



**CITY OF PACIFIC GROVE**  
300 Forest Avenue, Pacific Grove, California 93950

**AGENDA REPORT**

**TO:** Honorable Mayor and Members of City Council  
**FROM:** Ben Harvey, City Manager and Leticia Livian, Human Resources Manager  
**MEETING DATE:** June 21, 2017  
**SUBJECT:** Memorandum of Understanding between the City of Pacific Grove and the General Employees Association (GEA)  
**CEQA STATUS:** Does not constitute a "Project" under California Environmental Quality Act (CEQA) Guidelines Section 15378.

**RECOMMENDATION**

Approve a resolution approving the Memorandum of Understanding between the City of Pacific Grove and the General Employees Association to cover the period of January 1, 2017 through December 31, 2019.

**DISCUSSION**

The City and General Employees Association (GEA) have been negotiating a successor to the Memorandum of Understanding (MOU) that expired in December 2016.

The attached resolution implements the tentative agreement reached with GEA. GEA authorized this agreement on June 2, 2017. Below are key items that have been negotiated:

- Multi-year agreement term, ending December 31, 2019 with negotiations opening six months prior to the expiration of the MOU.
- Retirement
  - Classic PERS retirement members to share the City's CalPERS employer contribution under Gov. Code Sec. 20516. As soon as administratively possible following ratification and approval, classic members shall contribute 5% towards the employer contribution towards PERS for a total of twelve percent (12%) employee contribution.
- Health Benefits
  - Effective the first full pay period following ratification and approval, the City will contribute \$800 per month towards health care premiums (medical, dental and vision for association members participating in all three health plans (medical, dental and vision).
  - Effective the first full pay period of December 2017, the City will contribute \$1,000 per month towards health care premiums (medical, dental and vision for association members participating in all three health plans (medical, dental and vision).

- Effective the first full pay period of December 2018, the City will contribute \$1,200 per month towards health care premiums (medical, dental and vision for association members participating in all three health plans (medical, dental and vision).
  - The health contribution applies towards employee only, employee plus one dependent and employee plus family coverage levels. Employees are eligible to receive the balance of their City health contributions placed in a medical Flexible Spending Account (FSA) with a 10% administrative fee deducted annually.
  - Employees at the time of MOU ratification receiving \$350 monthly cash in lieu will be grandfathered into the program until 12/31/17. This option is not available to new hires or current employees currently not receiving cash in lieu. Employees participating in the program may not opt back in if they opt out.
- Other Post Retirement Benefits (OPEB)
    - Effective 1/1/17, Other Post Employment Benefit (OPEB) of \$150 maximum to association employees who retire from the City will be removed. Employees retiring prior to 1/1/17 will be grandfather into the benefit.
  - Salary
    - Classifications receiving a Table C, Off-Salary Adjustment shall have their off-salary adjustment annual amount incorporated into their base salary and Table C will be removed. This converts the Table C, Off-Salary Adjustment amounts into PERS-able salary.

The negotiations were fully collaborative and were based on shared interests of the GEA employees, and the City. This is a continuation of the GEA's ongoing approach to seek what is best for its members, and to do so in the larger context of what is best for the City as a whole.

Approval of the attached resolution confers authority upon the City Manager to take all steps necessary to implement this MOU, and also authorizes budget adjustments if necessary to implement expenditures during FY 17/18 and FY 18/19.

#### **FISCAL IMPACT**

Economic negotiated items were factored into the FY 17/18 budget.

#### **ATTACHMENTS**

1. Resolution
2. The Memorandum of Understanding (MOU) between the City of Pacific Grove and General Employees Association (GEA)

RESPECTFULLY SUBMITTED:



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Ben Harvey, City Manager



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Leticia Livian, HR Manager

**RESOLUTION NO. 17 - \_\_\_\_\_**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PACIFIC GROVE  
APPROVING THE MEMORANDUM OF UNDERSTANDING  
WITH THE PACIFIC GROVE GENERAL EMPLOYEES ASSOCIATION.**

**FINDINGS**

1. The City of Pacific Grove and the General Employees Association (GEA) have negotiated and have reached agreement on a successor Memorandum of Understanding amending the Memorandum of Understanding that governs wages, benefits, hours and working conditions General Employee Association members.
2. This action does not constitute a “project” as defined by California Environmental Quality Act (CEQA) because it is an organizational or administrative activity that will not result in direct or indirect physical changes in the environment; and

**RESOLUTION**

**NOW, THEREFORE, THE COUNCIL OF THE CITY OF PACIFIC GROVE DOES RESOLVE AS FOLLOWS:**

SECTION 1. The City Council finds each recital set forth above to be true and correct, and by this reference incorporates each as an integral part of this Resolution.

SECTION 2. The City Council approves the attached Memorandum of Understanding with the General Employees Association that covers the period January 1, 2017 through December 31, 2019.

SECTION 3. The City Manager is authorized to execute all documents and to perform all other necessary City acts to implement the Memorandum of Understanding.

SECTION 4. This resolution confers authority upon the City Manager to take all steps necessary to implement this MOU, and authorizes budget adjustments if necessary to implement expenditures during FY 17/18 and FY 18/19.

SECTION 5. This Resolution shall take effect immediately following its adoption.

**PASSED AND ADOPTED BY THE COUNCIL OF THE CITY OF PACIFIC GROVE this**  
\_\_\_\_ day of \_\_\_\_\_, 2017, by the following vote:

AYES:

NOES:

ABSENT:

APPROVED:

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BILL KAMPE  
Mayor

ATTEST:

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SANDRA ANN KANDELL  
Deputy City Clerk

APPROVED AS TO FORM:

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DAVID C. LAREDO  
City Attorney

**Memorandum of Understanding Between  
City of Pacific Grove and  
General Employees' Association**

**January 1, 2017 – December 31, 2019**

In accordance with State requirements, the City of Pacific Grove, through its negotiating team, and the Pacific Grove General Employees' Association, through its negotiating team, have met and conferred in good faith on matters within the scope of representation. As a result of these meetings, the parties make the following Memorandum of Understanding as required and subject to the conditions of Government Code Section 3503.1.

**ARTICLE 1 ADMINISTRATIVE**

**1.1 Parties**

This agreement is made and entered into between the City of Pacific Grove (herein called the "City") and the Pacific Grove General Employees' Association, (herein called the "Association").

**1.2 Recognition**

The City recognizes the Pacific Grove General Employees' Association as the exclusive representative of the employees in the General Unit. The City further recognizes the Pacific Grove General Employees' Union affiliation with UPEC 792, LIUNA AFL/CIO.

**1.3 Unit Description**

The General Unit consists of all regular full- time employees of the City occupying positions in the following job classes:

Accounting Assistant	Maintenance Supervisor
Accounting Assistant, Senior	Maintenance Technician/Safety Coordinator
Administrative Technician	Maintenance Worker
Animal Control Officer	Maintenance Worker, Senior
Arborist	Office Assistant
Code Compliance Officer	Parking Enforcement Officer
Engineering Technician	Planner, Assistant
Equipment Mechanic	Planner, Associate
Equipment Mechanic, Senior	Planner, Senior
Library Assistant	Police Records Supervisor
Library Assistant, Senior	Police Service Technician
Library Technician	Recreation Coordinator

**1.4 Coverage**

This Memorandum of Understanding applies only to full-time positions in a classification represented by the Association only.

**1.5 Duration and Scope of MOU**

The MOU shall govern the period January 1, 2017 through December 31, 2019. It is understood that as to any terms not covered by this MOU. Section 4.20 of the Pacific Grove Municipal Code and *Administrative Policy & Procedures Manual* is applicable.

### **1.6. Nondiscrimination**

The provisions of this Memorandum of Understanding shall be applied equally to all employees covered hereby without discrimination because of Association membership.

Employees may elect to exercise their right to join and participate in the activities of the Association for the purpose of representation in all matters of their working conditions and employer-employee relations.

### **1.7 Association Dues**

While this agreement remains in effect the City will, upon verification that a City employee is a member of the Association, deduct from the employee's paycheck and forward to the Association, his or her membership dues. All other legal and required deductions notwithstanding, the employee shall have the right to cancel membership at any time by giving written notice to the City Manager. The City shall transmit to the Association, as soon as reasonably possible, the aggregate of such deductions, along with an itemized statement of the deductions taken. Dues deducted and paid to the Association in error shall be refunded to City upon presentation of proof of such error.

### **1.8 Release Time for Association Business**

Up to three (3) designated Association representatives (in addition to the Association's business agent) shall be allowed, as long as there is no disruption in work, a reasonable amount of release time off without loss of pay for purposes of participating in meetings and conferring or meeting and consulting sessions with City representatives on matters within the scope of representation. Such Association representatives shall first obtain permission through the appropriate management channel before leaving the work or work location.

### **1.9 Contracting Out/Bidding**

The City has the right to contract out bargaining unit services, however, when feasible, the City will perform cost analysis to meet the best interest of the City. In the event that the City exercises its right to contract out bargaining unit work, the City shall provide at least 60 days' notice to Association and an opportunity for the Association to meet and confer on the impacts and effects of this decision and comply with current law.

### **1.10 Safety**

The City recognizes its obligation and is committed to providing a safe place of employment for its employees. To assist in accomplishing this goal, it is agreed that the City reserves the right to adopt reasonable City rules and regulations, which become effective when posted. City agrees to meet and discuss with the Association proposed changes prior to implementation.

The Association agrees that it is the duty of all employees to comply with all reasonable rules and regulations and to be alert to all unsafe places, equipment and conditions and to report any such unsafe practices or conditions to their immediate supervisor.

Association representatives shall have reasonable access to work locations of unit employees to inspect worksites to ensure a safe work place.

**1.11 Safety Committee**

The City shall convene a Safety Committee to discuss the provision of safety equipment appropriate to specific job classifications

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<b>ARTICLE 2 COMPENSATION</b>
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**2.1 Compensation Adjustment**

**A. Off-Salary Schedule Adjustment**

The first full pay period following MOU ratification, and subsequent 30-day window after the second reading of the Ordinance adopting a revised salary schedule, classifications shown on Table C below shall incorporate the off-salary schedule adjustment annual amount into the annual base salary. The off-salary adjustment shall be PERS-able salary.

<b>Off- Salary Schedule Adjustment - Table C</b>	
<b>Effective 9/27/15</b>	
<b>Classification</b>	<b>Annual Amount</b>
Accounting Assistant	\$ 4,598.00
Accounting Assistant, Senior	\$ 4,598.00
Administrative Technician	\$ 8,199.00
Animal Control Officer	\$ 1,168.00
Arborist	\$ 13,776.00
Code Compliance Officer	\$ 11,580.00
Equipment Mechanic	\$ 4,923.00
Equipment Mechanic, Senior	\$ 4,923.00
Housing Program Coord./Code Compliance Officer	\$ 6,408.00
Maintenance Supervisor	\$ 13,776.00
Maintenance Technician/Safety Coordinator	\$ 13,776.00
Maintenance Worker	\$ 7,223.00
Maintenance Worker, Senior	\$ 10,358.00
Office Assistant	\$ 3,311.00
Planner, Assistant	\$ 7,782.00
Planner, Associate	\$ 8,656.00
Planner, Senior	\$ 13,233.00
Police Records Supervisor	\$ 1,472.00
Police Service Technician	\$ 1,168.00

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## 2.2 Certificate/Special Pay

Employees covered under this agreement that hold certain licenses and/or certificates may be eligible for a pay differential of 5% of base salary. Once an employee receives special pay under this section, it shall not cease unless and until the employee no longer maintains the license or certificate. The pay differential may be obtained as follows:

- a) With the approval of the department manager and the City Manager, employees covered under this agreement that hold and maintain a license or certificate that is not required by the employee's job description, and is deemed by the approving authorities to provide significant benefit to the operation of the department, shall receive a 5% pay differential.

The department manager, with the City Manager's approval, shall decide how many such licenses or certificates are necessary to the efficient operation of the department and shall use fair and appropriate procedures to make a selection among qualified candidates.

- b) Personnel assigned responsibility for back flow prevention and who possess a back flow certificate shall receive a 5% pay differential.



- c) Employees who are certified and required to perform HAZ MAT\* duties shall receive a 5% pay differential.
- d) Employees who are required to maintain a Class B driver license shall receive a 5% pay differential, effective January 1, 2006.

### **2.3 Shift Differential**

Employees regularly assigned to work a shift between the hours of 7:00 p.m. and 7:00 a.m. shall receive a shift differential premium pay equal to 2.5% of the employee's base rate of pay.

## **ARTICLE 3 INSURANCE BENEFITS**

### **3.1 Employee Health Plan Eligibility**

Association employees shall be entitled to participate in the City-sponsored group health plans including medical, dental and vision as well as optional benefits.

Eligible employees enrolling in the group health plans within 60 days following their appointment will be covered subject to the contract limitation with the group health plan carrier. Coverage shall commence when the employee is eligible for coverage under CalPERS rules and the group health plan carriers' rules.

Human Resources will notify employees of annual open enrollment periods to change group health plans or enroll in additional benefits; unless the employee can certify a qualifying loss of coverage (an eligible spouse, domestic partner, or minor child requiring health coverage because of a court order; new children by birth or adoption, or placement of adoption; new family members due to marriage or domestic partnership registration; or those whose health plan was cancelled due to an involuntary loss of coverage).

#### **A. Cash In Lieu (Grandfathered Employees)**

The City shall contribute \$350 per month (\$161.54 for each of twenty-six pay periods) for current employees who are not participating in medical health plan coverage at the time of MOU ratification. This option is not available to new hires or current employees participating in the City's medical group health plan coverage. There is no opt-in for this program and employees who opt out will no longer be allowed to receive this benefit. This contribution terminates 12/31/19.

### **3.2 City Paid Group Health Premiums**

- (a) City shall pay the employer required statutory minimum contribution for employees enrolled in the PERS medical plans as required by the Public Employee Medical and Hospital Care Act (PEMHCA).
- (b) Health care premiums include medical, dental and vision.

(c) For employees participating in all three group health plans: medical, dental and vision:

- (1) Effective the first full pay period after ratification, the City will contribute up to \$800 per month towards health care premiums.
- (2) Effective in the first full pay period of December 2017 the City will contribute up to \$1,000 per month towards health care premiums.
- (3) Effective in the first full pay period of December 2018, the City will contribute up to \$1,200 per month towards health care premiums.
- (4) Employees participating in all three group health plans (at any participation level, employee only, employee + one, employee + family) are eligible to receive the balance of their City health contributions placed in a medical Flexible Spending Account (FSA) with a 10% administrative fee deducted annually.

### **3.3 Proof of Other Coverage**

Employees who opt out of the group medical plan and receive cash in lieu must provide the following:

- (a) proof the employee and all individuals for whom the employee intends to claim a personal exemption deduction (“tax family”), have or will have minimum essential coverage through another source (other than coverage in the individual market, whether or not obtained through Covered California) for the plan year to which the opt out arrangement applies (“opt out period”);

and

- (b) the employee must sign an attestation that the employee and his/her tax family have or will have such minimum essential coverage for the opt out period. An employee must provide the attestation every plan year at open enrollment or within 30 days after the start of the plan year. The City will not make an in lieu payment if the City knows the employee or tax family member doesn’t have such alternative coverage, or if the conditions in this paragraph are not otherwise satisfied.

### **3.4 Section 125 Plan**

Employees may elect to participate in three Section 125 programs offered by the City. The available programs are Pre-Tax Premium Option, Dependent Care, and Flexible Spending Account. Each of these programs shall be administered in accordance to the IRS Code. For purposes of information, the following provides a description of the programs.

- Pre-Tax Premium Option- Permits payment of health insurance premiums subject to salary deduction with pre-tax income.
- Dependent Care- Permits payment of eligible dependent care with pre-tax income.

- Flexible Spending Account- Permits payment of eligible health care expenses not reimbursed by health insurance with pre-tax income.
- Optional Insurance Programs (e.g. AFLAC) or other pre-tax offerings sponsored by the City

Other Optional Benefits:

- 457 Deferred Compensation Plan

### **3.5 Group Life Insurance**

The City shall provide at its cost Group Life Insurance with Accidental Death and Dismemberment at a minimum benefit of \$50,000.

### **3.6 Short Term/ Long Term Disability Plan (STD/ LTD)**

The City shall provide at its cost Short Term and Long Term Disability Insurance.

### **3.8 State Disability Income Protection Plan**

It is agreed that Association employees shall be covered by the State Disability Income (SDI) Protection Plan at their expense. The SDI benefit will be integrated with City PTO leave benefits.

### **3.7 Medical, Dental, and Vision Insurance**

The City and Association agree to periodically review health insurance policies currently in place to provide the most favorable insurance coverage available.

### **3.8 Medicare**

City agrees to implement Medicare withholding for employees who have not achieved eligibility.

### **3.9 Retired (Grandfathered) Employees Health Premium**

For employees retired prior to 1/1/17, the City shall pay a health insurance premium supplement to Associations employees who retire from the City on or after January 1, 1999, equal to one half the cost of the highest premium paid by the City for Employee only health insurance, excluding premiums for dental and vision insurance, to a maximum of \$150.00 per month. The payment, which will be paid directly to the employee, shall continue for a period of five years following the effective date of the employee's retirement or until the employee attains the age of 65 years, whichever occurs first. To qualify for the supplemental payment, the retired employee must be enrolled in the City's medical group health plan.

This benefit OPEB (Other Post Employment Benefit) terminates for employees retiring after 1/1/17.

### **3.10 Workers Compensation Salary Continuation**

Association members who suffer a bona fide on the job injury, as determined under the provisions of the California Workers' Compensation laws, and who, as a result of such injury, are unable to work in their regularly assigned position or other position as determined by the City will be entitled to receive full salary and benefits for the first 90 days of such absence from the date of the incurred injury. No charge to the member's

sick leave, vacation, compensatory time off or other leave will be made during the 90 days from the date of the incurred injury. It is noted that the City offers a Disability Insurance policy which establishes additional benefits for absences due to disabilities.

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## ARTICLE 4 FITNESS INCENTIVE

### 4.1 Fitness Incentive Program Overview.

The Fitness Incentive Program is coordinated by the Recreation Department. The current physical fitness testing program is unavailable and the recreation department is considering other local programs. The City agrees to meet with the Association once a program has been selected.

#### Benefits to the City

- Lower rate of absenteeism of employees
- Higher employee morale
- Testing available for all ages and abilities
- Potential for decreased health care costs
- Potential for lowered health insurance costs

#### Benefits to the Employees

- All testing is confidential
- Increased morale
- Increased fitness/health
- Fee to employee - \$5.00 donation per person, per test session
- Incentives for fitness improvements (provided by employer)
- Potential for decreased health risks
- Potential for decreased absenteeism
- Ability to self-test and track improvements using the President's Challenge-Adult Fitness Test

### 4.2 Fitness Testing Procedure

There will be two scheduled fitness-testing times per calendar year. Employees will have the option of testing during one or both of the scheduled test dates. Employees volunteering to test twice a year, who improve their scores, will receive the difference in the incentive between their first and second score. For example, an employee who improved from level 3 to level 4 will receive \$50. The maximum incentive to be received by an employee during a calendar year is \$250.

Employees participating in the fitness testing may do so on or off duty, providing there is adequate staffing. No overtime will be paid for off-duty participation.

### 4.3 Fitness Testing Components

- a)
- b) Testing includes measurement of:  
Muscular Endurance

Cardiovascular Endurance  
Flexibility

- c) Testing can be adapted for persons with special needs

#### 4.4 Incentive Plan Compensation

The incentive for employees would be determined by the rating given to the employee after they complete the Fitness Profile. The Fitness Profile evaluates personal fitness test results based on the national norms for specific age and gender categories. Compensation would be determined as follows:

Level	Compensation
Level 5	\$250.00
Level 4	\$150.00
Level 3	\$100.00
Level 2	\$0
Level 1	\$0

### ARTICLE 5 RETIREMENT

This MOU shall incorporate the two-tiered retirement system to address Classic Members and New CalPERS Members required for Miscellaneous Employees by the California Public Employees' Pension Reform Act (PEPRA) of 2013.

#### 5.1 Definition

The terms Classic Member and New CalPERS members are defined by PERS law and regulations, but in general these are construed to have the following meanings:

##### A. Classic CalPERS Member

"Classic Member" is typically defined as an employee who was hired on or before December 31, 2012, or is a member of a reciprocal retirement system.

##### B. New Employee

"New Employee" means an employee of a public employer who is employed for the first time by any public employer on or after January 1, 2013, and who was either:

- Not employed by any other public employer prior to that date; or
- Employed by another public employer prior to that date, but who was not subject to reciprocity between his new employer's plan and another public retirement system.

##### C. New CalPERS Member

"New Member" means an individual who either:

- Becomes a member of the plan for the first time on or after January 1, 2013 and either (i) was not a member of any other public retirement system prior to that date or (ii) was a member of another public retirement

system prior to that date but was not subject to reciprocity between his new employer's plan and another public retirement system; or

- Was an active member in the plan and, after a break in service of more than six months, returned to active membership in that plan with a new employer.

## **5.2 Service Pension for Classic Members**

The retirement formula expressed in Government Code Section 21354 commonly known as 2% at 55 local miscellaneous members shall apply to covered Classic Members.

## **5.3 Cost Sharing - Service Pension for Classic Members**

- A. The parties shall engage in sharing the City's employer contribution towards retirement benefits in accordance with Government Code Section 20516. As soon as administratively possible, cost-sharing shall be in effect and will require the employee to pay the portion of the employer contribution.
- B. For the duration of the MOU, the employee shall pay a total of 12% of the employee and employer share (7% of the employee share and 5% of the employer share).
- C. Following MOU ratification, the City will initiate a contract amendment with CalPERS under Section 20516 that allows for employee cost sharing of the employer rate and provides member's contribution to be credited to each member's account. Following the expiration of the current MOU, the City will initiate a contract amendment with CalPERS to end the Section 20516 amendment if not re-negotiated at that time. The Association recognizes that the CalPERS amendment process may take up to 90 days or longer.

## **5.4 Final Compensation for Classic Members**

"Final Compensation" shall be applied for retirement purposes as specified in Government Code Section 20042, as one year's highest compensation.

## **5.5 Credit for Unused Sick Leave for Classic Members**

Employees shall be given service credit upon retirement for unused sick leave as specified in Government Code Section 20965.

## **5.6 New CalPERS Members Benefit Rate, Contribution and Final Compensation**

New CalPERS Members shall receive and make contributions for PERS benefits in compliance with PEPRA.

- A. **Benefit Rate** New Members benefit rate shall be MISC 2% @ 62.
- B. **Contribution** New Members shall pay 50% of the normal cost of their pension benefit.
- C. **Final Compensation** Three-year average final compensation period.

**5.7 1959 Survivor’s Allowance**

The “1959 Survivor’s Allowance Fourth Level” as defined in Government Code Section 21574 shall apply to both Classic and New CalPERS Members.

**5.8 Military Service Credit**

Military Service Credit as defined in Government Code Section 21024 shall apply to both Classic and New CalPERS Members

**5.9 Continued Application**

The Parties agree that all elements of the CalPERS article shall have continued application until or unless it is amended by mutual agreement of the parties.

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<b>ARTICLE 6 LEAVE PROVISIONS</b>
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**6.2 Sick Leave**

**A. Sick Leave Buy Out**

Upon separation of employment, other than retirement, the employee shall be entitled to be paid for 50% of his/her sick leave accumulated at the time of such termination up to a maximum pay off of 1,000 hours. All remaining sick leave will have no monetary value and will be written off.

Upon retirement the employee shall be entitled to be paid for 50% of any accumulated sick leave in excess of that for which retirement credit is given.

In the event the employee is terminated by virtue of a conviction of a felony or any other illegal act, the City shall have no obligation to provide sick leave buy-out.

**6.3 Personal Necessity Leave**

Employees may use accrued sick leave and or PTO leave in the event of the personal illness or injury of a family member, including father, mother, brother, sister, spouse, registered domestic partner, child, step-child, grandparent, or in-laws.

**6.4 Bereavement Leave**

Up to a maximum of five (5) days of paid leave will be granted per occurrence in the case of the death of a family member, including father, mother, brother, sister, spouse, child, step parent, step child, grandparent, in-laws, registered domestic partner, child of registered domestic partner or any other member of the immediate household.

**6.5 Paid Time Off (PTO)**

Effective July 1, 2015 a Two-Tiered Paid Time Off (PTO) program shall be implemented. The two-tiers shall identify the leave accrual rate and policy for Legacy Employees and New Employees.

**6.5.1 Legacy Employees Paid Time Off (PTO)**

This section shall set PTO rules for Legacy Employees only. PTO rules for New Hire Employees are set forth below and shall not apply to Legacy Employees

**A. Definition**

Legacy Employees shall be defined as those hired on or before June 30, 2015.

**B. Effective Date**

PTO shall be implemented effective July 1, 2015 (at the following pay period).

Vacation leave accrued before June 30, 2015 is usable as PTO, or at the employee's option (exercised before June 30, 2015), may be retained as a vacation leave bank.

Sick leave accrued before June 30, 2015 may be used as PTO, or at the employee's option (exercised before June 30, 2015), may be retained as a sick leave bank.

**C. Accrual Rate**

PTO Accruals are based upon full years of consecutive employment. Legacy employees shall earn PTO according the rates set out in the following table.

<b>Years of Service</b>	<b>Hours Earned per Month</b>
Less than 5	10.667
5 to 6	14.00
7 to 8	14.667
9 to 10	15.333
11 to 12	16.00
13 to 14	16.667
15	17.333
16	18.00
17	18.667
18	19.333
19	20.00
20 plus	20.667

**D. PTO Accumulation**

PTO shall not be accrued any time the employee's PTO balance exceeds 296 PTO hours.

**E. PTO/Vacation Buy-Back Program**

Employees may sell back to the City up to 80 hours of their PTO /vacation in any calendar year if both of the following conditions are met:



- The employee has used (taken) at least 40 hours of PTO/ vacation during the preceding calendar year.

AND

- The employee must have at least 40 hours of PTO/ vacation remaining after the buy-back of some of the accumulated vacation.

**F. PTO/Vacation Pay Out**

- PTO/Vacation leave balance shall be paid out upon employee's separation from employment in compliance with CalPERS rules and regulations.

**6.5.2 New Employees Paid Time Off (PTO)**

This section shall set PTO rules for New Hire Employees only. PTO rules for Legacy Employees are set out above and shall not apply to New Hire Employees

**A. Definition**

New Employees shall be defined as those hired on or after July 1, 2015.

**B. Accrual Rate**

PTO Accruals are based upon full years of consecutive employment. New Employees shall earn PTO according the rates set out in the following table.

<b>Years of Service</b>	<b>Hours Earned per Month</b>
Less than 5	8.00
5 to 15	12.00
15 plus	15.333

**C. PTO Accumulation**

PTO shall not be accrued any time the employee's PTO balance exceeds 244 PTO hours.

**D. PTO Buy-Back Program**

Employees may sell back to the City up to 80 hours of their PTO in any calendar year if both of the following conditions are met:

- The employee has used (taken) at least 40 hours of PTO during the preceding calendar year.

AND

- The employee must have at least 40 hours of vacation remaining after the buy-back of some of the accumulated vacation.

**E. PTO Pay Out**

PTO leave balance shall be paid out upon employee's separation from employment.

**6.6 Holiday Schedule**

Holidays observed shall be as set out in Section 4.20 of the Pacific Grove Municipal Code and *Administrative Policy & Procedures Manual* with the following adjustment.

- The following days shall not be observed as City holidays: Cesar Chavez Day and California Admission's Day.

## **6.7 Two-Tiered Holiday Schedule Effective July 1, 2015**

Effective July 1, 2015 the Two-Tiered Holiday Schedule shall be implemented. The two-tiers shall identify the holiday schedules for Legacy Employees and New Employees.

### **6.7.1 Legacy Employees Holiday Schedule**

#### **A. Definition**

Legacy Employees shall be defined as those employees hired on or before June 30, 2015.

#### **B. Holiday Schedule**

Effective July 1, 2015, Legacy Employees shall receive annually the following eight (8) paid holidays:

- New Years' Day- January 1
- Memorial Day- Last Monday in May
- Independence Day- July 4
- Labor Day- 1<sup>st</sup> Monday in September
- Thanksgiving Day- 4<sup>th</sup> Thursday in November
- Thanksgiving Holiday- Day After Thanksgiving
- Christmas Eve Day- December 24
- Christmas Day- December 25

#### **C. Holiday Schedule Observance**

Unless otherwise provided, when a holiday falls on a Sunday, the following Monday shall be observed; a holiday falls on a Saturday, the prior Friday shall be observed. When a holiday falls on an employee's time off, the working day immediately preceding or immediately following such holiday, at the determination of the department manager and subject to approval of the personnel officer, shall be observed as a holiday.

#### **D. Floating Holidays**

Effective July 1, 2015 and thereafter annually, Legacy Employees shall receive six (6) floating holidays each fiscal year.

Legacy Employees may select the date upon which they shall use any floating holiday, subject to scheduling needs of the City. If a floating holiday is not used within the fiscal year, the time shall be forfeited.

Floating holidays denied due to staffing shortages or other operational reasons will be paid or accumulated at the employee's choice at the end of the fiscal year. The employee will have the burden to prove the request was made in a timely manner and then denied.

**6.7.2 New Hire Employees Holiday Schedule**

**A. Definition**

New Employees shall be defined as those hired on or after July 1, 2015.

**B. Holiday Schedule**

Effective July 1, 2015 New Hire Employees shall receive the following six (6) paid holidays:

- New Years' Day- January 1
- Memorial Day- Last Monday in May
- Independence Day- July 4
- Labor Day- 1<sup>st</sup> Monday in September
- Thanksgiving Day- 4<sup>th</sup> Thursday in November
- Christmas Day- December 25

**C. Floating Holidays**

New Hire Employees shall receive five (5) floating holidays annually each fiscal year.

**D. Pro-Rated Allocation**

Employees who are hired during the Fiscal Year (FY) shall have the number of floating holidays prorated based upon their date of hire as follows:

<b>Date of Hire</b>	<b>Number of Float</b>
July 1 to August 30	5 float holidays
Sept 1 to Oct 31	4 float holidays
Nov 1 to Dec 31	3 float holidays
Jan 1 to Feb 28	2 float holidays
March 1 to June 30	1 float holiday

New Hire Employees may select the date upon which they shall use any floating holiday, subject to the scheduling needs of the City. If a floating holiday is not used within the fiscal year, the time shall be forfeited.

Floating holidays denied due to staffing shortages or other operational reasons will be paid or accumulated at the employee's choice at the end of the fiscal year. The employee will have the burden to prove the request was made in a timely manner and then denied.

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**ARTICLE 7 WORKING CONDITIONS**

**7.1 Hours**

Forty hours shall constitute a week's work for each full-time employee. The work week begins on Sunday at 12 am and ends on Saturday at 11:59 am.

The City will consider any alternative work schedule, but any modification to the work schedule must be recommended by the department manager and approved by the City Manager.

## **7.2 Overtime**

Employees who are required to work in addition to regular straight time 40 hours for five consecutive days shall be paid overtime. Consistent with FLSA, compensatory time may apply only upon mutual agreement of the employee and the City.

## **7.3 Call Back**

In those situations in which an employee who, following the completion of his/her work day and departure from his/her place of employment, is unexpectedly called back and must report to a work site in response to a directive from management because of unanticipated work requirements, that employee shall be credited with a minimum of three (3) hours of work compensated at the rate of one and one-half times base pay (including longevity pay).

## **7.4 Work Schedules**

Work schedules shall be posted in a conspicuous location at least two weeks prior to the expected duty. Any changes in the schedule shall be posted at least five working days in advance. Work assigned for special events shall be scheduled in addition to the regular work week.

The City will distribute the final holiday schedule applicable to each department on or before October 1 of each year, but this date may be extended based upon operational need.

## **7.6 Uniform**

### **a) Uniforms Provided**

The City will provide uniform service for designated members of the field departments.

### **b) Safety Shoes**

The City will reimburse up to \$250 each year for OSHA-compliant safety boots for those employees required to wear safety boots as part of the regular work uniform.

### **c) Uniform Allowance**

The City will provide a uniform allowance for designed members of field departments in the amount of \$92.50 each calendar month. The three classifications to which this Article applies shall be the Police Services Technician, Animal Control Officer and Parking Enforcement Officer.

## **7.7 Performance Evaluations**

Annual written performance evaluations shall be made by department managers, on forms provided by the City, for all employees.

The department manager shall discuss the evaluations with each employee evaluated.

Changes to job descriptions that result in a substantial change in duties are subject to the meet and confer process.

Regular employees serving in regular established positions shall be advanced to the next higher salary step for their respective classifications after successful completion and satisfactory service in each of the salary steps for the classification until the top of the range is reached. Advancements are not automatic, but are based on possession of a rating on their last annual evaluation of "meets standards" or better and require the recommendation of the department manager and approval by the City Manager. Evaluations more than 90 days late will be deemed satisfactory and employee will receive a merit/step increase and or longevity step. The City agrees to pay retroactively (no more than 90 days) when applicable. In an effort to ensure members are evaluated in a timely manner and reduce the need for retroactive pay for step/merit or longevity increases, the City Manager will be notified of a delinquent evaluation within 30 days.

### **7.8 Step Advancement**

Employees are eligible for a salary step increase on their anniversary or new classification date following completion of 2,080 hours of paid service, whichever is longer. Time spent on legally protected leaves of absence such as FMLA or CFRA count towards step increase eligibility.

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<b>ARTICLE 8 GRIEVANCE PROCEDURE</b>
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### **8.1 Definitions**

- A. "Grievant" means an employee(s) filing a grievance.
- B. "Grievance" is a statement that the grievant has been adversely affected by a violation, misapplication or misinterpretation of the Memorandum of Understanding.
- C. "Immediate Supervisor" is the management employee directly supervising the grievant or in his/her absence his/her designee.
- D. "Day" is a calendar day.

### **8.2 Grievance Procedure Steps**

#### Informal Step

Before filing a grievance, the grievant shall discuss the matter with his/her immediate supervisor.

#### Step 1

- a) If this grievant is not satisfied with the response at the informal step, the grievant shall submit the grievance in writing to his or her immediate supervisor within 21 days of the action causing the grievance or of the date the action reasonably could have been expected to be known to the grievant.

- b) Within 14 days of filing the grievance, the immediate supervisor shall respond in writing to the grievance.

#### Step 2

- a) If the grievant is not satisfied with the Step 1 response, the grievant may bring the grievance to the department manager, within 14 days of receipt of the Step 1 response.
- b) The department manager shall respond to the grievance in writing within 14 days of receipt of the grievance at Step 2.

#### Step 3

- a) If the grievant is not satisfied with the Step 2 response, the grievant may bring the grievance to the City Manager within 14 days of receiving Step 2 response.
- b) The City Manager shall respond to the grievance in writing within 14 days of receipt of the grievance at Step 3. The City Manager's response shall be final.

#### Step 4

- c) If the grievant is not satisfied with the Step 3 response, the grievant may bring the grievance to management for referral to the City's 3<sup>rd</sup>-party hearing officer panel within 14 days of receiving Step 3 response.
- d) The assigned City 3<sup>rd</sup>-party hearing officer shall respond to the grievance in writing within 30 days of receipt of the grievance at Step 4. The 3<sup>rd</sup>-party hearing officer's response shall be advisory, and non-binding.

### **8.3 Release Time**

The grievant shall be entitled to release from duty without loss of pay for the hearing of grievances. Other employees may be released from duty without loss of pay to serve as representatives or witnesses. Such releases are subject to the staffing and operational needs of the department.

### **8.4 No Discrimination**

There shall be no restraint, interference, coercion, discrimination or reprisal against any employee for exercising any rights under the grievance procedure.

### **8.5 Representation**

- A. The employee may be represented by the Association at any step of the grievance.
- B. An employee is also entitled to represent her/himself individually at any step of the grievance procedure.
- C. A grievant may not change her/his designation of representative organization, during the processing of a grievance except by mutual agreement of the parties.

### **8.6 Grievance Withdrawal**

By mutual agreement of both parties the grievant and his/her representative may withdraw a grievance at any stage of the grievance procedure by giving written notice to the City representative who last took action on the grievance.

### **8.7 Review by the Association**

If a grievant is not represented by the Association, the Association will be given seven calendar days in which to comment on the solution.

If the Association disagrees with the solution, it may, within the said seven (7) days, bring its position to the City Manager. The City Manager shall consider the Association's views before adopting a solution. In any event, the Association's position will be noted in the official grievance documentation. The City Manager's decision shall be final.

### **8.8 Waiver of Steps**

By mutual written consent of both parties, any step of the grievance procedure may be waived.

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<b>ARTICLE 9. EDUCATION INCENTIVE AND PROFESSIONAL DEVELOPMENT</b>
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### **9.1 Education Incentive Pay**

#### **A. Conditions**

With the approval of the department manager and the City Manager, an employee may undertake a course of study that, when completed as set out below, will make the employee eligible for additional pay as described. Any employee whose job description includes a requirement for a particular level of education or the possession of certain degrees, professional certificates, or credentials, shall not be eligible for additional pay under sections A or B. Any employee who is eligible to receive the benefits contained within sections A or B, shall not be eligible for additional pay under section C. Employees who, prior to or in the course of their employment with the City, have obtained college level credits, degrees, certificates, or credentials as specified below, may present proof of such to their department manager and the City Manager and request additional pay under this section.

#### **B. Definitions**

- a) "Base Pay" means the monthly salary for the range and step of the eligible employee, and shall exclude any compensation received for overtime, clothing allowance, or other fringe benefits.
- b) "Satisfactory completion" means obtaining a grade of "C" or better in each course.
- c) "College level" means any post high school institution accredited by the California State Department of Education, the Western Association

of Schools and Colleges, or equivalent organizations in other states or counties, or which has the prior approval of the City Manager.

- d) "Job related" means any academic course, the content of which would reasonably be expected to assist the employee in the performance of his/her duties. The City Manager's determination of the eligibility of any course shall be final. In the case of doubt, the employee may request the written determination of the department manager and City Manager.

### **C. Procedure**

- a. Upon compliance with this section, employees shall receive an amount equal to 2.5% of their base pay upon satisfactory completion of 30 units of college level, job-related courses.
- b. Upon compliance with this section, employees shall receive an amount to total 5% of their base pay upon satisfactory completion of 60 units of college level, job-related courses. Compliance with the section shall also be satisfied by presentation of a certificate, diploma, or transcripts indicating attainment of an AA, AS, BA, BS, or other City approved degree from a post high school educational institution as defined above.
- c. Upon compliance with this section, employees whose job description includes a requirement for a particular level of education or the possession of certain degrees, professional certificates or credentials and who are deemed ineligible to receive the benefits under sections A or B, shall receive a lump sum payment of \$500.00 upon satisfactory completion of a course of study and/or examination that results in attaining an acknowledged level of professional development – evidenced, for example, by degree, credential or certification – in the employee's field of work. To qualify for this payment, the achievement must demonstrate, as determined by the department manager, attainment of a significant achievement based on national, state, or professional department standards. Employees who are eligible to receive the benefits contained within sections A or B shall not be eligible for payments under this section.
- d. The City Manager shall determine, prior to employee's embarking on the work and study required for the desired degree, credential or certification, whether the desired goal qualifies for the payment.
- e. No more than three such payments shall be paid to an individual during his/her tenure with the City.
- f. No person shall be eligible for benefits under section A through C unless and until they have completed one year of continuous full-time employment with the City of Pacific Grove and have satisfactorily completed the probationary period. Units completed prior to employment with the City of Pacific Grove, or



during the probationary period, shall be considered in determining eligibility, provided the other requirements of this section are met.

- g. Prior to payment or compensation under this section, eligible employees shall submit a list of courses and credits to the department manager together with the transcripts or other proof of satisfactory completion as may be required.
- h. Compensation shall be paid the eligible employee for the pay period beginning on the first day of the month following submission of the forms and proof required in Section e. Compensation shall not be paid unless and until all said forms and proof are submitted to the department manager in a satisfactory manner not later than the 29<sup>th</sup> day of the month preceding the month at when compensation is to commence.
- i. Any person promoted, reclassified or transferred to a position not eligible for benefits as set forth in sections A or B shall lose the compensation under this section beginning the pay period commencing on the first day of the month next succeeding said promotion, reclassification or transfer.

## **9.2 Education Reimbursement**

### **A. Definition**

Expenses incurred by employees for the payment of registration, tuition, laboratory fees, or travel outside of Monterey County but within the State, and the purchase of required textbooks in certain courses are reimbursable by the City.

### **B. Conditions**

Reimbursement provided under section 9.2 above is subject to the following conditions:

- a) The City must determine in advance that the course is job related. These courses are for the benefit of the City and the department to which the employee is assigned.
- b) Reimbursement is provided only upon satisfactory completion of the course.
- c) The course must be taken on other than City time.
- d) The limit payable in respect to courses taken in any one fiscal year by one employee is \$1,000.00.

### **C. Continuing Education Units**

The foregoing shall also cover course work required to maintain Continuing Education Units, where required.

## **9.3 Training Opportunity**

The City shall provide all eligible regular full-time employees three (3) full days paid training sessions per year. All training(s) shall be offered by the City during the employees regularly scheduled work shift. No overtime shall be incurred as a result of

the training. Location of training shall be at the discretion of City. City shall pay standard per diem for necessary and approved overnight lodging. In-service conducted solely by staff shall not qualify as a training day under this section.

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**ARTICLE 10 MISC**

**10.1 MOU Negotiations Timing**

At least six (6) months prior to the MOU expiring, management will initiate MOU negotiations with GEA.

**10.2 Future Negotiations**

The parties hereto acknowledge and agree that they have reached settlement regarding all total compensation and non-compensation items, and that said issues are settled through the period expiring December 31, 2019, provided that either party may request to meet and confer upon written notice given to the other party.

The parties therefore agree to waive any and all rights or obligations to meet and confer on any subject fully covered by this MOU until a reasonable period prior to December 31, 2019.

**10.3 Recruitment of Vacancies**

It is the intent of the City to fill vacant budgeted positions as soon as administratively possible. Means, methods, types of recruitment and selection process and corresponding timeline are at the City's sole discretion.

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**ARTICLE 11 SAVINGS CLAUSE**

If any Article or Section of this Memorandum or Understanding should be found invalid, unlawful or unenforceable by reason of any existing or subsequent enacted legislation or by judicial authority, all remaining Articles and Sections of this Memorandum of Understanding shall remain in full force and effect for the duration of the MOU. In the event of invalidation of any Article or Section, the City and the Association agree to meet within 30 calendar days of such invalidation for the sole purpose of meeting and conferring upon said Article or Section.

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This MOU constitutes a full and complete agreement between the parties on all matters within the scope of representation.

\_\_\_\_\_  
Ben Harvey, City Manager  
City of Pacific Grove  
(GEA)

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John Goss, President  
General Employees' Association

\_\_\_\_\_  
Leticia Livian, Human Resources Manager

\_\_\_\_\_  
Ryan Heron, Labor Relations  
Representative, United Public  
Employees of California (UPEC) Local  
792

\_\_\_\_\_  
Chris Darker, UPEC, Local 792  
Business Manager

\_\_\_\_\_  
Caleb Schneider,  
GEA Bargaining Team Member

\_\_\_\_\_  
Terri Schaeffer,  
GEA Bargaining Team Member

\_\_\_\_\_  
Vince Gentry,  
GEA Bargaining Team Member

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date