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TOWN OF LOS GATOS

AND

LOS GATOS TOWN EMPLOYEES' ASSOCIATION



MEMORANDUM OF UNDERSTANDING

JULY 1, 2018 – JUNE 30, 2021

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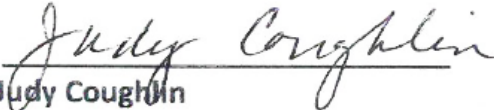
**MEMORANDUM OF UNDERSTANDING
BETWEEN
THE TOWN OF LOS GATOS
AND
THE TOWN EMPLOYEES' ASSOCIATION (T.E.A.)**

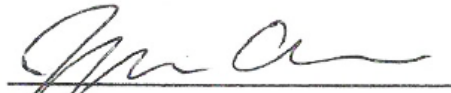
THIS AGREEMENT IS ENTERED INTO AS OF JULY 1, 2018, BETWEEN THE TOWN OF LOS GATOS, HEREINAFTER REFERRED TO AS THE "TOWN", AND THE LOS GATOS "TOWN EMPLOYEES' ASSOCIATION", HEREINAFTER REFERRED TO AS "T.E.A."

Pursuant to Town Resolution 1974-41 of the Town of Los Gatos and Section 3500 et. seq. of the Government Code, the duly authorized representatives of the Town and T.E.A., having met and conferred in good faith concerning the issues of wages, hours, and terms and conditions of employment, as herein set forth, declare their agreement to the provisions of this Memorandum of Understanding.

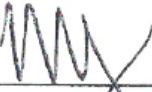
FOR TOWN EMPLOYEES' ASSOCIATION:


Christine Crosson
Communications Dispatcher Lead


Judy Coughlin
Library Specialist



Jennifer Armer
Senior Planner

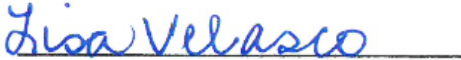

Beca Muniz
Network Administrator



Mike Welz
Associate Civil Engineer

TOWN OF LOS GATOS:


Laurel Prevetti
Town Manager


Arn Andrews
Assistant Town Manager

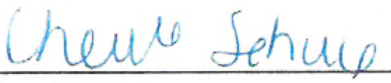

Lisa Velasco
Human Resources Director


Donna Williamson
Liebert Cassidy Whitmore

APPROVED AS TO FORM:


Catherine Gildea
Librarian


Robert Schultz
Town Attorney


Cheryl Schiele
Employee Representation Services, Inc.

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**TOWN OF LOS GATOS
AND THE TOWN OF LOS GATOS EMPLOYEES' ASSOCIATION
MEMORANDUM OF UNDERSTANDING
ON SALARIES, FRINGE BENEFITS AND WORKING CONDITIONS**

Preamble

The authorized representatives of the Town of Los Gatos hereafter referred to as the "Town" and the authorized representatives of the Town of Los Gatos Employees' Association hereafter referred to as "T.E.A." do jointly accept and agree to all the terms and conditions of employment set forth in this Memorandum of Understanding pursuant to Town Resolution 1974-41 of the Town of Los Gatos and the Meyers-Milias-Brown Act, Section 3500 et. seq. of the Government Code.

This understanding shall apply to represented employees assigned to those classifications listed on Appendix A. When classifications are created which fall under the representation of T.E.A., this understanding shall also apply. This agreement supersedes all previous agreements between the Town and T.E.A.

The terms and conditions of employment set forth in this understanding have been discussed in good faith by the authorized representatives of the Town and the authorized representatives of the employees. T.E.A. agrees to recommend acceptance by the employees of all terms and conditions set forth herein. Following said acceptance by T.E.A., authorized representatives of the Town agree to recommend to the Town Council that all terms and conditions set forth herein be approved by resolution. Upon adoption of said resolution, all terms and conditions so incorporated shall become effective without further action by either party.

Term

This Memorandum of Understanding shall commence on July 1, 2018 and terminate on June 30, 2021.

Goal

This Memorandum of Understanding (MOU) has been prepared in a spirit of cooperation between T.E.A. and the Town. The purpose of this MOU is to define all presently known issues concerning employment, foster a sense of team work between T.E.A. and the Town, and create conditions under which the highest quality of public service is delivered.

Section 1. Scope of Representation

Employees represented by T.E.A. are those in permanent positions in the classifications listed in Appendix A.

If it should become necessary to reduce the hours of any employee whose classification is listed in Appendix A, such employee's representation by T.E.A. will not be affected. The Town agrees to notify T.E.A. before filling a vacated represented position with an hourly employee.

Section 2. Town Employer-Employee Relations

2.1 T.E.A. Rights

The Town recognizes the employees' right to join and participate in T.E.A. T.E.A. shall provide the Town with a list of T.E.A. officers and department representatives. T.E.A. shall distribute to all new unit employees materials furnished for such purposes by T.E.A.

Upon request of any employee represented by this Agreement, a T.E.A. representative shall be present during meetings involving the individual employee in disciplinary matters. Oral reprimands and performance evaluations are not included in the above. To the extent possible, disciplinary and grievance matters shall be considered during normal working hours and with pay.

T.E.A. representatives shall have access to its members, bulletin boards, and Town mail system on Town time.

During the term of the agreement, as long as there is no disruption in work, up to five (5) T.E.A. members shall be allowed up to two (2) hours of release time off each month with pay for meeting and conferring, meeting and consulting, or the processing of grievances in accordance with the grievance procedure, Section 19 of this MOU. The T.E.A. President shall be allowed up to eight (8) hours for these same purposes. T.E.A. general membership meetings will continue to be held during lunch or after work. Town initiated meetings are not subject to release time limits. Such T.E.A. members shall first obtain permission from Department Directors before leaving their work or work locations.

2.2 Town Employer-Employee Relations Resolution

T.E.A. and the Town recognize the existing language in Town Resolution 1974-41, or its successor as it governs all aspects of labor relations in the Town. Any changes in Resolution 1974-41 which apply to T.E.A. will be made after meeting and consulting with T.E.A.

2.3 Employee Rights

The Town adopts, in principle, the following rights, duties and responsibilities of its employees:

2.3.1

Organize and select leaders and representatives.

2.3.2

Employee and Town actions shall be governed by the MOU, Personnel Rules and Town policies.

2.3.3

At T.E.A.'s request the Town Manager shall meet twice during the term of this Agreement with T.E.A. to discuss matters of employee interest.

2.3.4

Utilization of the Disciplinary Procedure (see Resolution 1974-41 or its successor, if any during the term of this MOU, and Ordinance No. 1593).

2.3.5

Right to request a review of his/her classification and receive a response to the request.

2.4 Management Rights

The rights of the Town include, but are not limited to the exclusive right to:

2.4.1

Determine the mission of its constituent departments, commissions and boards;

2.4.2

Set the standards of service;

2.4.3

Determine the procedures and standards of selection for employment and promotion;

2.4.4

Direct its employees;

2.4.5

Take disciplinary action in accordance with adopted disciplinary procedures, recognizing the employee's right to due process;

2.4.6

Relieve its employees from duty because of lack of work or for other legitimate reasons;

2.4.7

Maintain the efficiency of governmental operations;

2.4.8

Determine the methods, means and personnel by which government operations are to be conducted;

2.4.9

Determine the content of job classifications;

2.4.10

Take all necessary action to determine when an emergency exists and to carry out its mission in emergencies including the requirement that employees work overtime. Any question regarding the existence of an emergency is determined by the Town Manager, whose decision shall be final;

2.4.11

Exercise control over its organization and the technology of performing its work;

2.4.12

Refer any question regarding implementation or interpretation of the MOU to the Town Manager or the Human Resources Director for a determination.

Section 3. Comprehensiveness of Agreement

3.1

The Town and T.E.A. agree that this Agreement represents all wages, hours, and working conditions subject to the meet and confer process and available to employees.

3.2

In the event that a local, State or Federal law significantly impacts the terms of this MOU, the Town will meet and consult with T.E.A. regarding its implementation. In some cases, this may occur after the law or rule has been adopted.

Section 4. Savings Clause

If any provision or the application of any provision of this Agreement as implemented should be rendered or declared invalid by any final court action or decree or by reasons of any preemptive legislation, the remaining sections of this Agreement shall remain in full force and effect for the duration of this Agreement.

Section 5. Association Membership

5.1

The Town recognizes the exclusive right of T.E.A. to represent members of the bargaining unit on all matters relating to employment conditions and employer-employee relations subject to an individual employee's right to self-representation as provided by Government Code Sections 3502 and 3503.

5.1.1 Check-Off

T.E.A. shall have the sole and exclusive right to have membership dues deducted from the pay of employees covered by this MOU.

The Town will deduct from the bi-weekly pay check and remit to T.E.A., the normal and regular T.E.A. membership dues. Every effort will be made to remit dues to T.E.A. within two (2) weeks of deduction from members' wages. T.E.A. agrees to indemnify, defend and hold the Town harmless against any claims made of any nature and against any suit instituted against the Town arising from the check-off for the dues, insurance or benefit programs of T.E.A.

5.1.2 Maintenance of Membership

T.E.A. membership is not a mandatory condition of employment for any employee covered by this Agreement. However, any employee covered by this Agreement who is a T.E.A. member on or after the date this Agreement is ratified by the T.E.A. membership, shall continue to pay to T.E.A. those dues regularly charged members of T.E.A. in good standing while covered by this Agreement. Employees wishing to withdraw from T.E.A. membership may do so by giving written notice to T.E.A. during the thirty (30) days immediately prior to the expiration of this agreement.

Upon return from leaves of absence, the Town shall reinstate the payroll deduction of T.E.A. dues.

Enforcement of this Section shall be the responsibility of T.E.A., utilizing appropriate civil procedures. T.E.A. shall indemnify and hold the Town harmless from any and all claims, demands or suits, or any other action arising from this Section.

5.1.3 Disclosure and Reporting

T.E.A. shall provide financial documents to the Town as required by law.

5.1.4 Hold Harmless

T.E.A. shall promptly refund to the Town any amounts paid to T.E.A. in error under this Section. T.E.A. expressly agrees to indemnify and hold the Town, its officers, agents, and employees harmless from any and all claims, demands, costs (including any costs incurred by the Town in defense of a lawsuit) attorneys' fees, expenses, damages, or other monetary losses arising out of or in any way connected with the administration of Section 5. This hold harmless and Indemnity Agreement shall include but not be limited to legal actions of any sort or nature against the Town based upon or related to this Section, including but not limited to actions by employees or former employees.

5.1.5 Duty of Fair Representation

T.E.A. shall accord fair representation in all matters to all employees in the unit without regard to whether the particular employee is a member of T.E.A. The duty of fair representation shall include but not be limited to all matters related to collective bargaining, contract administration and contractual grievance processing.

5.1.6 Change of Law

In the event there is a change of law whereby any provision contained herein becomes invalid, or for any reason any provision of this Section is rendered unlawful by any published Appellate Court Decision, this Section shall be amended to comply with the change or decision in question.

5.1.7 Non-Discrimination Against T.E.A. Activities

Town and T.E.A. agree not to discriminate against any employee for activity on behalf of, or for membership or lack thereof in T.E.A., provided however, such activity is conducted in accordance with this MOU. This shall not affect the right of the Town to discipline employees for cause in accordance with the Town Code and this MOU. It is understood that Town employees are accountable first and foremost for their duties of employment and T.E.A. activities are not to interfere with the carrying out of those obligations.

Section 6. Non-Discrimination

The Town and T.E.A. agree that all provisions of this Agreement shall be applied equally to all employees covered herein without favor or discrimination because of any protected class including but not limited to race, creed, color, ancestry, sex (sex, gender based pregnancy/childbirth), gender identity and expression, age (over 40), national origin, political or religious affiliation, military and veteran status, marital status, sexual orientation, medical condition or physical or mental disability or any other basis prohibited by applicable federal, State or Town law.

6.1

General Provision Regarding Americans with Disabilities Act (ADA).

6.1.1

Because the ADA requires accommodations for individuals protected under the Act, T.E.A. recognizes the Town's obligation to comply with all provisions of the ADA on a case-by-case basis.

6.1.2

T.E.A. recognizes that the Town has the legal obligation to meet with the individual employee to be accommodated through the interactive process before any adjustment is made in working conditions. T.E.A. will be notified of these proposed accommodations prior to implementation by the Town.

6.1.3

Any accommodation provided to an individual protected by the ADA shall not establish a past practice.

Section 7. Employment

7.1 Step Placement for New Hires

T.E.A. recognizes the sole right of the Town to determine the salary and wage rate for new hires.

7.2 Probationary Period

7.2.1

Probation for New Hires: The probationary period shall be twelve (12) months for all newly hired employees.

7.2.2

Probation for promoted employees: Promoted employees can be considered for satisfactory completion of the probationary period after twelve (12) or six (6) months at the discretion of the Department Director. Promoted probationary employees shall have all rights under this Agreement, full and complete access to the grievance procedure, including instances of suspension, demotion and termination. Any permanent employee not satisfactorily completing the probationary period following a promotion will be reinstated to their previous classification in accordance with the Town Personnel Rules.

7.2.3

All probationary employees will be evaluated quarterly.

7.3 Performance Evaluations

The Town-authorized employee performance evaluation document and program shall be used for all employee evaluations.

7.3.1

It is intended that performance evaluations take place at least annually as follows:

- (a) For employees below top step: no later than 15 days prior to the anniversary date of the employee's date of hire or the date the employee entered their classification.

- (b) For employees at top step: between June 1st and October 1st of each year.

7.3.2

Employee evaluation forms shall include a section to be checked indicating whether an employee agrees or disagrees with his/her evaluation.

7.3.3

All performance evaluations shall be discussed with the employee prior to the evaluation being completed. Employees shall sign their individual performance evaluations as evidence of discussion having taken place; employee signature does not imply agreement with the evaluation. An employee may attach separate written comments to his/her evaluation.

7.3.4

If an employee does not receive an evaluation on the date it is due and the supervisor subsequently finds that the employee would have been entitled to a merit increase as of the anniversary date, the merit increase will become effective as of the first day of the pay period in which the anniversary date occurs.

7.3.5

The Town will make every attempt to see that performance evaluations are completed in a timely manner.

7.4 Pay and Classification System

7.4.1

Consideration for advancement from step-to-step within a range shall occur at intervals of one (1) year in length effective on each anniversary date. Each employee shall receive an annual performance evaluation. This evaluation will be the basis for step advancement. Such advancement to the next step shall be authorized if the supervisor and Department Director finds that the employee is satisfactorily performing the duties of their position as reflected on the annual evaluation form.

7.4.2

If the employee's performance is not satisfactory as determined by the supervisor's annual evaluation, the Department Director shall deny advancement to the next step. The Department Director has the option, at their discretion, based on a recommendation by the supervisor, to recognize improving performance by granting or denying a half-step increase in lieu of denying the advancement to the next step for unsatisfactory performance.

7.4.3

If the employee's performance is exceptional as determined by the annual evaluation of the supervisor on the performance evaluation form, the Department Director, with the approval of the Town Manager, has the discretion to grant a two-step or one-and-one-half step increase. It is intended that this be used sparingly so that it can be reserved to recognize the truly exceptional employee who is achieving journey-level status in their classification (i.e., fully capable of performing all duties of the position) and can perform at the same level as an employee with the years of experience required to achieve advancement to the new step if they had advanced one step each year.

7.5 Promotions

7.5.1

The Town and T.E.A. agree that it is in the best interest of both the Town and its employees to foster promotion of incumbent employees. The Town will consider the qualifications of incumbent personnel prior to determining whether an open or promotional examination shall be used to fill a vacancy in T.E.A. represented classifications.

7.5.2

The Town and T.E.A. recognize the Town's sole right to determine the method for the selection of Town employees through either an open or promotional examination process. If a determination is made by the Town that a promotional examination will be used to fill a vacant position, any qualified employees who participate in the examination process shall be allowed time off from regularly scheduled work in order to participate in the examination process if the examination process is scheduled during the employee's normal work period. There shall be no overtime paid for participation in the examination process.

7.6 Work Day/Week

7.6.1

The normal work day is defined as no more than eight (8), nine (9), ten (10), eleven (11), or twelve (12) consecutive hours of work time, with a single lunch break. A normal work day shall be followed by a minimum of ten (10) hours off.

7.6.2

The work week is defined as forty (40) hours of work during any consecutive seven (7) day period. A minimum of one (1) forty-eight (48) hour period without scheduled work shall be provided to each employee during any consecutive seven (7) day period with the exception that employees employed in the Town Library shall not be scheduled less than two (2) consecutive days off within a seven (7) day period more than thirteen (13) times in a calendar year.

7.6.3

Flex-time work schedules consistent with the definitions of normal work day and normal work week may be assigned by the Town at its sole discretion. Flex scheduling is defined as an occasional adjustment to an employee's work schedule which does not alter the total number of hours scheduled to be worked per week, but simply alters the time of day those hours are worked. The Town shall provide no less than fourteen (14) calendar days' notice to affected employees regarding a change in regular work schedules. Flex-days shall be identified and approved by the Department Director and Town Manager as part of the approval of a flex-time work schedule as well as the designation of the forty-eight (48) hour period without scheduled work. (For holiday refer to 7.7.5.)

7.6.4

Employees may also make requests for temporary changes to their normal work schedule. In those cases, the employee's schedule may change with the approval of the employee's Department Director (e.g. an earlier start and end of shift or a change in the number of hours per day), so long as that change does not result in overtime liability to the Town.

7.6.5

The Town has the discretionary right to alter work schedules without notice during emergency situations.

7.7 Alternative Work Schedule

As an alternative to the normal schedule described in the above section, employees may be granted the option to participate in an Alternative Work Schedule under the following terms and conditions:

7.7.1

An Alternative Work Schedule (AWS) is defined as:

- (a) 9/80 Alternate Work Schedule: An employee schedule of nine separate work days for a total of 80 hours during a Town-designated fourteen-day pay period, for which the schedule includes working four 9-hour days and one 8-hour day in one week and working four 9-hour days in the other week. For payroll purposes, the work week will begin and end between 11:00 a.m. and at 1:00 p.m. on each alternating day off in the fourteen-day pay period.
- (b) 4/10 Alternate Work Schedule: An employee schedule of eight separate work days for a total of 80 hours during a Town-designated fourteen-day pay period, for which the schedule includes working four 10-hour days in one week and working four 10-hour days in the other week. For payroll purposes, the work week will begin and end at midnight Saturday.
- (c) 3/12 Alternative Work Schedule: An employee schedule of seven separate work days for a total of 80 hours during a Town-designated fourteen-day pay period, for which the schedule includes 3 twelve-hour days and 1 four-hour day in one week and 3 twelve-hour days and 1 four-hour day in the other week. For payroll purposes, each employee has a designated start and end time to begin and end their work week.

7.7.2

The Department Director, with the approval of the Town Manager, has the exclusive authority to designate positions eligible to participate in the AWS. The decision of the Department Director regarding designation of eligible positions is final and is not subject to any grievance procedure.

7.7.3

The Department Director and the Town Manager have the exclusive right to terminate the AWS for T.E.A represented employees, individually and/or collectively. The Town is in no way required to meet and confer with the T.E.A. prior to terminating the AWS and termination of the AWS is not subject to any grievance procedure. Participating employees will be provided written notification at least one (1) full pay period prior to termination of the AWS.

7.7.4

Employees who elect to participate in the AWS must receive authorization from their supervisor prior to working any regularly scheduled day off.

7.7.5

An employee assigned to an AWS may use accrued vacation time, accrued compensatory time off, floating holiday or personal leave to make up the difference between the provided eight (8) hours of holiday pay and the actual number of regularly scheduled working hours on a designated holiday. For example, if a holiday falls on a day the employee is scheduled to work nine (9) or ten (10) hours, s/he shall receive eight (8) hours of holiday pay and be required to use other accrued leaves to make up the extra one (1) or two (2) hours for that day to fulfill the regularly assigned schedule.

- (a) If a holiday occurs on a day that an employee is not scheduled to work, s/he shall receive eight (8) hours of floating holiday, which is not subject to cash-out.
- (b) An employee who elects to take a regularly scheduled AWS day off shall use accrued leave time (vacation time, accrued compensatory time off, floating holiday, or personal leave) for the number of hours they are regularly scheduled to work (nine (9) hours for 9/80 schedules and ten (10) hours for 4/10 schedules.)
- (c) There will be no change in the accrual schedule of maximum accrual level of any paid leaves.
- (d) Employees on an AWS will be provided 40 hours of Bereavement Leave, pursuant to the T.E.A. MOU.
- (e) A scheduled work day will include an unpaid meal break of at least one-half hour.
- (f) T.E.A.-represented employees are integral to the success of the AWS and understand the ongoing need to meet the operational needs of the Town.

7.7.6

A participating employee may request that their AWS be discontinued by providing written notification to their supervisor at least one (1) full pay period in advance of the termination of the AWS. Changes to an employee's AWS will coincide with the beginning of a pay period.

7.8 Exempt Employees

7.8.1

"Exempt Employee" shall be defined as any executive, administrative, or professional employee as defined by Fair Labor Standards Act (FLSA) that are exempt from the provisions described in Section 11.3 (Overtime). Federal standards concerning exemptions from federal wage and hour laws shall be used as a guide in determining such exemptions.

7.8.2

Exempt Employees shall be designated by the Town.

7.8.3

Employees with the following job titles shall be designated Exempt Employees:

Senior Planner

7.8.4

Exempt Employees shall not be subject to the terms and conditions described in Sections 7.6 (Work Day/Week) and 7.7 (Alternative Work Schedule) or to any provisions of this MOU that are preempted by the Fair Labor Standards Act.

7.8.5

Notwithstanding this provision, exempt employees are eligible to work a flexible schedule including a 9/80 or 4/10 schedule subject to the approval of their supervisor.

7.8.6

The Fair Labor Standards Act (FLSA) allows exempt employees to track time on an hourly basis without disqualifying their exempt status. Therefore, exempt employees who work less than a minimum of 50% of their regularly scheduled hours in a given day shall utilize leave time for those hours not worked.

7.8.7

Exempt employees are expected to work whatever hours necessary in order to meet the performance expectations of their Supervisor or Department Head. With the express approval of the Department Head, employees may be permitted to flex their schedule within the same pay period when a work day significantly exceeds normal working hours. Flex time is not to be considered compensatory time off. The Town shall not deduct from an exempt employee's accrued leave balances for infrequent partial day absences of less than 4 hours (other than this taken for FLSA intermittent leave purposes).

Section 8. Layoff Policy

8.1 Definitions

For the purposes of this section:

8.1.1

Layoff: Separation of employees from the active work force due to change in the duties, change in the organization or shortage of work or funds.

8.1.2

Temporary/Seasonal/Consultant Employee: An at-will non-benefitted employee who is hired on a temporary basis, usually not to exceed 180 days.

8.1.3

Hourly Employee: An at-will non-benefitted employee who works less than 20 hours per week and not more than 1,000 hours in a fiscal year.

8.1.4

Probationary Employee: Any employee tentatively appointed to a position who is continuing the testing process to determine his/her fitness for duty. Probationary employees are new employees of the Town or employees under probationary status because of promotion.

8.1.5

Regular Employee: Benefitted employees who successfully complete their probationary period and who regularly work a minimum of 20 to 40 hours per week.

8.1.6

Displaced Employee: A regular employee who is displaced by a more senior regular employee.

8.1.7

Service seniority: Consecutive time served (based upon number of hours worked) as a regular employee of the Town without the employee being reinstated as defined in the Town of Los Gatos Personnel Rules and Regulations, Section 10.6 "Reinstatement". Service seniority will not be earned for standby duty, overtime work, during periods of suspension without pay as a result of disciplinary action, or for non-medical leave without pay. Service Seniority for unpaid military leave will be considered in the manner prescribed by State and Federal law.

8.1.8

Classification Seniority: The length of time (based upon the number of hours worked) the employee has served as a regular employee in a classification including any time spent in a higher classification. Classification seniority will not be earned for standby duty, overtime work, during periods of suspension without pay as a result of disciplinary action, or for non-medical leave without pay. Classification Seniority for unpaid military leave will be considered in the manner prescribed by State and Federal law.

8.1.9

Higher classification: A job classification in the same classification series in which the maximum rate of pay is greater than the maximum rate of pay of the employee's current job classification.

8.2 Town - T.E.A. Cooperative Efforts**8.2.1**

When the Town determines that layoffs are imminent, it shall provide written notification to T.E.A. Further, in the spirit of cooperation, the Town or the T.E.A. may request a meeting to jointly discuss alternatives to layoff, including, but not limited to, attrition or a reduction in work hours. Every effort shall be made to fill any vacant position(s) in the Town with qualified laid-off employee(s).

8.2.2

Notwithstanding the effort to work cooperatively, the Town has the exclusive right to determine the methods, means, numbers and kinds of personnel by which services are to be provided. The Town's decision to make a reduction in force and/or layoff an employee(s) is not subject to the duty to meet and confer.

8.3 Order of Layoff & Procedure

8.3.1

Whenever it is determined that a layoff must occur within a job classification, the order of layoff shall be:

- (1) temporary/seasonal at-will
- (2) hourly at-will
- (3) probationary
- (4) regular employee

8.3.2

In each type of employment, the employee(s) with the least classification seniority in the affected job classification(s) shall be laid-off first.

8.3.3

In the event that two or more employees in a job classification have the same level of classification seniority, then the employee with the least service seniority with the Town shall be laid-off. If there is no distinction between the service seniority of two or more employees, then the employee with the lowest score on the eligibility list for the current classification shall be laid-off first.

8.4 Displacement Rights

8.4.1

An employee may displace any other employee in a lower classification which they previously occupied if they have more service seniority. For a job classification lower than that in which the employee holds regular status, seniority shall be calculated by adding: (1) classification seniority in higher classifications; (2) classification seniority in the job classification in which the employee previously worked, and (3) present time spent in the job classification in which the employee is currently working.

8.4.2

Employees who are designated for layoff or displacement may elect, in lieu of layoff or displacement, to be reassigned to a position in a lower classification. In order to displace an employee with less classification seniority, the employee noticed for layoff must have held regular status in the classification into which he/she is being reassigned. An employee who chooses to exercise their displacement rights must accept the salary, hours and working conditions of their new position. An employee will be allowed only one displacement.

8.4.3

An employee who exercises their displacement rights shall be paid in the new job classification the salary range step closest to the salary range step received immediately prior to displacement, providing there is no increase in salary. If the salary range step in the lower job classification is Step 5 or lower, future salary step adjustment opportunities shall be made in accordance with the Town's Personnel Rules. Time served in the job classification from which the displacement occurred shall count toward the interval required for consideration of salary step advancement.

8.4.4

If an employee with regular status is unable to displace an employee in a lower job classification in which he/she held a regular status, he/she shall be laid-off.

8.4.5

An employee may request layoff in lieu of the opportunity to displace by notifying the Human Resources Department in writing or email within ten (10) business days after receiving the Town's certified mailing of notice of layoff. If an employee requests layoff in lieu of displacement, he/she shall forfeit all recall rights except to a vacancy in the same classification from which the employee was laid-off. In this case, the employee shall be entitled to recall rights for a period of one (1) year from the effective date of the layoff.

8.4.6

A probationary employee who held regular status in his/her previous position, and is affected by a layoff or is displaced by an employee exercising his/her displacement rights, shall return to his/her former job classification where he/she held regular status. If a probationary employee does not have regular status in another job classification or has regular status in another job classification which no longer exists, he/she will be laid-off without any right of recall.

8.5 Seniority List

At least ten (10) business days prior to mailing a written notice of layoff, the Town shall provide a seniority list notice to affected employee(s) and the current President of the T.E.A. bargaining unit. The seniority list notice shall show the names, classification, classification seniority, service seniority, and the process for reporting discrepancies. The seniority list shall be deemed correct unless an employee or the T.E.A. notifies the Human Resources Director to the contrary in writing within ten (10) business days of the delivery and/or mailing of the seniority list.

8.6 Notification of Layoff

The Town shall send by certified mail, return receipt requested, written notice of layoff to all affected employee(s). Such notice shall be postmarked at least thirty (30) calendar days in advance of the effective date of layoff. The layoff notice shall be mailed to the employee's address currently on file in the Human Resources Department and shall be deemed appropriate notice. Any employee who is on a paid or unpaid leave shall be affected by the layoff in accordance with the provisions of this section and in the same manner as all other employees. With such notice, the employee shall be informed of the rights to which she/he is entitled and the procedure to be followed. A copy of the notice shall also be provided to the current President of T.E.A.

8.7 Re-Employment Following Layoff/Displacement

8.7.1

When a vacancy occurs in a job classification, the laid-off or displaced employee(s) eligible to return to that job classification shall be recalled in the inverse order of layoff. Employees with regular status who were laid-off or displaced are eligible to return to the job classification in which regular status is held, but shall have no recall rights to any job classification in which probationary status was held at the time of layoff or displacement.

8.7.2

Employee(s) shall be entitled to re-employment rights for a period of one (1) year from the effective date of layoff or displacement. To expedite re-employment, more than one (1) laid-off/displaced employee may be notified when an opening occurs. The laid-off/displaced employee(s) will be re-hired in inverse order of layoff. A laid-off/displaced employee shall be required to meet the qualifications of the classification to which he/she is recalled.

8.7.3

An employee who exercises their re-employment rights shall be paid the salary range step they received immediately prior to layoff/displacement. Future salary step adjustment opportunities shall be made in accordance with the Town's Personnel Rules. Time served in the job classification since the most recent step increase prior to when the layoff/displacement occurred, shall count toward the interval required for consideration of salary step advancement.

8.7.4

A laid-off/displaced employee shall lose their re-employment rights for: 1) resignation; 2) retirement; 3) failure to return to work when recalled by the Town; 4) when the Town has not recalled an employee to work for a period of one (1) year; or 5) termination for cause.

8.7.5 Laid-off Employees

The effective date of layoff shall be the employee's last day working at the Town. When a vacancy exists and employees are to be re-employed, notice of the opening(s) shall be sent by certified mail, return receipt requested, to the last known address on file in the Human Resources Department. It shall be incumbent upon the laid-off employee to advise the Human Resources Department in writing, via certified mail, return receipt requested, of any change in address. The laid-off employee shall have ten (10) business days, following the certified mailing to notify the Town in writing, via certified mail, return receipt requested, of their intent to return to work.

8.7.6

The laid-off employee shall have a reasonable period of time to return to work, not to exceed thirty (30) calendar days. If the laid-off employee fails to respond to the notice of re-employment within ten (10) business days, or fails to report to work within the reasonable time period as set forth above, he/she will forfeit all re-employment rights.

8.7.7 Displaced Employees

The effective date of displacement shall be the employee's last day of work in the classification from which he/she is displaced. When a vacancy exists and displaced employees are to be re-employed, notice of the opening(s) shall be sent by certified mail, return receipt requested, to the last known address on file in the Human Resources Department or by hand delivery. It shall be incumbent upon the displaced employee to advise the Human Resources Department in writing of any change in address. The displaced employee shall have five (5) business days, following receipt of certified mailing or hand delivery of notice, to advise the Town in writing of their intent to return to their former position. If the displaced employee fails to respond to the notice of re-employment to former position within five (5) business days of receipt of notice, he/she will forfeit all re-employment rights to his/her former position.

8.8 Fringe Benefits

Laid-off/displaced employees shall be paid accrued leaves and related benefits in accordance with this Memorandum of Understanding and applicable Town policies and rules. Employees being re-employed who received a sick leave pay off at the time of layoff/displacement, shall have the uncompensated portion of their sick leave balance restored; provided, however, that only those sick leave hours accrued after re-employment shall be applied to sick leave payoff or retiree medical related to a subsequent termination.

Section 9. Outside Employment

The Town and T.E.A. agree that outside employment of full time T.E.A.-represented employees shall be governed by California Government Code Sections 1125 -1128 and that the Town shall develop and apply regulations to assure compliance. Outside employment shall be reviewed and approved by the Department Director and Town Manager on an annual basis.

Section 10. Reclassification

T.E.A. recognizes the sole right of the Town to reclassify positions.

Section 11. Salary and Other Compensation

11.1 Equity Adjustments

During the term of the contract, the Town will provide equity adjustments for classifications that are still below market median after providing the first July 1, 2018 across-the-board increase of 2.5%. Eligible classifications will receive the market adjustment effective in the first full pay period of July 2018. The following classifications will receive these adjustments:

CLASSIFICATION	Market Equity Adjustment
Network Administrator	20.38%
Construction Project Manager	12.72%
Executive Assistant	8.69%
Environmental Programs Specialist	8.69%
Associate Planner	7.47%
Senior Public Works Inspector	7.13%
Code Compliance Officer	7.08%
IT Technician	6.90%
Communication Dispatcher Lead	6.39%
Library Tech Specialist	6.08%
Assistant Engineer	5.79%
Engineering Technician	4.80%
Senior Planner	4.53%
Senior Building Inspector	4.52%
Associate Civil Engineer	4.52%
Librarian	3.22%
Assistant Planner	3.20%
Building Inspector	3.00%
Permit Technician	1.59%
Public Works Inspector	1.34%
Events and Marketing Specialist	0.43%
Library Specialist	0.43%
Administrative Assistant	0.01%

11.2 Town Compensation Policies

Town and T.E.A. agree that this Agreement has been negotiated to provide equity increases to bring positions that were below market median to the market median. Prior contracts were negotiated consistent with Town compensation policies. The specific policies are:

11.2.1

Total compensation to be utilized in the analysis of all Town compensation.

11.2.2

Marketplace consideration in establishing compensation.

11.2.3

Average or above-average total compensation for all Town classifications.

11.2.4

No reduction in individual employee total compensation levels.

11.3 Compensation

T.E.A. salaries are reflected in the salary schedules listed in Appendix A.

Effective in the pay period that includes July 1, 2018 the Town will provide a two and a half percent (2.5%) salary adjustment for all bargaining unit members. In addition, effective as soon as can be processed following ratification and approval of the successor agreement bargaining unit employees shall receive a one-time (non-PERSable) payment equivalent to one and one-half percent (1.5%) based on the June 30, 2018 annual base salary for that employee.

Effective in the pay period that includes July 1, 2019 the Town will provide a three percent (3%) salary increase for all bargaining unit members. In the event that the Town determines in its sole discretion that the three percent increase is not supported by the 2019-2020 budget the parties agree that the increase specified in section 10.1.1 above (2.5% on schedule effective in the pay period that includes July 1, 2019 and 1.5% one-time based on the June 30, 2019 annual base salary for that employee) will be substituted for the three percent raise.

For year three the parties agree to re-open on Section 11 Salary.

11.4 Overtime

11.4.1

When necessary to perform essential work, a Department Director may require an employee to work at any time other than during regular working hours until such work is completed. Overtime is scheduled solely at the discretion of the Town.

11.4.2

An employee directed by his/her Department Director or the Town Manager to work in excess of forty (40) hours in a designated work week, shall be compensated at the rate of one and one-half times the employee's regular hourly rate. Hours charged to available paid leave, shall be counted as time worked for computation of overtime payments. Compensatory time cannot be used in the pay period in which it is earned. Compensatory time off shall not be regarded as hours worked for the purposes of overtime calculation.

11.4.3

The Department Director may permit an employee to take compensatory time in lieu of paid overtime. With Department Director approval, employees shall be permitted to accumulate compensatory time only to a maximum of sixty (60) hours. The maximum accumulated compensatory time for Communication Dispatchers only shall be one hundred (100) hours. When the maximum level of compensatory time is reached, overtime shall be paid.

11.4.4

The Town will attempt to avoid scheduling overtime that conflict with an employee's personal plans unless it cannot be avoided.

11.4.5

On or before the pay period which includes December 15 of each calendar year, an employee may make an irrevocable election to cash out up to 40 hours of CTO (in whole hour increments) which will be earned in the following calendar year at one and one half times (1.5) the employee's base rate of pay. On the pay day for the pay period which includes Thanksgiving in the following year, the employee will receive cash for the amount of CTO the employee irrevocably elected to cash out in the prior year. However, if the employee's CTO balance is less than the amount the employee elected to cash out (in the prior calendar year) the employee will receive cash for the amount of CTO the employee has accrued at the time of the cash out.

11.5 Call Back

11.5.1

A minimum of three (3) hours pay or its equivalent in compensatory time off, at the rate of time and one-half, shall be guaranteed for every employee, who, after leaving his/her place of duty, is required to return to duty without advance notice of at least fourteen (14) calendar days.

11.5.2

There will be a three (3) hour minimum at the call back overtime rate for Town commission/council meetings which begin (2) two hours or more than either the start of or end of the employee's regularly scheduled shift. At the employee's option but with Department Director's approval, employees may flex their schedule at the straight-time rate in-lieu of the call back provision of this paragraph.

11.6 Deferred Compensation

A Town program of deferred compensation shall be available to T.E.A. represented employees. The Town makes no representation on the merit of the plan or any of the investment products or instruments which may be offered by the plan. The responsibility for evaluating the investment options within the plan is the responsibility of the individual participant. The Town shall not be obligated to offer more than one Deferred Compensation carrier.

11.7 Out-of-Classification Pay

11.7.1

The Town and T.E.A. agree that it is the intent of Town management, whenever possible, to avoid working an employee out of classification for a prolonged period of time. Compensation for out-of-classification work shall be an additional 5% of the regular pay of the employee's permanent classification or the first step of the higher classification, whichever is greater. Out-of-Classification Pay applies only to actual time worked and does not apply to paid leaves.

11.7.2

Employees appointed to work out-of-class will receive out-of-classification pay beginning the first day of the out-of-classification assignment. Performance of duties as a vacation relief does not automatically qualify as out-of-classification.

11.7.3

For purposes of this section, an out-of-classification assignment is defined as the full time performance of the essential functions of an authorized, funded, permanent position in another classification by a qualified employee. "Essential functions" shall be as defined in the Essential Functions section of the appropriate job specification.

11.7.4

Any employee who believes they are working out-of-class may request a review of their classification.

11.7.5

Training programs mutually agreed to by the Town and T.E.A. which are designed to enhance and/or provide career development opportunities shall not be subject to this provision.

11.8 Tuition Reimbursement Program

11.8.1

The Town will reimburse T.E.A. employees up to \$1,500 per fiscal year toward the cost of books, university/school fees (except parking) and tuition.

11.8.2

The reimbursement shall be only for courses that are directly related to the employee's position as determined by the Town Manager, including general education courses that are generally related to attainment of a job-related degree or certification. General education courses not generally related to the employee's position will not be eligible for reimbursement. Reimbursement shall be taxed pursuant to State and Federal regulations.

11.8.3

Application for tuition reimbursement shall be made to the Town before the course begins. Prior to reimbursement of costs, all course work must be completed with a passing grade of "C" or equivalent when numerical score or pass/fail is given.

11.8.4

Any employee who terminates employment with the Town within one (1) year from the completion of a class or classes, for which tuition reimbursement was paid shall refund all tuition paid under this provision, unless required to attend by the appointing authority. This section shall not apply in cases involving disability, layoff, or death of the employee, or other unforeseen circumstances as approved by the Appointing Authority on a case-by-case basis.

11.9 Bilingual Incentive Pay

11.9.1

Employees filling classifications specifically requiring bilingual ability and passing the Town's certified examination shall be compensated at 2.5% above the normal compensation range for the regular classification.

11.9.2

The provision of bilingual pay will be evaluated annually in a manner prescribed by the Town, and continued or discontinued based on operational need. The decision as to whether bilingual pay will continue or be discontinued shall be made by the Town Manager, is final and is not subject to grievance or appeal. If bilingual pay is discontinued, the effective date shall be the beginning of the first full pay period in January.

11.10 Uniform Allowance

11.10.1

An initial uniform consisting of all items on the Town-approved list shall be supplied by the Town to new Park Services Officer and Town-designated Community Services Officer and Parking Control Officer employees; thereafter the Town shall provide incumbent Park Services Officer employees with a uniform allowance of \$500 per year and designated Community Service Officer and Parking Control Officer employees with a uniform allowance of \$400 per year to be paid in the payroll check during January of each year.

The Town shall provide the Building Inspectors and Code Compliance Officers with five (5) polo style shirts bearing an approved Town logo in a brand and color approved by the Town. The Building Inspectors and Code Compliance Officers shall wear the supplied shirts each day at work with pants such as khakis or appropriate jeans.

11.10.2

The uniform allowance will be prorated for new employees, except that new employees shall receive a minimum of one-half (1/2) of the year's uniform allowance if hired after July 1.

11.10.3

T.E.A. recognizes the Town's right to specify uniform and demand that employees be in proper uniform at all times.

11.10.4

In the event that an employee who does not receive a uniform allowance damages his/her clothing in the performance of his/her duties, the employee may submit a claim for reimbursement to his/her Department Director for the repair/replacement of damaged articles to the Town.

11.11 Exceptional Performance Bonus Is Included in Step 6

Effective October 24, 2004, the Exceptional Performance Bonus program shall be eliminated. In lieu of this program, step six of all T.E.A. classifications shall be approximately 5% greater than step 5 and an additional \$0.577 per hour, as reflected in the salary schedules listed in Appendix A.

11.12 POST Certificate

Effective beginning in the first full pay period following ratification and approval, Dispatchers who attain the Dispatcher Advanced POST certification shall be eligible for five percent (5%) POST certificate pay. This certificate pay shall be PERSable or not PERSable as determined by PERS.

Section 12. Payroll/Pay Checks

12.1 Payroll Periods

The Town and T.E.A. agree that a biweekly payroll period shall be utilized subject to the following conditions:

12.1.1

Employee pay shall not be withheld more than seven (7) calendar days following the end of the payroll period; however, overtime may appear on the next payroll period if it is worked following the submittal of time sheets, or during a pay period with a Town holiday which requires early submittal of time sheets and early distribution (before Friday) of pay checks.

12.1.2

All Town employees shall be compensated on a biweekly basis.

12.2 Pay Checks

- (a) The Town shall provide an optional direct deposit system for use by employees.
- (b) Every effort will be made to make pay checks available to employees as soon as checks are signed and ready for distribution.

Section 13. Holidays

13.1

The following shall be observed as eight (8) hour holidays for members of the unit:

- January 1st (New Year's Day)
- The 3rd Monday in January (Martin Luther King's Birthday)
- The 3rd Monday in February (President's Day)
- The last Monday in May (Memorial Day)
- July 4th (Independence Day)
- The first Monday in September (Labor Day)
- Thanksgiving Day
- The Friday following Thanksgiving Day
- December 25th (Christmas Day)
- Four (4) hours each on December 24 and 31

Every day declared a holiday by the President or Governor, subject to the Mayor also proclaiming the day as a holiday.

13.2

Holidays which fall on Saturday shall be observed on the Friday prior, and holidays which fall on Sunday shall be observed on the following Monday.

13.3 Holiday Compensation

13.3.1

Employees will receive eight (8) hours of regular pay on a Town-recognized holiday. If the employee's scheduled day off occurs on a Town-recognized holiday, the employee will receive eight (8) hours of straight-time holiday pay. In lieu of receiving eight (8) hours of straight-time holiday pay, an employee may elect to receive eight (8) hours of floating holiday hours.

13.3.2 Employees Assigned to Work on a Holiday

Employees who are required to work on a Town-recognized holiday will receive their regular salary, plus compensation of one and one-half (1.5) times their regular rate of pay. Employees shall have the option of accepting salary or compensatory time off.

13.3.3 Communications Dispatchers and Park Services Officers

Communications Dispatchers will receive compensation in-lieu of holiday time off equal to eighty-eight (88) hours to be distributed as forty-four (44) hours of base pay in payroll checks distributed the last working week of November and May of each year.

Section 14. Insurance Programs

14.1 Life Insurance

Town to pay premiums on minimum coverage of \$50,000 Life and \$50,000 Accidental Death benefit. Additional life insurance may be purchased by the employee.

14.2 Disability Insurance

The Town will provide a Short Term Disability policy effective the 8th calendar day unless hospitalized; coverage of 60% of weekly earning up to maximum of \$1,300/week for 12 weeks. Long Term Disability benefits begin on the 91st day of disability; coverage of 60% of monthly earnings up to a maximum of \$6,000/month.

14.3 Workers' Compensation

14.3.1

Workers' Compensation benefits shall be provided in accordance with State and Federal law. Effective the 31st day of disability, the employee may elect to supplement the State mandated benefits with the Town's Short Term/Long Term Disability Insurance (STD/LTD). STD/LTD benefits will be reduced by the amount of periodic payments the employee is entitled to through Worker's Compensation.

14.4 Liability Insurance

The Town shall continue to maintain a public officials' liability insurance policy covering all Town employees in the execution of their official duties.

14.5 Employee Assistance Program

Premium shall be paid by the Town.

14.6 Unemployment Insurance

The Town will provide State mandated benefits as required by law.

Section 15. Family Medical Insurance and Cash In Lieu Plan

Employees may participate in either the Family Medical Insurance Plan or the Cash In Lieu Plan. Employees shall select either the Family Medical Insurance Plan or the Cash In Lieu Plan annually during the Town's open enrollment period, or at any other time permitted by the Public Employees' Medical and Hospital Care Act (PEMHCA), such as a qualifying event (e.g., birth of a child, marriage, spouse losing medical insurance, etc.).

15.1 Health and Welfare Benefits and Rate of Town Contribution

The Town contracts with CalPERS for the purpose of providing employees and their eligible dependents with medical insurance benefits. During calendar year 2018, the Town will pay a maximum contribution of \$133 per month to CalPERS for each eligible active employee towards the purchase of medical insurance for those employees who enroll in and receive such insurance through the Town. Beginning January 1, 2019, the Town's maximum monthly contribution for each eligible active employee

shall be equal to the minimum employer contribution required under PEMHCA, as may be adjusted by CalPERS from year to year.

15.2 Cafeteria Plan

During the term of the MOU, the Town agrees to maintain a Cafeteria Plan, pursuant to Section 125 of the Internal Revenue Code, for the purpose of providing eligible active employees with access to various health and welfare benefits. Benefits available through the Cafeteria Plan include medical insurance, dental insurance, and vision insurance.

15.3 Town Contribution Effective January 1, 2015

The Town will provide active employees with a medical allowance equal to 100% of the cost of the "Employee Only" Kaiser Bay Area Medical Insurance Program premium offered by PEMHCA, regardless of hire date. For dependents, Town will pay 90% of the difference between Kaiser Employee Only and Kaiser level of participation (Employee Plus One or Employee Family, depending on family status). If the employee chooses medical coverage under a program more expensive than Kaiser Bay Area, the employee will pay the difference between the Town-provided medical allowance and the cost of the more expensive program through payroll deduction.

The Town's contribution towards medical insurance set forth in Section 15.1 (the PEMHCA minimum) will be deducted from the amount of contribution provided by this Section (15.3).

15.4 Dental Insurance

Employees choosing this option in lieu of the cash in lieu plan will also be provided 100% of the Delta Dental DPO Plan premium less a \$15.00 employee contribution. If the premium cost of the dental plan exceeds the Town contribution, the employee shall pay through payroll deduction the difference between the monthly premium and the amount contributed by the Town. The Town will pay 100% of the premium for employees choosing to participate in the DeltaCare USA Plan.

15.5 Vision Insurance

Vision insurance is available through Vision Service Plan (VSP). Employees shall be enrolled in the Town's vision care health plan. The Town shall pay for employee-only coverage. At their own cost, employees may enroll eligible dependents upon hire, during open enrollment and/or when a qualifying event occurs.

15.6 Cash In Lieu Plan

Employees have the option of choosing all available coverages or, upon providing proof of other medical coverage, may choose to opt out of the Town's coverage and be provided with cash in lieu.

Employees who choose to receive the cash in lieu must first show proof of alternative minimum essential medical coverage for the employee and employee's tax family (individuals for whom the employee expects to claim a personal exemption deduction). Individual coverage, and individual coverage from Covered California does not qualify as alternative minimum essential coverage under this section. Employees must provide reasonable evidence of alternative minimum essential coverage each plan year, during open enrollment. The Town will not make the cash payment if it knows or has reason to know that the employee or tax family does not have alternative minimum essential coverage. Any amount received in cash is taxable. Employees choosing to receive taxable cash will have the option of receiving it in two equal amounts in December and June, or the first two paychecks of each month (24 times a year).

15.6.1

Employees hired prior to November 15, 2004 shall be provided a cash in lieu for benefits as follows:

- (a) Effective January 1, 2005: \$800 per month (\$9,600 annually)
- (b) Employees hired on November 15, 2004 or later shall be provided a cash in lieu for benefits of \$400 per month (\$4,800 annually).

15.7 Retiree Health

The Town provides retiree health benefits in accordance with the PEMHCA for employees who qualify as eligible PERS retirees who receive a PERS retirement allowance and are PEMHCA annuitants entitled to such benefits under the PEMHCA.

Beginning August 22, 2018, the Town will pay a maximum contribution of \$133 per month to CalPERS for each eligible annuitant towards the purchase of medical insurance. Beginning January 1, 2019, the Town's maximum monthly contribution for each eligible annuitant shall be equal to the minimum employer contribution required under the PEMHCA, as may be adjusted by CalPERS from year to year. The provisions of PEMHCA will govern medical insurance coverage for annuitants.

15.7.1 Health Reimbursement Account (HRA) Benefit for Eligible Retirees Hired before August 22, 2018

An employee hired prior to August 22, 2018, or provided with a final offer confirmation of employment prior to ratification and approval of this agreement, is eligible for HRA retiree health benefits in accordance with this Section.

15.7.2

The employee completed at least five years of continuous service with the Town; and

15.7.3

The employee retired from the Town taking a service or disability retirement from CalPERS as a retiree receiving a PERS retirement allowance and is a PEMHCA annuitant; and,

15.7.4

The employee must actually draw a CalPERS pension within ninety (90) days of separation from the Town, provided the employee remains with the Town's health plan through COBRA.

15.7.5

The amount of the supplemental retiree health benefit allowance will be equal to 100% of the cost of the premium for Kaiser Bay Area Retiree Only. For dependents, the Town will pay \$1,443.45 per month towards a Retiree Plus One plan and \$1,547.16 per month towards a Retiree Plus One or More plan, as of August 22, 2018. This amount will increase by \$100.00 each year until it is equal to the active employee contribution.

15.7.6

The Town's contribution towards retiree health insurance set forth in Section 15.7 (the PEMHCA minimum) will be deducted from the amount of contribution provided by this Section (15.7.5).

15.7.7

Employees retiring on or after February 1, 2016 and upon becoming eligible for Medicare will cease to receive any retiree health benefit allowance under this Section (15.7.5) and will become eligible for Supplemental Medicare equal to the cost of Kaiser Senior Advantage Bay Area Medicare rates up to a maximum of 100% Retiree Only, 90% for Retiree Plus One or 90% for Retiree Plus One or More less the amount of the employee contribution provided under Section 15.7 (the PEMHCA minimum). This benefit is available to the eligible retired employee only after he or she has reached the age of 65 and is Medicare eligible or as otherwise specified by law.

15.7.8

The benefits described by this Section (15.7) will be provided to annuitants through CalPERS by means of a Health reimbursement Account (HRA).

Section 16. Public Employees' Retirement System (PERS)

16.1 Retirement Formulas

16.1.1

Effective December 16, 1992, the Town's contract with the Public Employees' Retirement System (PERS) provided the 2% at 55 retirement formula for eligible Miscellaneous Town employees (regular employees).

16.1.2 Tier 1

Effective July 1, 2008, the Town amended its contract with PERS to include a 2.5% at 55 PERS retirement benefit (Gov't Code 21354.4).

Employees in Tier 1 shall:

- Contribute 8% towards the employee share of the PERS retirement benefit.
- Use PERS single highest year compensation.
- Be eligible for PERS Fourth Level 1959 Survivor Benefits.

16.1.3 Tier 2

For employees hired on or after September 15, 2012, including employees hired after January 1, 2013 who do not meet the definition of "new member" under Gov't Code 7522.04(f) the Town will provide Tier 2 retirement benefits to include the 2% at 60 retirement benefit (Gov't Code 21353).

Employees in Tier 2 shall:

- Contribute 7% towards the employee share of the PERS retirement benefit.
- Use PERS 36-month final average compensation.
- Be eligible for PERS Fourth Level of 1959 Survivor benefits.

16.1.4 Tier 3

For employees hired on or after January 1, 2013, who meet the definition of new member under Gov't Code 7522.04(f), the Town will provide Tier 3 benefits to include the 2% at 62 retirement benefit.

Employees in Tier 3 shall:

- Contribute an amount that is equal to one half (1/2) the normal cost of his/her CalPERS pension, or the current contribution rate of similarly situated employees, whichever is greater (Gov't Code 7522.30(c)).
- Use the 36-month final average compensation (Gov't Code 20037).
- Be eligible for PERS Fourth Level of 1959 Survivor benefits.

16.2

The Town has adopted a Resolution materially the same as that recommended by the Public Employees' Retirement System to implement the provisions of 414 (h)(2) of the Internal Revenue Code (IRC). T.E.A. accepts the terms of this Resolution and acknowledges that this Resolution will apply to all current and future members of T.E.A.

Section 17. Benefits Accrual/Payment

There shall be no accrual or payment of benefits during unauthorized leave, suspension without pay, or leave without pay except as mandated by the state or federal law.

Section 18. Vacation and Leaves

18.1 Vacation Scheduling

All vacation scheduling is subject to the approval of the Town. Employees are required to request time off in advance. The earlier requests are submitted, the greater likelihood the request will be honored.

Every attempt will be made by the Town to honor pre-approved vacations. If a pre-approved vacation is canceled due to the scheduling needs of the Town, the Town will reimburse the employee for verified deposits for non-reimbursable reservations. All verifications must be submitted prior to the vacation formally being canceled.

18.2 Vacation Accrual

All employees hired by the Town and represented by T.E.A. during the term of this agreement shall accrue vacation hours as follows:

0 to 36 months	10 days per year (3.08 hours per pay period)
37 to 60 months	16 days per year (4.92 hours per pay period)
61 to 120 months	21 days per year (6.46 hours per pay period)
121 to 180 months	23 days per year (7.08 hours per pay period)
181 months & over	25 days per year (7.70 hours per pay period)

18.2.1

Maximum accrual shall be 310 hours. If an employee has reached the maximum accrual level, no more vacation will be accrued until the accrual level is reduced below the maximum amount.

18.2.2 Vacation Cash-Out

On or before the pay period which includes December 15 of each calendar year, an employee may make an irrevocable election to cash out up to one hundred and sixty (160) hours of accrued vacation (in whole hour increments) which will be earned in the following calendar year at the employee's base rate of pay. On the pay day for the pay period which includes Thanksgiving in the following year, the employee will receive cash for the amount of the vacation the employee irrevocably elected to cash out in the prior year. However, if the employee's vacation leave balance is less than the amount the employee elected to cash out in the prior calendar year the employee will receive cash for the amount of vacation leave the employee has accrued at the time of the cash out.

18.3 Sick Leave

Sick leave shall accumulate at the rate of eight (8) hours per month (3.70 hours per pay period); to a maximum of one-thousand (1,000) hours. The Town may require T.E.A. represented employees to provide a doctor's statement as proof of illness for any use of sick leave beyond one (1) working day.

18.4 Sick Leave Cash-Out Program

This program applies only to employees hired before August 22, 2018 or provided with a final offer confirmation of employment prior to ratification and approval of this agreement.

18.4.1

Employees who terminate employment with the Town, or once a year in the first payroll check of December, following compliance with this contract and the cash-out process for active employees may cash-out their accumulated sick leave as follows:

1 - 59 months of service	at 25%
60 - 119 months of service	at 37.5%
120 months or more of service	at 50%

Cash out process for active employees: On or before the pay period which includes December 15 of each calendar year, an employee may make an irrevocable election to cash out sick leave in accordance with the above amounts and the requirements of section 18.4.2 below. Eligible cash out hours will be cashed out in whole hour increments which will be earned in the following calendar year at the employee's base rate of pay. In the first payroll check of December in the following year, the employee will receive cash for the amount of the eligible sick leave the employee irrevocably elected to cash out in the prior year. However, if the employee's sick leave balance is less than the amount the employee elected to cash out in the prior calendar year the employee will receive cash for the amount of sick leave the employee has accrued at the time of the cash out contingent upon compliance with 18.4.2.

18.4.2

In order to be eligible for the sick leave cash-out program, an employee must have a sick leave accrual balance of at least 150 hours after the annual cash-out. Employees working less than full-time shall have the 150 hour balance pro-rated, based on hours worked. Employees who terminate with a sick leave balance of at least 150 hours may cash-out their entire balance pursuant to the schedule above.

18.4.3

All employees hired prior to November 15, 2004 who retire may convert up to 100% of this accumulated sick leave to a dollar equivalent at their hourly rate of pay at the time of retirement. This amount shall be held in an account. The employee's portion of medical payment will be withheld from their monthly retirement payment by PERS. The Town agrees to pay the retiree quarterly on the first pay period of January, April, July, and October of each year after retirement. The first payment will be prorated to the nearest quarter. The retiree's portion of medical payments will be paid from this account by the Town until all monies are depleted from the account or the retiree dies, whichever occurs first.

18.4.4

This account will not accrue interest and will not be paid in cash to the retiree or any beneficiaries. The retiree shall be responsible for 100% of their share of future medical insurance payments once the account is exhausted.

18.5 Personal Leave

Twenty-four (24) hours will be available per calendar year. Personal leave may not be accumulated from year-to-year nor is it subject to cash-out at any time.

Exempt employees are eligible for an additional twenty-four (24) hours of personal leave for (a maximum of forty-eight (48) hours) each calendar year.

18.6 Medical/Maternity/FMLA/CFRA

The Town recognizes that State Government Code 12945 requires the recognition of maternity as a bona fide non-job-related disability with applicable leave benefits. The Town also recognizes State Government Code 12945.2 and Federal Government Code 29 regarding the Family and Medical Leave Act. The Town may, at its discretion, approve leave beyond the specific amount provided by the law.

18.7 Bereavement Leave

A maximum of forty (40) hours is available for death of each member of the immediate family. Immediate family is defined as parent, spouse/domestic partner, child, dependent, sibling, and grandparent by blood or marriage.

18.8 Disaster Leave

Leave will be available for employees for disasters declared by Federal, State, County, or Town officials if those disasters affect all or a portion of the area within twenty (20) miles of Town Hall. Leave is subject to scheduling by the Town. Employees shall be allowed to charge time off to any accrued leaves.

18.9 Military Leave

Military leave and benefits shall be granted in accordance with State and Federal law, including the continuation of employee salary and benefits.

18.10 Jury Duty

Employee salary and benefits are to be continued during periods of Court-assigned jury duty. If an employee receives compensation from the Courts, the employee shall return to the Town all compensation received for jury duty, except mileage or travel related compensation.

18.11 Leave Without Pay

18.11.1

Leave without pay shall be subject to approval of the Department Director.

18.11.2

An employee who is on leave without pay for more than two (2) pay periods shall not earn any employment benefits (including, but not limited to such benefits as vacation leaves, medical benefits, sick leaves, retirement credits for time employed or seniority entitlement of any kind) for the duration of such leave. An employee who is on leave without pay for more than (2) pay periods will have the ability to continue medical, dental and vision coverage at their own expense in accordance with the Town's Administrative Policy on benefit retention.

18.11.3

Vacation, sick leave or time worked shall not be used intermittently during an extended leave to interrupt a determination that an employee is on leave with no pay. In accordance with State Government Code 12945 and 12945.2 and Federal Government Code 29, Section 26.01, 26.54, no employee on maternity or family leave will be disadvantaged with respect to seniority entitlement.

18.12 Leave Balances

18.12.1

Vacation, and compensatory time off will be paid off upon resignation, retirement, or dismissal at 100% value effective the last full work-day with the Town. This will terminate the employee's status as an employee of the Town. Sick leave shall be cashed out per Section 18.4.1.

18.12.2

In the event of an employee's death, accrued vacation and compensatory time leave balances shall be paid to the employee's estate. Sick leave shall be paid to the estate per Section 18.4.1.

18.13 Catastrophic Time Bank

If an employee, or an employee's spouse/domestic partner, or child becomes catastrophically ill or injured, the employee may request that a catastrophic time bank be established. If the employee is not capable, a Department Director, after consulting with and receiving approval from an employee's family member, may request that a catastrophic time bank be established. The request shall be in writing and shall be directed to the Human Resources Director. The bank will enable other employees to donate accrued CTO or vacation to the requesting employee. All donations must be made in writing on a form prescribed by the Town and shall be limited to no more than four (4) hours per donation, in one (1) hour increments. Time donated will be calculated at the donor's hourly rate of pay. Donations to an established catastrophic time bank are final and shall not be returned to the donor.

Section 19. Grievance Procedure

Grievances shall be defined as alleged violations of this Agreement or disputes regarding interpretations, application, or enforcement of this Agreement.

No act or activity which may be grievable may be considered for resolution unless a grievance is filed in accordance with the procedure contained herein within thirty (30) calendar days of the date the grievable activity occurred or the date the employee could reasonably have known such activity occurred.

19.1

The parties agree that all grievances will be processed in accordance with the following procedure:

Step 1

Any employee who has a grievance shall first try to get it settled informally through discussion with his/her immediate supervisor without undue delay. Every effort shall be made to find an acceptable solution at the lowest possible level of supervision. If the employee is not satisfied with the informal resolution, then a formal grievance must be filed within thirty (30) calendar days of the date the grievable activity occurred or the date the employee could reasonably have known such activity occurred.

Step 2

If, after such discussion the employee does not believe the grievance has been satisfactorily resolved, he/she may file a formal appeal in writing to his/her Department Director within ten (10) calendar days after receiving the informal decision of his/her immediate supervisor.

The Department Director receiving the formal appeal shall enter his/her written decision within ten (10) calendar days after receiving the appeal.

Step 3

If, after receipt of the written decision of the Department Director the employee is still dissatisfied, he/she may appeal the decision of the Department Director to the Town Manager. Such appeal shall be made by filing a written appeal to the Town Manager within fourteen (14) calendar days after receipt of the written decision of the Department Director. The Town Manager shall review the decision of the Department Director, and render his/her decision within thirty (30) calendar days after the appeal is made.

Step 4

If, after receipt of the written decision of the Town Manager the employee is still dissatisfied, he/she may appeal the decision of the Town Manager to the Personnel Board. Such appeal shall be made by filing a written appeal to the Chair of the Personnel Board within fourteen (14) calendar days after receipt of the written decision of the Town Manager.

The Personnel Board shall establish a hearing date within thirty (30) calendar days of receipt of the written appeal. The Personnel Board shall conduct a closed hearing giving opportunity for presentation by the employee or his/her representative and the Town Manager. The Personnel Board shall render a written decision within thirty (30) calendar days after the appeal is made. If, after receipt of the written decision of the Personnel Board, the employee is still dissatisfied, he/she may appeal the decision of the Personnel Board to the Town Council. Such appeal shall be made by filing a written appeal with the Mayor. The Mayor shall schedule a closed hearing with the Town Council within thirty (30) calendar days after receipt of the appeal. At this hearing, the employee and the Town Manager may make presentations. The Town Council decision shall be final. The Town Council shall render a decision within thirty (30) calendar days after the hearing. An open hearing may be conducted by the Personnel Board or Town Council with mutual consent of the Town and person(s) filing the grievance.

19.2

The time limitations for filing and responding to grievances may be waived or extended by written mutual agreement of the parties. If either party to the grievance so requests, an informal hearing shall be conducted at the Department Director or Town Manager appeal levels. Employees may be represented by counsel or other person at any stage in the grievance process.

19.3

If the employee does not receive a response from the supervisor or Department Director within the time limits specified in steps 1 and 2 above, the grievance will proceed for review to the next level in the grievance procedure.

Section 20. Miscellaneous Issues

20.1 Benefit Application

Employee benefits shall be prorated to a level equal to the regularly scheduled hours. For example, an employee working a regular schedule of 32 hours per week will earn 80% of the benefits provided to an employee working a regular schedule of 40 hours per week.

20.2 Personnel Rules

It is the Town's intent to make the Personnel Rules readily available. In this regard the Rules will be available on line and in the Town Clerk's Office.

20.3 Disciplinary Rules

In regard to Disciplinary Rules, refer to Sections 12 and 13 of the Town's Personnel Rules.

20.4 Mileage Reimbursement

Employees using personal vehicles on official Town business shall be reimbursed at the mileage rate established by the I.R.S. Private vehicles used for Town business shall comply with all applicable California Vehicle Code Sections commencing with Section 16430 through 16484 pertaining to "Insurance or Proof of Ability to Respond to Damages."

Section 21. Terms Specific to Communications Dispatcher

Training pay: Communication Dispatchers assigned to train and evaluate newly hired Communication Dispatchers will receive a premium pay of 5% for the actual hours worked while providing authorized training.

In addition, sections in the agreement specific to Communications Dispatchers include (1) Overtime section 11.4.3 and (2) Holiday Compensation section 13.3.3.

Section 22. Town Vehicles

Town vehicles are not to be taken home.

Section 23. Closure Days with Paid Leave Allowed

T.E.A. understands that the Town Manager, for budgetary constraints or for operational efficiency, may close all nonessential services and permit employees to use paid leaves. For example, the Town Manager may institute the closure of nonessential services between the Christmas and New Years' holidays. In regards to these closure days:

23.1

Employees performing essential services and scheduled to work on the Closure Days will receive straight-time pay for hours worked, unless the hours worked represent overtime (more than forty [40] hours per week).

23.2

At their election, employees who are not scheduled to work may utilize accrued paid vacation, compensatory time off, or personal leave to cover the closure hours. Leave must be requested in the manner provided in the MOU. Employees who use paid leave will accrue sick leave, vacation and CalPERS credit while on leave.

23.3

While employees have the option to utilize paid vacation, compensatory time off, or personal leave, they are also permitted to take leave without pay (LWOP). Employees who take LWOP will maintain their health, life and disability insurance, as well as any medical cash allocations. Employees who utilize LWOP will not accrue sick leave, vacation or CalPERS credit while on LWOP.

23.4

If an employee requests to work during the closure days due to hardship (e.g., the employee is out of leave and is financially unable to take time without pay), the Department Director will first try to assign the employee in their own department. If a suitable assignment is not available in the employee's own department, the Town Manager maintains the management right to place the employee in an alternative assignment for the closure period.

If an employee requests to work during the closure days the Department Director will approve the request to work in their regular assignment unless there is a concern about the safety of the employee that cannot be adequately addressed. However, the Town Manager maintains the management right to place the employee in an alternative assignment for the closure period.

23.5

The Town Manager maintains the management right to determine essential and nonessential services.

Section 24. Complete Agreement

The parties acknowledge that during the negotiations that resulted in this MOU, each had the unlimited right and opportunity to make proposals with regard to the terms and conditions of employment, and that the understandings and agreements contained in this MOU were arrived at after that full opportunity. This MOU may only be amended during its term by the parties' mutual agreement in writing unless compelled by State or Federal law. This MOU is intended to encompass all matters subject to meeting and conferring between the Town and T.E.A., and it supersedes and replaces any and all past practices, whether directly referred to or otherwise addressed in any way in this MOU.

Section 25. Successor MOU

The Town and T.E.A. agree that an initial meet and confer regarding the negotiations for a successor MOU shall take place no later than 120 days prior to the termination date of the current Memorandum of Understanding.

The Town will pay for training in interest-based bargaining for the negotiating teams and to provide a neutral third-party facilitator, mutually agreed to by the parties.

APPENDIX A – 1

Salary Schedule Effective July 1, 2018 (Reflects 2.5% General Increase)

Class Code	Classification Title	FLSA	Range TE1	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6
4310	Account Technician	Non-Exempt	08	\$32.18	\$33.79	\$35.48	\$37.25	\$39.11	\$41.65
3580	Administrative Assistant	Non-Exempt	04	\$26.93	\$28.28	\$29.69	\$31.17	\$32.73	\$34.95
4620	Assistant Engineer	Non-Exempt	25	\$42.86	\$45.00	\$47.25	\$49.61	\$52.09	\$55.27
4420	Assistant Planner	Non-Exempt	12	\$37.27	\$39.13	\$41.09	\$43.14	\$45.30	\$48.15
4600	Associate Civil Engineer	Non-Exempt	27	\$48.77	\$51.21	\$53.77	\$56.46	\$59.28	\$62.82
4400	Associate Planner	Non-Exempt	20	\$43.37	\$45.54	\$47.82	\$50.21	\$52.72	\$55.94
4410	Building Inspector	Non-Exempt	24	\$41.73	\$43.82	\$46.01	\$48.31	\$50.73	\$53.85
4430	Code Compliance Officer	Non-Exempt	10	\$37.31	\$39.18	\$41.14	\$43.20	\$45.36	\$48.21
4530	Communication Dispatcher	Non-Exempt	14	\$37.53	\$39.41	\$41.38	\$43.45	\$45.62	\$48.48
4535	Communication Dispatcher Lead	Non-Exempt	19	\$44.62	\$46.85	\$49.19	\$51.65	\$54.23	\$57.52
4540	Community Services Officer	Non-Exempt	11	\$31.73	\$33.32	\$34.99	\$36.74	\$38.58	\$41.09
4615	Construction Project Manager	Non-Exempt	26	\$46.79	\$49.13	\$51.59	\$54.17	\$56.88	\$60.30
4660	Engineering Technician	Non-Exempt	13	\$34.08	\$35.78	\$37.57	\$39.45	\$41.42	\$44.07
4705	Environmental Programs Specialist	Non-Exempt	08	\$32.18	\$33.79	\$35.48	\$37.25	\$39.11	\$41.65
4200	Events and Marketing Specialist	Non-Exempt	06	\$28.39	\$29.81	\$31.30	\$32.87	\$34.51	\$36.82
3501	Executive Assistant	Non-Exempt	08	\$32.18	\$33.79	\$35.48	\$37.25	\$39.11	\$41.65
4915	IT Technician	Non-Exempt	07	\$34.83	\$36.57	\$38.40	\$40.32	\$42.34	\$45.04
4810	Librarian	Non-Exempt	16	\$35.61	\$37.39	\$39.26	\$41.22	\$43.28	\$46.02
4830	Library Assistant	Non-Exempt	03	\$26.29	\$27.60	\$28.98	\$30.43	\$31.95	\$34.13
4807	Library Customer Service Specialist	Non-Exempt	01	\$24.64	\$25.87	\$27.16	\$28.52	\$29.95	\$32.03
4805	Library Customer Service Supervisor	Non-Exempt	08	\$32.18	\$33.79	\$35.48	\$37.25	\$39.11	\$41.65
4825	Library Specialist	Non-Exempt	06	\$28.39	\$29.81	\$31.30	\$32.87	\$34.51	\$36.82
4819	Library Tech Specialist	Non-Exempt	15	\$34.50	\$36.23	\$38.04	\$39.94	\$41.94	\$44.62
4900	Network Administrator	Non-Exempt	23	\$46.46	\$48.78	\$51.22	\$53.78	\$56.47	\$59.87
3181	Office Assistant	Non-Exempt	01	\$24.64	\$25.87	\$27.16	\$28.52	\$29.95	\$32.03
4640	Park Services Officer	Non-Exempt	11	\$31.73	\$33.32	\$34.99	\$36.74	\$38.58	\$41.09
4560	Parking Control Officer	Non-Exempt	01	\$24.64	\$25.87	\$27.16	\$28.52	\$29.95	\$32.03
4440	Permit Technician	Non-Exempt	09	\$31.00	\$32.55	\$34.18	\$35.89	\$37.68	\$40.14
4425	Planning Technician	Non-Exempt	11	\$31.73	\$33.32	\$34.99	\$36.74	\$38.58	\$41.09
4550	Police Records Specialist	Non-Exempt	05	\$27.58	\$28.96	\$30.41	\$31.93	\$33.53	\$35.79
4630	Public Works Inspector	Non-Exempt	18	\$38.81	\$40.75	\$42.79	\$44.93	\$47.18	\$50.12
4450	Senior Building Inspector	Non-Exempt	27	\$48.77	\$51.21	\$53.77	\$56.46	\$59.28	\$62.82
4831	Senior Library Page	Non-Exempt	02	\$17.32	\$18.19	\$19.10	\$20.06	\$21.06	\$22.69
4405	Senior Planner	Exempt	28	\$49.95	\$52.45	\$55.07	\$57.82	\$60.71	\$64.33
4610	Senior Public Works Inspector	Non-Exempt	26	\$46.79	\$49.13	\$51.59	\$54.17	\$56.88	\$60.30

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APPENDIX B – Place Holder for New Resolution