

**MEMORANDUM OF UNDERSTANDING
BETWEEN THE**

CITY OF SOUTH GATE

AND THE

**SOUTH GATE
PROFESSIONAL MID-MANAGEMENT
ASSOCIATION**

JULY 1, 2006 – JUNE 30, 2008

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ARTICLE I

GENERAL PROVISIONS

SECTION 1 RECOGNITION

This Memorandum of Understanding, hereinafter referred to as the “Agreement” made this 23rd day of January 2007 is entered into with reference to the following facts:

WITNESSETH:

WHEREAS, the South Gate Professional and Mid-Management Association, hereinafter called the “Association” represented by the Service Employees International Union, Local 347, hereinafter called the “Union”, is the duly recognized employee organization for its members employed by the City of South Gate (hereinafter called the “City”) in an employee group defined by Resolution No. 4508 (Employer- Employee Relations Resolution) (8.2.4) of the City Council of South Gate as “All Professional and Mid-Management employees in the Administration, Community Development, Finance, Parks & Recreation, Police and Public Works Departments, defined as management employees assigned to the “600” Series salary range” and Pay Plan G and;

WHEREAS, the Association and the City’s Representatives have met and conferred in good faith regarding wages, hours and other conditions of employment for the employees represented by the Union and have reached an understanding as to certain recommendations to be made to the City Council of South Gate;

NOW, THEREFORE, the City’s Representatives and the Association represented by the Union hereby agree as follows:

SECTION 2 CURRENT AND SUPPLEMENTAL AGREEMENTS

It is the intent of the City and the Union that this Agreement supersedes all previous Agreements or Understandings either written or oral, and contains the entire understanding between the parties on all matters subject to the Meet and Confer process. No amendment, change, or variation hereof shall be valid or binding unless reduced to writing and signed by duly authorized representatives of the City and the Union.

SECTION 3 NON-DISCRIMINATION

The City and the Union agree that, in applying the terms of this Agreement neither party will discriminate against any employee because of race, color, sex (pregnancy or gender), marital status, age, religious beliefs, political beliefs and affiliations, national origin, ancestry, physical handicap, mental handicap, medical condition, union affiliation or for any other reason prohibited by law.

SECTION 4 DURATION

This agreement shall be effective from July 1, 2006 until June 30, 2008. The MOU shall become effective only after adoption by the City Council of the City of South Gate following ratification by the members of the Union.

SECTION 5 DUES DEDUCTION

The City will continue automatic payroll deduction for the collection of Union dues.

Union members may voluntarily authorize in writing a political action committee deduction from their salary. Employees wishing to participate shall provide written authorization on a form furnished by the Union indicating the amount to be deducted. The parties agree that the employee may revoke any such deduction at any time. The parties further agree that neither the Union nor the City will bestow any special benefit or cause any detriment as a result of an employee's voluntary choice to make, decline to make, or to revoke a contribution.

SECTION 6 PROTECTION CLAUSE

The City will Meet and Confer with the Union regarding any wage or benefit changes approved for another bargaining unit that are significantly greater than those provided in this Agreement.

SECTION 7 CONTRACTING OUT SERVICES

No bargaining unit employee shall be laid off, displaced (except as noted below), demoted or suffer loss of pay or benefits as a result of the contracting of bargaining unit work. The City Manager retains the codified right to transfer employees, and management shall continue to assign work to meet the service needs of the City. The City will Meet and Confer with the Union prior to the initiation of the bidding process to contract out bargaining unit work. The Union agrees that it will cooperate with the City in determining the most efficient and effective ways to accomplish work processes. Notwithstanding the above agreement, if it is mutually agreed (by the Union, employee and City) that appropriate work within the City is not available for an employee as a result of contracting out of services and the employee is separated from service, the employee will receive a separation benefit of four (4) months pay in addition to the normal benefits applicable to other employees covered by this Agreement.

SECTION 8 DRESS CODE

Dress codes are a management right and not subject to Meet and Confer.

SECTION 9 UNION BUSINESS

Elected Union stewards and officials will be provided a reasonable amount of time during normal working hours to conduct official union business. This time will be recorded in accordance with City policy. Time spent on official Union business will not disrupt critical work schedules. Disputes about this policy will be resolved through good faith discussions between the City and the Union and will not be subject to the grievance procedure.

SECTION 10 USE OF CITY FACILITIES

The City agrees that the Union may use City facilities to conduct meetings, provided that advance notice is given to the City, proper reservations are made for the use of the facilities to ensure availability and prevent scheduling conflicts, and that such use does not interfere with the normal business operations of the City.

SECTION 11 LABOR MANAGEMENT COMMITTEE

This will be a quarterly meeting to discuss relevant issues (insurance, safety, physical fitness, employee performance evaluations, training, etc.) that will include representatives of both the Union and the City.

SECTION 12 EMPLOYEE HANDBOOK

The Handbook will be updated at least annually and will be available in electronic form.

SECTION 13 PROBATION

- A. All new employees are required to complete a probationary period which is considered to be an extension of the examination process and an opportunity for the newly placed employee to demonstrate abilities and skills necessary for successful work performance in the particular classification and position.
- B. Any appointment to a position from an eligibility list is subject to a probationary period of six (6) months equivalent to a total of 1,040 actual work time hours including earned Holiday Leave before an appointee acquires a permanent status in the position.

Two weeks prior to the end of the probationary period, the Department Head shall forward the probationary employee's Performance Appraisal to the Personnel Officer recommending that the employee be given permanent status if his/her service has been satisfactory, recommending an extension of the probationary period, or recommending that the employee be terminated. The initial probationary period may be extended six (6) months at the discretion of the Department Head in documented cases where work performance can not be fully evaluated within the initial six (6) month period.

- C. An employee may be removed by the appointing authority at any time during the probationary period by submission of a termination notice to the Personnel Officer, and the same shall not be subject to review by the Civil Service Commission or the City Council. The Personnel Officer may restore any employee so terminated to the eligible list from which she/he was removed if there appears to be adequate basis for anticipating the employee might render satisfactory service in another department. When a present employee with permanent status accepts probationary appointment in a new classification, whether or not promotional, that employee retains the right to return to the position vacated.

1. EMPLOYEE PERFORMANCE REVIEW

- a. All probationary employees shall be reviewed by their Supervisors after three (3) months of service and after six (6) months of service. (This includes new employees and

employees serving a probationary period after a promotion or transfer.)

- b. Each employee shall receive an annual performance review which shall be due on the anniversary of the date that she/he passed probation in his/her current position.

SECTION 14 WORK SCHEDULES

All existing work schedules, including alternate work schedules, shall continue for the duration of the MOU. The City agrees to Meet and Confer with the Union on any proposed changes to the alternate work schedules.

SECTION 15 ELECTRONIC CHECK DEPOSIT

The City will continue to provide an electronic check deposit program.

SECTION 16 SUBSTANCE ABUSE POLICY

The City and the Union agree that it is appropriate to provide a drug free workplace through the establishment of policies and procedures which clearly prohibit the use of alcohol and other drugs and their influence on the job. The Union will cooperate with the City in implementing its Drug and Alcohol Abuse Policy. The City agrees to Meet and Confer with the Union prior to making any significant modifications to its Drug and Alcohol Abuse Policy.

SECTION 17 SMOKE FREE POLICY

All City buildings and vehicles shall be considered smoke-free areas.

SECTION 18 TRAINING STANDARDS FOR EMPLOYEES WHO SUPERVISE

Performance standards for employees who supervise shall be amended to include forty (40) hours of approved supervisor training per year on City time. This standard shall be imposed through the normal annual performance evaluation process. The Personnel Department will regularly publish training opportunities.

SECTION 19 NEGOTIATIONS

The Association will endeavor to send its proposal for a successor MOU by March 1, 2008. The City will endeavor to respond to the Association with its proposal by March 21, 2008. The Association and the City will endeavor to begin negotiations by April 1, 2008.

ARTICLE II

SALARY & ALLOWANCES

SECTION 1 PAY INCREASES IMPLEMENTATION

All payroll changes for step increases, pay increases and other compensation changes will be made effective prospectively or retroactively, as is appropriate, on the effective date of said change.

SECTION 2 WAGES

A) COLA: Effective July 1, 2006 and July 1, 2007, there will be an across the board base salary increase for each classification equal to the annual CPI for all urban consumers for the Los Angeles-Riverside-Orange Counties area, not seasonally adjusted, calculated from March to March of each calendar year, with a minimum of 4% and a maximum of 5%.

B) SALARY SURVEY

The City and the Union will form a Joint Labor-Management Committee to conduct a classification and compensation study. The Full Committee will consist of a team of employees representing the City (including the Human Resources Director and the Finance Director), and no more than 3 PMMA employees (chosen by the Union). The survey cities shall be Alhambra, Burbank, Downey, Hawthorne, Huntington Park, Inglewood, and Norwalk. All cities shall be used to compute the average salary, provided they have comparable positions.

The City's Sub-Committee shall commence the classification and compensation study no later than 11/15/06 and will complete its work no later than 3/31/07.

The City's Sub-Committee will prepare the classification study first. The City will address all re-class requests that have already been submitted to the City. The Union will provide a list of difficult to compare job classifications. The Full Committee will review the classification results and mutually agree on classification changes and wage adjustments.

The City's Sub-Committee will prepare the salary survey next. The City and the Union agree that all salaries shall be brought, at the minimum, to the average of the survey cities. The City shall use the top step of each range for survey purposes. As part of the study, the City will recommend adjustments to correct discrepancies in appropriate salary differentials. The Full Committee will review the salary survey results and mutually agree on wage adjustments.

For those classifications that need to be increased to the average, the City will provide salary increases effective 7/1/06 in an amount necessary to bring those classes to the survey average, with a maximum increase of 10%. Salary increases for whatever remaining amount is necessary will be effective 7/1/07. (Example: Classification X needs an increase of 16% to bring it to the average. Employees will get 10% retro to 7/1/06, and the remaining 6% effective 7/1/07.)

- C) **CLASSIFICATIONS ABOVE 10%:** Any classification that is more than 10% above the average will only receive a 2.5% COLA effective 7/1/06 and 7/1/07.
- D) The Water Division employee's salary increases are the subject of a separate agreement.

SECTION 3 LONGEVITY PAY

The City recognizes that as an employee's service with the City increases, the employee's knowledge of operating procedures, productivity and ability to provide outstanding service to the citizens of South Gate increases. For these reasons, the City provides longevity pay which is added to each step for eligible employees. Longevity pay is determined once per year, on the employee's anniversary date, and is computed prior to the percentage increase to each Step contained in Section 2. Wages.

For instance, an employee with 10 years of service at a step making \$20 per hour on June 30 would receive Longevity Pay of \$0.40 per hour (\$832 per year) added to their step. For pay calculation purposes, such as, but not limited to; overtime, pension, sick leave, administrative leave and vacation, longevity pay is added to an employee's base pay.

Employees are eligible for Longevity Pay based on the following:

<u>Full Years of City Service</u>	<u>% of Base Pay</u>
5 to 9 years	1.5%
10 to 14 years	2.0%
15 to 19 years	2.5%
20 or more years	3.0%

SECTION 4 MERIT BASED STEP INCREASE

All employees will receive an annual performance evaluation in accordance with Article 13, Section A. Advancement to a higher Step in

each Grade will be contingent upon overall satisfactory or exemplary performance evaluations. Should a supervisor fail to complete an evaluation through no fault of the employee, the employee will automatically receive any regularly scheduled increase. Special merit increases of one (1) or two (2) steps for outstanding job performance up to the top of the salary range may be granted.

Supervisors are required to take affirmative action to withhold a salary step increase, with this action to be approved by the Department Head. An employee who is denied a merit increase shall be provided, in writing, the basis of denial and may appeal the decision to deny the merit increase through the grievance procedure through Step 3. Further, if a supervisor rates an employee unsatisfactory and fails to withhold a step increase, the supervisor shall be required to justify the lack of action.

Withholding a salary increase is an administrative action, and not disciplinary, and therefore is not the subject to appeal to the Civic Service Commission. When an employee is given an unsatisfactory performance evaluation, and a salary step withheld, the employee and supervisor shall meet and establish goals and a plan to improve the performance. When an employee meets goals of the performance improvement plan the employee will then earn a step increase.

SECTION 5 WORKING TEMPORARILY IN A HIGHER CLASSIFICATION

1. RIGHT TO ADDITIONAL COMPENSATION.

Employees who are assigned to work in a higher classification under the conditions specified below shall be paid to additional compensation in the amount set forth below.

2. CONDITIONS PRECEDENT ADDITIONAL COMPENSATION

The conditions precedent to entitle Employees to the additional compensation are as follows:

A. TIME IN CLASSIFICATION

The employee has worked in a higher budgeted classification for the requisite time period specified below:

1. If the budgeted position classification to which the employee is assigned is vacant due to lack of a permanent employee occupying said position, the requisite time period is three (3) consecutive work weeks.

2. If the budgeted position classification to which the employee is assigned is vacant due to a temporary absence of a permanent employee, such as illness, vacation, leave of absence, or absence without leave, the requisite time period is a cumulative period of four (4) work weeks in a twelve month period preceding the day upon which the employee is working in the higher classification.

B. CERTIFICATE OF COMPETENCE

The employee, while performing the job duties in the higher classification as stated in subparagraph (1) above has demonstrated an ability to perform the work in that higher job classification competently, in the Director's sole discretion. The qualification of competence shall be evidenced by a certificate executed by the Department Director.

C. NEED

There presently exists a budgeted, full-time and vacant position as stated in subparagraph 1, and the Department needs require the assignment of another employee to continue said duties.

D. AUTHORIZATION

Permission to work in the higher classification has been given prior to the commencement of the requisite time period stated in subparagraph 1, in writing signed by the Department Director, or his designee. Additionally, prior to the first day of eligibility for compensation, as stated in subparagraph 1, the Personnel Officer has authorized the assignment in writing. If the Personnel Officer is not available to approve the assignment then the Department Director shall not continue the assignment beyond three (3) working days unless or until he/she has obtained approval of the Personnel Officer.

E. COMPENSATION

The additional compensation shall be in the amount equal to the number of hours assigned to the higher classification work when all of the foregoing conditions have been met multiplied by the rate of compensation established for that position classification at the step in the Salary and Compensation Resolution necessary to provide the employee with a minimum of a five percent (5%) increase

but shall in no event exceed the highest step of the range assigned to the higher classification.

SECTION 6 EDUCATIONAL REIMBURSEMENT

The individual educational reimbursement cap is \$2,500 annually (\$3,000 for private universities). An annual budget of \$40,000 will be available for this plan. Full-time City employees who have successfully passed their initial probation period are eligible to participate in the educational reimbursement plan.

To be eligible for reimbursement the employee must obtain a grade of "C" or better and submit a grade slip or other evidence of successful course completion and appropriate invoices and/or receipts. If the employee voluntarily separates from the City for reasons other than retirement within two (2) years of completing a course for which reimbursement is received, the City may withhold a pro-rated amount of such reimbursement from the employee's last check. The pro-rate shall be 1/24th of the amount for each month short of two (2) years.

SECTION 7 MILEAGE ALLOWANCE

The City agrees to reimburse employees at a rate equivalent to the IRS allowable Index.

SECTION 8 BILINGUAL PAY

Employees who are assigned to a job classification that has been designated by the City as a bilingual preferred position with public contact (i.e., verbal and/or written translation of English to Spanish or Spanish to English) shall receive additional compensation based on the employee's ability to pass the following bilingual exams:

- TIER I - Proficient verbal bilingual skill, \$75.00 per month.
- TIER II - Proficient verbal, reading, and writing bilingual skills \$100.00 per month.
- TIER III - Excellent verbal, reading, and writing bilingual skills and the ability to act as a translator in meetings \$175.00 per month.

ARTICLE III FRINGE BENEFITS

SECTION 1 MEDICAL & DENTAL INSURANCE

A. MEDICAL INSURANCE

The City will pay insurance premiums which are equivalent to the rate for Kaiser-Southern California. Employees who select a more expensive plan will be responsible for any difference in premiums. The City will provide an amount equal to the one-party Kaiser rate per month in deferred compensation to those employees who do not purchase health insurance through the City, but can show proof of medical insurance coverage on an annual basis.

CURRENT CITY CONTRIBUTIONS

	<u>2006 Kaiser LA Area</u>	<u>2006 Kaiser Other</u>
Employee	\$306.54	\$320.55
Employee + 1	\$613.08	\$641.10
Employee + 2	\$797.00	\$833.43

	<u>2007 Kaiser LA Area</u>	<u>2007 Kaiser Other</u>
Employee	\$329.14	\$360.60
Employee + 1	\$658.28	\$721.20
Employee + 2	\$855.76	\$937.56

B. DENTAL INSURANCE

The City will pay insurance premiums which are equivalent to the rate for the standard HMO plan. Employees who select more expensive plans will be responsible for any difference in premiums. The City will provide an amount equal to the one-party HMO rate per month in deferred compensation to those employees who to those employees who do not purchase dental insurance through the City, but can show proof of dental insurance coverage on an annual basis.

CURRENT CITY CONTRIBUTIONS

Employee	\$17.95
Employee + Spouse	\$32.70
Employee + Child	\$31.30
Employee + Family	\$43.90

SECTION 2 LIFE INSURANCE

The City shall provide \$50,000 of Life and Accidental Death and Dismemberment Insurance for all employees represented by the Union. However, consistent with current industry standards, coverage will reduce to 65% at age 65, 40% at age 70, 25% at age 75 and 15% at age 80.

SECTION 3 VOLUNTARY LIFE INSURANCE

Eligible employees will be offered the opportunity to purchase life insurance in addition to the life insurance paid for by the City. Currently the voluntary life coverage is provided by The Guardian which establishes the terms and conditions regarding coverage. If, due to a change in insurance carrier or other reasons, any significant features of the Plan need to be changed, the City will Meet and Confer with the Union before the changes are implemented

SECTION 4 SECTION 89 CONSIDERATIONS

The City shall comply with IRS Section 89 requirements as mandated by Congress and, should there be any changes regarding said implementation which would require meet and confer, then the City shall notify the Union immediately.

SECTION 5 RETIREMENT

A. EMPLOYEE CONTRIBUTIONS

New employees will pay the employee's contribution, to the retirement plan, an 8% rate initially, under the following schedule:

	EMPLOYEE	CITY SHARE FOR EMPLOYEE
Start to 6 months	8.0%	0%
Six mos. to one (1) year	4.0%	4.0%
One (1) year +	0%	8.0%

B. ADDITIONAL BENEFITS

The following are benefits provided to the employees under the for terms of the retirement plan:

1. **ONE YEAR FINAL COMPENSATION** - Final compensation is calculated using the last (or highest) twelve consecutive monthly pay rates;
2. **POST-RETIREMENT SURVIVOR BENEFIT –**
Provides that upon death of a member after retirement, an allowance shall be continued to the surviving spouse;
3. **POST - RETIREMENT SURVIVOR ALLOWANCE TO CONTINUE AFTER REMARRIAGE**
Allows the survivor allowance to continue even though survivor of a retiree re-marries;
4. **CONTINUATION OF DEATH BENEFITS AFTER MARRIAGE**
Provides that the Death Benefits being paid to a spouse of a member who died prior to retirement will be continued in full should the spouse remarry;
5. **PERS-MISCELLANEOUS**
The PERS miscellaneous contract shall include the following benefits to be paid by the City to PERS (subject to 5.A):
 - a. 2.7% at Age 55 Retirement Formula - Calculation of retirement benefit;
 - b. 1959 Survivor Benefit at Level 4 – Higher level of benefits than the Basic or other levels of the benefit;
 - c. Military Service Credit - Credit of maximum of four (4) years of service;
 - d. Unused Sick Leave Credit - Receive additional service credit at the rate of 0.004 years of each day of sick leave.

C. RETIREE MEDICAL INSURANCE

Employees who retire with twenty (20) or more years of City service, and remain so retired, shall receive a medical insurance

benefit not to exceed \$150 per month, plus the \$80.80 paid directly to PERS. This section specifically makes no provision for any dependents of the retiree. The retired employee will continue to have the option to purchase medical insurance for himself and dependents, as currently provided. Other retirees are covered as provided under the PERS Hospital and Medical Care Act only.

D. PRE -TAX FUNDING FOR POST RETIREMENT MEDICAL EXPENSES

The City will provide a deferred compensation account for post retirement medical expenses. The maximum cost to the City shall be the initial start up fee (\$500), the annual fee (currently \$600), and the individual's cost of the plan (currently \$2.00 per month). An open enrollment shall take place each year in late August or early September.

SECTION 6 DEFERRED COMPENSATION

The City offers four (4) deferred compensation plans to the employees and said plans offer a savings plan only. Open enrollment is on an on-going basis.

SECTION 7 LOSS PREVENTION PROGRAM

The City is concerned with safety, loss reduction, and increased productivity. To address these issues, the City will meet periodically with the Union to discuss plans that will focus on issues such as, the non-use of sick leave, safe driving record, safety/loss recovery suggestion award program.

SECTION 8 PHYSICAL FITNESS

Each employee shall receive a membership at the South Gate Sports Center in the South Gate Park. The membership will be determined in the following manner:

Employees will receive a family membership "spouse and dependent children" that will be provided at no cost and include access to the golf course and swimming pool. This membership includes free access to all Park facilities that are open to the public, but excludes City sponsored classes that require a fee. Employees and eligible family members must obtain the required identification cards.

SECTION 9 ERRORS AND OMISSIONS INSURANCE POLICY

The City acknowledges and the City shall comply with state law requiring the City to be responsible for Errors and Omissions made by the members in the bargaining unit.

SECTION 10 SECTION 125 PROGRAM

The City will provide a benefit for employees at a maximum cost of approximately \$6 per month per employee for a pre-tax medical and dependent child care savings plan with employees making a contribution.

ARTICLE IV
LEAVE POLICIES

SECTION 1 HOLIDAY LEAVE

A. ENTITLEMENT

Employees who are on the payroll as of July 1st of each Fiscal Year, shall be credited with appropriate Holiday Leave per Section B. Employees in those Pay Plan Categories referred to above hired after the 1st of each Fiscal Year will be credited as of the date of hire with ten (10) hours of holiday leave for each designated holiday remaining in the Fiscal Year.

Entitled employees may be absent from work but nevertheless receive compensation at the employee's then current rate of pay on either (a) the holidays designated below; or (b) days otherwise scheduled in advance and agreed upon between the employee's supervisor and the employee.

Entitled employees shall earn Holiday Leave in increments of ten (10) hours if the employee is working or on paid leave both as the holiday occurs during the calendar year, and at the commencement of the day following the designated holiday. Holiday leave time used shall be deducted from the hours credited in increments according to the employee work schedule.

Holiday hours may not be carried over to a succeeding year.

B. HOLIDAY OBSERVANCE/HOURS

Each fiscal year, the City shall observe the following named Holidays:

New Year's Day	January 1 st
Martin Luther King's Birthday	Third Monday of January
President's Day	Third Monday of February
Cesar Chavez Day	Last Monday in March
Memorial Day	Last Monday of May
Independence Day	July 4 th
Labor Day	First Monday of September
Thanksgiving Day	Fourth Thursday of November
Christmas Eve	December 24 th
Christmas Day	December 25 th

Each fiscal year, all employees shall be credited with 130 hours of paid Holiday Leave, subject to “Section 1A. Article IV.” The City will observe the ten (10) days set forth above, plus thirty (30) additional hours each year. The thirty (30) additional hours will be applied to effectuate a full week of closure between Christmas and New Year’s Day. In the event that less than thirty (30) hours is necessary to effectuate the full week of closure, the balance of the 30 hours will be observed as floating day(s). Holidays that fall on Friday or Saturday become floaters. Holidays that fall on Sunday are observed on the following Monday. If two-day holidays fall on a Sunday and Monday, then the holidays are observed on Monday and Tuesday.

Any employee that works without regard to holidays (i.e., police department employees) shall observe the holiday on the actual day on which it falls, including the closure days between Christmas and New Year’s Day.

At the beginning of each fiscal year, employees will be credited with the total hours of holiday leave for that fiscal year and all holiday leave must be utilized during the fiscal year. Holiday leave used shall be deducted from the hours credited in increments of eight (8) or ten (10) hours for each day taken, according to the employee’s work schedule. Employees who are scheduled to work on holidays will be paid their normal daily rate of pay for hours worked. The employee will have the option to take the holiday off at another date to be scheduled by the department as work schedules permit, or to be paid for that holiday at their straight-time rate of pay, which is in addition to the pay they received for working the Holiday.

SECTION 2 VACATION

A. Each employee shall earn vacation in the following manner:

One (1) to four (4) years of service: 80 hours annually
Five (5) to nine (9) years of service: 120 hours annually
Ten (10) or more years of service: 160 hours annually

Accrued but unused vacation may be carried over from year to year, however, the maximum allowable vacation accrual is 240 hours. If an employee’s vacation accrual is at the maximum level, the employee will not accrue additional vacation until the employee’s vacation accrual is below the maximum level.

- B. Beginning on July 1st, 2003, employees may request a payout of accrued vacation of up to 40 hours per year. The requested payout must be in increments of 10 hours. Effective fiscal year 2006 – 2007, the payout will be made on the first pay period in December. Employees desiring a payout must submit paperwork by November 1st. (Date extended to November 16th in 2006).
- C. Pursuant to a previous MOU Amendment, employees may elect to receive up to 50% of the deferred administrative leave payout (from fiscal year 2004/2005) in fiscal year 2006/2007. The City will make the payout at the normal pay period closest to the end of the fiscal year.

SECTION 3 SICK LEAVE

A. ENTITLEMENT

Employees shall earn one hundred – twenty (120) hours of sick leave per year prorated by pay period. Annually, the City shall permit employees to utilize 50 hours of their accrued sick leave as paid time off for reasons of personal business (not related to illness). These days shall not be regarded as “sick leave used” for any personnel purposes, including employee discipline, evaluations, promotions, assignments, etc.

B. SICK LEAVE PROGRAM

Sick leave accrual shall remain unlimited. However, sick leave “payoff” shall be limited to 600 hours for all employees hired after January 1, 1993. On July 2, 2003, the sick leave “payoff” shall be limited to 450 hours for all employees plus the value of hours above 450 hours as determined on July 2, 2003. (See letter of understanding).

1. **Illness or Injury Leave Notification and Verification Procedure:**

In the event of an absence due to illness or injury, employees must notify their department supervisor (or the supervisor’s designee), prior to or at the beginning of their shift starting time. Employees who are incapacitated and cannot notify their department supervisor, must notify their supervisor at the earliest possible time and may have a spouse or other person contact their supervisor within the time limit specified above.

2. An employee that become ill or injured, while working on the job, must request their supervisor's approval to leave work. Those employees injured on the job must file a "First Report of Injury" form and receive authorization for medical treatment from their supervisor.
3. The notification to the department supervisor must include a reason for the absence that is in accordance with current law and an estimated return date. This information will be logged by the department for future reference.
4. Failure to notify the department supervisor, as stated in Notification Section 1, will result in the forfeiture of the sick leave for the period of absence and may result in disciplinary action.
5. All absences not due to illness or injury must be requested as noted in the appropriate leave sections.
6. Verification - In the event that employees have, in their supervisor's sole opinion, an absenteeism problem, an excessive use of sick leave, or have a suspicious absence or group of absences, the supervisor may attempt to verify the absence or proper use of sick leave by any of the following:
 - a. Telephoning the employee at home (or appropriate location).
 - b. Visiting employee at home.
 - c. A sub-rosa investigation.
 - d. A medical evaluation at the City's expense, or
 - e. A medical evaluation at the employee's expense (A licensed physician must complete the medical evaluation which must include the reason for the absence and permission to return to work.
7. Where an excessive absenteeism pattern has been established without clear justification for said leave, a supervisor may schedule a counseling session to determine the reasons or justification for the excessive use. The counseling session shall be conducted by the Personnel Officer and other attendees of the session shall include the employee, a representative chosen by the employee, if any, and the department representatives. This session shall be documented by a written summary of the abuse problems and discussion. The summary shall be issued by the Personnel Officer and a copy distributed to attendees of the

session and to the affected employee's Personnel file.

The purpose of the counseling session is to improve the employee's attendance and/or warn the employee about the consequences of continued abuse. If there is a specific abuse that warrants discipline, or if the above counseling session does not correct abuses, then action will be taken to correct the abuse problem through the discipline process (Section 11, Civil Service Rules and Regulations).

C. SICK LEAVE ADVANCES

The City will not provide advances in sick leave when an employee has depleted his/her sick leave balances.

D. SICK LEAVE PAYOFF

Two (2) options will be available for those employees qualified for a payoff of unused sick leave. At separation a calculation of total sick leave benefit will be made. The employee may choose to receive the benefit immediately (Option 1), or choose to receive the benefit over a period of time (Option 2).

Accumulated unused sick leave shall be paid off based on the following formula:

- a. 15 - 19 years of service –
50% reimbursement of eligible unused sick leave.
- b. 20 years or more of service –
75% reimbursement of eligible unused sick leave.

OPTION 1: At separation:

Payoff per above formula.

OPTION 2: At separation:

25% of payoff per above formula.

1 year after separation: 25% of payoff per above formula.

2 years after separation: 25% of payoff per above formula.

3 years after separation: 25% of payoff per above formula.

In reference to Option #2, in the event of a hardship or death of the ex-employee, the remaining balance of the payoff shall be paid in full upon request with proper justification. (The application of this plan is subject to Federal and State restrictions.)

SECTION 4 PAY FOR JURY DUTY

A. JURY DUTY SERVICE

All employees who are called for Jury Duty shall be entitled to a maximum of ten (10) days at full salary. Employees are obligated to inform the Judge that City policy is to only pay ten (10) days of service. Should an employee, through no fault of his/her own, be required to serve beyond ten (10) days, the employee will receive full salary for Jury Duty service up to an additional twenty (20) days. Exceptions may be made to this policy by the City Manager in very unusual circumstances.

B. ATTENDANCE

1. A record of attendance from the Court is required and shall be turned in weekly for payroll purposes. Such record is available from the Court Administrator's office. Employee on shifts other than the normal shift shall have off the equivalent time to actual jury service plus reasonable travel time to and from their places of residence; likewise, employees on the regular work shift, who serve on night court juries will have off the actual time of service plus reasonable travel time to and from their places of residence.
2. Employees who serve on jury duty for partial days are expected to report to work if they are released from jury duty within a reasonable amount of time to report back to work (e.g. an employee on day shift serving on South Gate Court duty would be expected to return to work if excused prior to or at 4:00 p.m.. However, an employee serving on jury duty for example, in downtown Los Angeles excused at 4:00 p.m. would not be expected to return to work that day). If the option for call-in service is available and workable (the court is within thirty (30) minutes travel time of South Gate), an employee should request call-in status.

SECTION 5 UNPAID LEAVE

A. LEAVE WITHOUT PAY

A leave of absence without pay, up to ninety (90) calendar days in any calendar year, may be granted upon the approval of the Department Head and the Personnel Officer. Leaves of absence in excess of ninety (90) calendar days must be approved by the

Personnel Officer, provided, however, that for leaves of absence other than for illness or injury during any three (3) calendar year period shall not exceed one hundred eighty (180) calendar days. In the case of a bona fide illness or injury, a medical leave may be granted up to a maximum of one (1) year upon the approval of the Department Head and the Personnel Officer. In the event that an employee has no eligible leave to cover an absence from work, authorized or unauthorized, the Department Head and the Personnel Officer may approve the short term leave with due consideration of the employee's work record (with possible counseling or discipline considerations). All applications for leaves of absence without pay shall be submitted to the Personnel Officer on a Personnel Transaction Form.

B. CATASTROPHIC ILLNESS/INJURY

If an employee is diagnosed by a qualified Doctor of Medicine to have a catastrophic illness (in a state of total disability from cancer, heart attack, AIDS, etc.) or has a catastrophic injury (an injury that totally disables an employee for an extended period of time), the employee may be entitled to extended health benefit coverage (Medical, Dental, & Life ins.) provided by the City (in the same fashion normally provided to the employee). This benefit requires the approval of the Department Head and Personnel Officer, and is applicable when the employee's leave benefits are exhausted, under the following formula:

<u>Years of Full-Time City</u>	<u>Months of Continued Coverage</u>
After (2) years	3 months
After (4) years	6 months
After (7) years	9 months
After (10) years	12 months

SECTION 6 MATERNITY LEAVE

The application of the maternity leave policy is subject to applicable State and Federal laws. The employee may use accrued paid or unpaid leave as appropriate.

SECTION 7 FAMILY MEDICAL LEAVE ACT

Pursuant to State & Federal law, the City will provide family and medical care leave to eligible employees. The following provisions set forth employees' rights and obligations with respect to sick leave. Rights and obligations which are not specifically set forth below are set in the Department of Labor regulations implementing the Federal Family and

Medical Leave Act of 1993 (FMLA), and the regulations of the California Fair Employment and Housing Commission implementing the California Family Rights Act (CFRA). Unless otherwise provided by this section, "Leave" under this provision shall mean leave pursuant to the FMLA and CFRA.

- A. Amount of Leave - Eligible employees are entitled to a total of 480 hours of leave during any 12-month period. An employee's entitlement to leave for the birth or placement of a child for adoption or foster care expires 12 months after the birth or placement.
- B. The 12-month period for calculating leave entitlement will be a "rolling period" measured backward from the date leave is taken and continues with each additional leave day taken. Thus, whenever an employee requests leave, the City will look back over the previous 12-month period to determine how much leave has been used in determining how much leave a member is entitled to.
- C. Use of Accrued Leaves While on Leave - If a member requests leave for any reasons permitted under the law, that person must exhaust all accrued leaves in connection with the leave. The exhaustion of accrued leave will run concurrently with the leave.

SECTION 8 BEREAVEMENT

The term "immediate family" is defined as the spouse, children, brother, sister, parent, parent-in-law, grandparent, or grandchild of the employee.

A. WITHIN THE STATE

Upon the death of the immediate family, within the state, the employee shall have thirty (30) hours leave, not chargeable to any other leave, when employee travels within the state. Employees who travel within the state may take an additional forty (40) hours of leave chargeable to sick leave.

B. OUT OF STATE

Upon the death of immediate family out of state, the employee shall have forty (40) hours leave, not chargeable to any other leave, when employee travels out of state. Employees whose bereavement requires travel out of state may take an additional thirty (30) hours leave chargeable to sick leave.

SECTION 9 JOB RELATED INJURY OR ILLNESS

In the event of an absence due to a job related injury or illness, any employee who is entitled to disability payments under Workers' Compensation laws shall receive from the City the difference

between such disability payments and his/her full salary for the period of absence up to a maximum of four hundred eighty (480) hours for any one injury or illness. This period of four hundred eighty (480) hours shall not be deducted from accumulated sick leave. However, any relapse at a later date shall not be compensable under this provision, although the same may be chargeable against accumulated, unused sick leave, if any.

SECTION 10 MILITARY LEAVE

Military leave is restricted to normally required active duty and does not apply to such matters as weekend drills, etc. Leaves of absence for active military training, service, or other active duty obligations shall be granted in accordance with California and Federal law. Compensation, reemployment, seniority and other rights and privileges shall be governed by applicable laws. In order to verify the right to such leave, the employee shall cause a copy of his/her orders to and from military duty and relief therefrom to be filed with City's Personnel Officer. Military leave is recorded on the employee's time sheet and approved by the Department Head. Employees are entitled to receive a maximum of 80 hours of paid leave per fiscal year for annual military training. Employees are entitled to receive up to an additional 30 days (300 hours) of paid military leave if they are called to active duty (other than annual training) in the National Guard or one of the branches of the U.S. Military.

SECTION 11 ADMINISTRATIVE LEAVE

- A. Employees will be provided Administrative Leave of 60 hours per year. Employees may carry over unused Administrative Leave to the following fiscal year, but at no time shall an employee maintain a balance of Administrative Leave greater than eighty (80) hours.
- B. Beginning July 1, 2003, employees may request a payout of up to 40 hours of accrued administrative leave each fiscal year. The payout request must be in increments of 10 hours. When requested, the payment will be made at the end of the fiscal year.
- C. Pursuant to a previous MOU Amendment, employees may elect to receive up to 50% of the deferred administrative leave payout (from fiscal year 2004/2005) in fiscal year 2006/2007. The City will make the payout at the normal pay period closest to the end of the fiscal year.

SECTION 12 SPECIAL ADMINISTRATIVE LEAVE

Employees may be required by management to regularly attend meetings after normal working hours, such as, but not limited to, City Planning Meetings and City Council Meetings or may be required to routinely work

weekends. In instances where this occurs more than once in a month, the employee may use special administrative leave under the following conditions:

1. No more than eighty (80) hours of leave may be used in any fiscal year.
2. No more than four (4) hours of leave may be used in a work week.
3. The amount of leave used in a work week may be no more than the amount of time spent required to work after normal work hours, up to the four (4) hour maximum, and must be used in the same week that the extra work occurred.
4. The employee is required to inform his/her supervisor of the intent to use the Special Administrative Leave and the supervisor may postpone the use of the leave if granting the time would seriously disrupt the accomplishment of a critical task. The Department Head may grant more than 4 hours in a week due to special circumstances.
5. Special Administrative Leave does not carry over to the next fiscal year.
6. There will be no payoff of "unused" Special Administrative Leave.
7. Disputes about the use of Special Administrative Leave will be resolved by good faith discussions between the City, the Union and the involved employee(s) and will not be subject to the grievance procedure.

ARTICLE V
DISCIPLINE & GRIEVANCE PROCEDURES

SECTION 1 DISCIPLINE PROCEDURE

A. CAUSES FOR DISCIPLINE

The following are examples of conduct which shall constitute cause for disciplinary action up to and including discharge of an employee or any candidate whose name appears on any eligible list:

1. Willfully or corruptly making any false statements, certificates, marks, ratings, reports, failing to disclose material facts or in any manner committing or attempting any fraud.
2. Incompetency.
3. Inefficiency.
4. Neglect of duty.
5. Insubordination.
6. Dishonesty.
7. Violation of City's Drug Free Work Place Policy.
8. Intemperance.
9. Absence without authorized leave.
10. Conviction of a felony or conviction of a misdemeanor involving moral turpitude. A plea or verdict of guilty, or a conviction following a plea of nolo contendere, to a charge of a felony or any offense involving moral turpitude is deemed to be a conviction within the meaning of this section.
11. Immorality.
12. Discourteous treatment of the public or other employees, including sexual harassment.

13. Improper political activity.
14. Willful disobedience.
15. Misuse of property owned by, leased to, or under the charge of the City.
16. Violation of any of the prohibitions set forth in Government Code Sections 1090 et seq. and Section 1126. (Related to conflict of interest activities).
17. Refusal to take and subscribe to any oath or affirmation which is required by law in connection with employment.
18. Any other failure of good behavior either during or outside of duty hours which is of such a nature that it causes discredit to the City, its officers or employees.
19. Injury to persons.
20. Waste of material.
21. Advocating violent overthrow of government. (Government Code Section 1028) "It shall be sufficient cause for the dismissal of any public employee when such public employee advocates or is knowingly a member of the Communist Party or of an organization which during the time of his/her membership he/she advocates overthrow of the Government of the United States or of any state by force or violence."
22. Any unauthorized use of City uniforms.
23. Any violation of City or departmental policies and rules.
24. Violation of City's Discrimination/Harassment Policy.

B. DISCIPLINARY ACTIONS

The Personnel Officer or appropriate appointing authority may take disciplinary action against an employee for one or more of the causes for discipline specified herein above in 1.A. The term "disciplinary action," shall be limited in meaning to any of the following:

- 1. DEMOTION, DISCHARGE, OR REDUCTION IN SALARY**
Such disciplinary action may take the form of discharge,

reduction in salary, or a demotion where there is a vacancy in the same classification series at a lower level within the department.

2. SUSPENSION

An appointing authority may suspend an employee for one or more of the causes for discipline specified in these rules for a period of up to thirty (30) days.

3. REPRIMAND/WARNINGS

A written reprimand or written warning is part of the disciplinary process when an action or series of actions by an employee does not warrant discipline as noted in sections B.1 and B.2, however does warrant written notification for corrective purposes. A Supervisor (or appropriate management personnel) may issue a written reprimand or written warning to an employee for one or more of the causes for discipline specified in these rules. The issuing authority shall include in the document a “sunset” clause (removal date from personnel file) of eighteen (18) months, if, the employee’s work record justifies said clause, the employee has no further discipline in said time period, and after said period the employee makes a written request to the Department Head for removal of said document from the employee personnel files.

THE WRITTEN REPRIMAND OR WARNING SHALL ONLY BE REVIEWED AS FOLLOWS:

1. After receipt of written reprimand or written warning, the employee may request a review of said document to issuing authority within ten (10) working days. Said review may include an oral response and/or written response. The issuing authority’s decision may be to rescind the document or to modify the document with no change in content. The employee shall be notified, orally or in writing, of the decision of the issuing authority.
2. The employee may request said decision be reviewed by the Department Head, if applicable, within five (5) working days after said notification. The same review process shall be conducted as stated in section 1.B.3.a.
3. The employee may request that the above decision be reviewed by the Personnel Officer, within ten (10)

days after said notification. The same review process shall be conducted as stated in section 1.B.3.a. The decision of the personnel officer shall be final with no further review of the reprimand or warning.

C. NOTICE OF DISCIPLINARY ACTION

At any time any disciplinary action is proposed to be taken against any classified employee, he shall be served with written notice at least five (5) working days prior to the effective date of the proposed disciplinary action, either personally or by certified mail. Said notice shall state the proposed action, the effective date if implemented, the reasons therefore, a copy of the charges and materials upon which the proposed action is based, and a copy of Article V of this Agreement. In termination cases, the concerned employee may be suspended from duty, at full pay, from the time notice is served until the effective date of termination.

1. SKELLY PROCEEDING

Prior to implementing the disciplinary action, a Skelly proceeding will take place to allow the employee an opportunity to respond to the proposed discipline and charges, either orally or in writing, or both. The results of the proceeding may initially be given to the employee orally; however, a written decision will be issued within five (5) working days of the proceeding.

D. APPEAL TO THE DISCIPLINARY ACTION

1. APPEAL TO PERSONNEL OFFICER

A classified employee may file with the Personnel Officer, in writing, an appeal to the disciplinary action and charges. Said appeal shall be filed with the Personnel Officer not more than ten (10) working days after receiving the discipline, or the written results of the Skelly proceeding referred to in C. 1. hereinabove, whichever is later.

The Personnel Officer shall conduct a hearing not more than ten (10) working days after receipt of an appeal and issue a written decision after the hearing and a copy shall be given to the employee. The Personnel Officer shall issue said decision within thirty (30) calendar.

2. APPEAL TO CIVIL SERVICE COMMISSION

Should the classified employee desire further review by the Civil Service Commission of the disciplinary action, he

shall file a written request with the Personnel Officer not more than ten (10) working days after receipt of a notice of decision by the Personnel Officer referred to in the paragraph hereinabove. Said written request shall contain the names and addresses of any witnesses the employee wishes present at the hearing before the Civil Service Commission.

A. HEARING AN APPEAL

Within six (6) weeks of receipt of an appeal (referred to above), the Civil Service Commission shall hold a hearing and its Chairman shall direct the Personnel Officer to notify those whose presence is required. The appellant shall be entitled to appear personally and to have counsel and he shall be notified in writing of the time and place of meeting. The Commission may proceed informally and the rules of evidence shall not apply.

B. PUBLIC HEARINGS

The fact finding aspect of the Civil Service Commission hearings shall be open to the public. The deliberative aspect of such proceedings shall be held in closed session unless the law shall otherwise require.

C. FAILURE OF AN APPELLANT TO APPEAR

Failure of an appellant or his counsel to appear at the hearing shall be deemed to be a withdrawal of his appeal and the action of the appointing authority shall be final.

D. CONDUCT OF HEARINGS

At the hearings provided for herein, there will be a Presiding Officer, selected by a process of alternating elimination of names provided by the City. She/He shall convene the hearing, declare adjournments, recesses and continuances, shall maintain good order and shall call upon the parties to present witnesses, argument and other matters in the normal course of proceedings. She/He shall rule upon all objections, procedural motions and other matters which may come before the Commission except that any ruling made by the Presiding Officer may be reversed by majority vote of the Commission.

At the conclusion of the hearing, after all evidence and arguments have been presented, the matter shall be deemed submitted to the Commission for decision. The Commission shall determine, by majority vote, whether to affirm, reverse or modify the disciplinary action taken.

The Commission may, at its discretion, deliberate in open session or in closed session. The Commission may, at its discretion, obtain during such deliberation the advice of the Presiding Officer and said advice is to be rendered in confidence and within the attorney/client privilege.

E. CITY COUNCIL REVIEW

The findings and conclusions of law of the Civil Service Commission shall be final and binding unless within thirty (30) calendar days after receipt thereof a request for review by the City Council is filed with the Personnel Officer; or the City Council, on its own motion, requests review thereof within said period.

F. GENERAL DEFINITIONS

1. WORKING DAYS

The "working day" shall be considered for administrative convenience to be Monday through Thursday, from 7:00 a.m. to 6:00 p.m., excluding Holidays.

2. TIME LIMITS

The failure to submit an appeal within the time limits specified in the various steps provided above shall result in the settlement of the discipline appeal in accordance with the last answer or response given which shall be final and binding.

3. PROCEDURAL EXTENSIONS

The procedural times set forth herein are absolutely binding upon both parties and will not be considered waived, unless said

waiver is in writing and agreed to by both parties.

- 4. EMPLOYEE REPRESENTATIVE**
The employee "representative" referred to herein above may be an employee of the City.

SECTION 2 GRIEVANCE PROCEDURE

A. SCOPE

This Grievance Procedure shall be the exclusive means for resolving all grievances as that term is defined hereinabove except that the following disputes shall not be subject to the provisions thereof:

1. Any dispute arising out of or in connection with meeting and conferring pursuant to Resolution No. 3674.
2. Any dispute arising in or from, or involving a strike, work stoppage or cessation of work in any form by employees of the City.
3. Any appeal concerning disciplinary action affecting any employee (See Section 1 - DISCIPLINE PROCEDURE).

B. PROCEDURE

STEP 1 A grievance may be initiated in this Step by an employee or group of employees by presenting the grievance orally to the immediate supervisor of the employee or employees involved.

The grievance must be submitted to said supervisor within fifteen (15) working days following the occurrence of the event upon which the grievance is based. The supervisor will give an oral answer to the employee or employees involved within no more than fifteen (15) working days after the grievance was orally presented.

STEP 2 If the grievance remains unresolved after Step 1, the grievance may be moved to Step 2 by submitting the same to the Department Head. The grievance shall be submitted

in writing on a form supplied by the City. The grievance must be submitted in Step 2 no later than ten (10) working days after the answer in Step 1 has been received or the time for such answer has expired. Within no more than five (5) working days after receipt of grievance, a meeting will be held with the Department Head and the employee or employees involved. A representative of the employee or employees may be present if requested. Grievances submitted in Step 2 shall be answered in writing within five (5) working days of said meeting.

STEP 3 If the grievance remains unresolved after Step 2, the grievance shall be moved immediately by the Department Head or the employee or employees involved to Step 3 by submitting a copy of the written form provided in Step 2 to the Personnel Officer.

- a. Within no more than ten (10) working days after receipt of the written grievance, a meeting shall be scheduled between the Personnel Officer and the employee or employees involved. A representative of the employee or employees may be present if requested.
- b. Grievances involving a dispute between the City and a Recognized Employee Organization may be initiated in this Step by either party in said written form within ten (10) working days of the occurrence of the event giving rise to the grievance. In that event, a meeting shall be scheduled within five (5) working days of receipt of said written grievance between no more than two (2) designated representatives of the City and two (2) of the Recognized Employee Organization. In addition, the employee or employees involved, if any, the Department Head, and the immediate supervisor shall be entitled to be present at the meeting.
- c. Grievances submitted in Step 3 shall be answered by the Personnel Officer in writing within ten (10) working days of said meeting(s).

STEP 4 If the dispute remains unresolved after Step 3, the aggrieved party can request review by the City's Civil Service Commission. Such a request must be submitted in writing to the Personnel Officer within

ten (10) working days after the answer in Step 3 has been received or the time for such answer has expired. The request for review shall be made on a form supplied by the City. Within thirty (30) calendar days after the receipt of a request for review, the Civil Service Commission shall hold a hearing. The Personnel Officer shall notify the aggrieved party of the date, time and place of the hearing.

The aggrieved party has the right to appear personally and to have counsel appear on its behalf. The hearing shall be conducted pursuant to Subdivision V.1.D. herein above. The fact finding aspect of the Civil Service Commission hearings shall be open to the public, the deliberative aspect of such proceedings shall be held in closed session unless the law shall otherwise require. The decision of the Civil Service Commission shall be final and binding upon all parties unless review by the City Council is invoked under the herein below provided provisions.

C. REVIEW BY CITY COUNCIL

The findings and conclusions of law of the Civil Service Commission shall be final and binding unless within thirty (30) calendar days thereafter a request for review by the City Council is filed with the Personnel Officer, or the City Council, on its own motion, requests review thereof within said period.

D. GENERAL DEFINITIONS

1. EMPLOYEE REPRESENTATIVE

The employee "representative" referred to in Steps 2 and 3 above may be an employee of the City.

2. GRIEVANCE DEFINED

Grievance means any dispute or difference between the City and any employee or group of employees, concerning the interpretation or application of any written City ordinance, resolution, rule, policy, practice or procedure governing the wages, hours and working conditions of City employees. The term "grievance" also includes any dispute or difference between the City and a recognized employee organization concerning the interpretation

or application of any existing memorandum of understanding between the City and said recognized employee organization.

3. PROCEDURAL EXTENSIONS

The procedural times set forth herein are absolutely binding upon both parties and will not be considered waived, unless said waiver is in writing and agreed to by both parties.

4. TIME LIMITS

The failure to submit a grievance within the time limits specified in the various steps provided above shall result in the settlement of the grievance in accordance with the last answer or response given which shall be final and binding.

5. WORKING DAYS

The "working day" shall be considered for administrative convenience to be Monday through Thursday, from 7:00 a.m. to 6:00 p.m., excluding Holidays.

ARTICLE VI
IMPLEMENTATION OF
MEMORANDUM OF UNDERSTANDING

SECTION 1 WAGE RIGHTS

- A. The Association and the Union promises and warrants, that upon acceptance of the aforementioned recommendations of the City's Representatives Designee by the City Council, its members will provide service to the City upon the terms and conditions herein stated.

- B. Subject to the provisions of this Agreement, the parties hereto do hereby agree and acknowledge that the City shall retain all its usual rights and responsibilities including, but not limited to, those set forth in Section 5 of said Resolution No.4508.

- C. It is understood and agreed that this Memorandum of Understanding is subject to all present and future applicable Federal or State wage and salary control laws and regulations as well as all other applicable Federal and State laws or regulations. If any part of this Memorandum is in conflict or inconsistent with such applicable provisions of Federal or State laws or regulations or is otherwise held to be invalid or unenforceable by any tribunal of competent jurisdiction, such part or provision shall be suspended and superseded by such applicable laws or regulations, and the remainder of this Memorandum of Understanding shall remain in full force and effect.

APPENDIX A.

LETTERS OF UNDERSTANDING

LETTER OF UNDERSTANDING REGARDING SICK LEAVE PAYOFF AT TERMINATION

This is to confirm that effective July 2, 2003, the rules regarding the amount of sick leave each employee is eligible to receive at termination will change. There will be no change in the manner in which sick leave is accumulated or used for active employees, other than the annual accrual of sick leave will be increased to 100 hours effective July 1, 2002 and the amount of this sick leave that may be used for personal business each year is increased from three (3) days to five (5) days effective July 1, 2002.

Effective July 2, 2003, the hours of sick leave eligible to paid in accordance with the sick leave payoff formula contained in the MOU will be changed as follows:

- A. Employees who terminate on or after July 2, 2003 will be eligible to have up to 450 hours of accrued and unused sick leave applied to the sick leave payoff formula in the MOU at their rate of pay in effect at the time of termination.
- B. In addition to the sick leave payoff provided in the above paragraph 1. employees will be eligible to have the value accrued and unused sick leave hours above 450 on July 2, 2003 applied to the sick leave payoff formula contained in the MOU.

EXAMPLES OF THE POLICY ARE:

1. On July 2, 2003 an employee has 10 years of service with the City, an hourly pay rate of \$15 and an accrued and unused sick leave balance of 300 hours. The employee terminates employment with the City after 16 years of service, has an hourly pay rate of \$18 and has 450 or more hours of accrued and unused sick leave at the time of termination. In this example, the employee will have 450 hours of sick leave applied to the sick leave payoff formula at \$18 per hour.
2. On July 2, 2003 an employee has 10 years of service with the City, an hourly pay rate of \$15 and an accrued and unused sick leave balance of 600 hours. The employee terminates employment with the City after 16 years of service, has an hourly pay rate of \$18 and has 1000 hours of accrued and unused sick leave at the time of termination. In this example, the employee will have 450 hours of sick leave at \$18 per hour applied to the sick leave payoff formula and 550 hours of sick leave at \$15 per hour applied to the sick leave payoff formula.
3. On July 2, 2003 an employee has 10 years of service with the City, an hourly pay

rate of \$15 and an accrued and unused sick leave balance of 800 hours. The employee terminates employment with the City after 16 years of service, has an hourly pay rate of \$18, and an accrued and unused sick leave balance of 250 hours at the time of termination. In this example, the employee will have 250 hours of sick leave at \$18 per hour applied to the sick leave formula.

**LETTER OF UNDERSTANDING
REGARDING THIS CONSOLIDATED
MEMORANDUM OF UNDERSTANDING (MOU)**

This consolidated Memorandum of Understanding (MOU) is the result of a joint effort by the Union and the City to capture all past agreements between the parties that are still applicable and active. If an issue or practice is included in this MOU, the language of this MOU is controlling. If an issue or practice is not included in this MOU and there is a clear practice or a current written practice, such as the City's Salary Resolution, covering the issue, the past practice or written practice will be controlling.

APPENDIX B.

**GRADES, STEPS AND JOB TITLES
EFFECTIVE JULY 1, 2006**

TO BE INSERTED AFTER COMPLETION OF SALARY SURVEY

**GRADES, STEPS AND JOB TITLES
EFFECTIVE JULY 1, 2007**

TO BE INSERTED AFTER COMPLETION OF SALARY SURVEY

CITY OF SOUTH GATE

BY: _____
Maria Davila, Mayor

BY: _____
Gary Milliman, City Manager

BY: _____
Julia James, Finance Director

BY: _____
Lolita Brown Fletcher, Personnel Director

ATTEST:

APPROVED AS TO FORM:

Carmen Avalos, City Clerk

Raul Salinas, City Attorney

AND

SOUTH GATE PROFESSIONAL MID-MANAGEMENT ASSOCIATION

BY: _____
Cynthia Duprey, President

BY: _____
Osie Harrell, Vice-President

BY: _____
Angela Roscoe, Secretary

BY: _____
Sheri Koomen, Representative

BY: _____
Susan Sturdevant, SEIU, Local 347

DATED THIS 23rd DAY OF JANUARY, 2007

