | 1 | 100.00% | 4/30/2021 |
| WESTAMERICA | DD | N/A | N/A | | \$ 39,674.25 | \$ 39,674.25 | \$ 39,674.25 | 1 | 100.00% | 5/31/2021 |
| WESTAMERICA | DD | N/A | N/A | | \$ - | \$ - | \$ - | 1 | 100.00% | 6/30/2021 |
| TOTAL INVESTMENTS | | | | | \$ - | \$ - | \$ - | | | |
| TOTAL CASH & INVESTMENTS - QUARTER-END BALANCE | | | | | \$ - | \$ - | \$ - | | 100.00% | |

% Portfolio held 1 year or less

| |
|------|
| 100% |
|------|

TYPE:

DD - Demand Deposit