

MEMORANDUM OF UNDERSTANDING
BETWEEN THE
CITY OF SOUTH GATE
AND THE
SOUTH GATE DIVISION MANAGEMENT ASSOCIATION

JULY 1, 2006 TO JUNE 30, 2008

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ARTICLE I - GENERAL PROVISIONS

Section 1. Recognition

This Memorandum of Understanding (hereinafter referred to as “Agreement” or “MOU”) is effective July 1, 2006 through June 30, 2008. For the purpose of reference only this MOU is entered into with reference to the following facts:

WITNESSETH:

WHEREAS, the South Gate Division Management Association, (hereinafter called the “Association” or the “DMA”), 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) (8.2.7) of the City Council of South Gate, and subsequent amendments to the same, as “All employees in the Pay Plan F (Unclassified Division Management Employees)”; and,

WHEREAS, the Association and the City’s Representatives have met and conferred in good faith over the wages, hours, and other conditions of employment for the employees represented by the Association 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 hereby agree as follows:

Section 2. Current and Supplemental Agreements

It is the intent of the City and the Association 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 the duly authorized representatives of the City and the Association.

Section 3. Nondiscrimination

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

Section 4. Duration

The term of this Agreement shall be from July 1, 2006 until June 30, 2008, and shall become effective only after adoption by the City Council of the City of South Gate following ratification by the members of the Association.

Section 5. Dues Deduction

The City will provide automatic payroll deduction for the collection of association dues, if so requested by the Association.

Section 6. Protection Clause

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

Section 7. Severance Plan

Employees may be terminated without cause or laid-off in the sole discretion of the City provided that the City shall give the Employee one (1) month written notice of its intent to do so, and upon the effective date of such termination, shall pay the employee a severance payment equal to three (3) months of his or her salary. This shall apply to any employee employed by the City as of September 1, 2003 or thereafter. Acceptance of the severance payment will be consideration by the City in exchange for a full and complete settlement of all employment disputes between the employee and the City, and the employee will execute a severance agreement to this effect prior to and as a condition of receiving the severance. The employee will not be eligible for the notice period or severance pay described above if he/she is terminated for cause as defined in the Letter of Understanding Regarding Severance, contained in Appendix A or if employee fails to execute severance agreement. If the City determines that it has cause to terminate an employee it shall provide the employee with written notification detailing the cause for termination. The employee shall have ten (10) working days to challenge the cause for termination. If the City, in its sole determination, is not persuaded by the challenge to rescind the termination, the employee shall be terminated. The employee may then appeal the termination in accordance with Article V, Section 3, Step 4. Any newly hired employee is not eligible for severance or the grievance procedure outlined herein until he/she passes the probationary period or extended probationary period as defined in Article 1, Section 13. However, when an employee who has passed his/her initial probationary period accepts a probationary appointment in a new classification, the employee retains the right to the severance pay and grievance procedure benefits under the terms outlined herein.

Section 8. Dress Codes

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

Section 9. Association Business

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

Section 10. Use of City Facilities/Vehicles

The City agrees that the Association 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. Employees who are required to participate in City sponsored or sanctioned activities outside of their normal work hours or normal work days may be allowed to take an available City vehicle home the day(s) of the activity with the approval of their Department Director or the City Manager. Additionally, employees may use available City vehicles during normal work hours, with the approval of their Department Director or the City Manager, to accomplish special assignments if their personal vehicle is not appropriate for the assignment or the assignment may damage their personal vehicle.

Section 11. Labor Management Committee

There 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 Association 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 Period

A. All employees new to a position are required to complete a probationary period of six (6) months 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 or returned to the position vacated. The initial probationary period may be extended an additional six (6) months at the discretion of the Department Head in the 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 the Grievance Procedure. The Personnel Officer may restore any employee so terminated to the eligibility list from which he/she was removed if there appears to be an 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 months of service and after six 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 that shall be due on the anniversary of the date that he/she passed probation in his/her current position.

Section 14. Work Schedules

The 4/10 work schedule shall continue and may be re-evaluated each year of this Agreement. The City agrees to Meet and Confer with the Association on any proposed changes to the 4/10 schedule.

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 Association agree that it is appropriate to provide a drug-free workplace through the establishment of policies and procedures that clearly prohibit the use of alcohol and other drugs and their influence on the job.

The Association will cooperate with the City in implementing its Drug and Alcohol Abuse Policy. The City agrees to Meet and Confer with the Association 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.

ARTICLE II - SALARIES AND ALLOWANCES

Section 1. Pay Increases Implementation

The City shall make payroll changes for step increases, pay increases, and other compensation changes at the start of the nearest pay period, subject to the Personnel Officer's approval and/or adjustment (due to special circumstances).

Section 2. A. Wages

Cost of Living Allowances (COLAs) will be made to each Step in all Grades in the percentage amounts and effective on the dates shown below.

July 1, 2006 5%

July 1, 2007 Utilize the CPI for the Los Angeles-Orange-Riverside area for the month of March with a maximum of 5%.

B. Salary Survey

The COLAs will be applied after any applicable salary adjustments are made pursuant to the findings of a City – conducted salary survey. It is agreed that the City will conduct a salary survey of all represented positions for fiscal year 2005 – 2006. The comparison cities will be Alhambra, Burbank, Carson, Downey, Norwalk, West Covina and Whittier. The cities with the highest and lowest salaries will be eliminated. The average of the low end and high end of ranges of all remaining cities will be determined. The percentage differences in the comparison cities and the City of South Gate will be determined. Finally, the range will be adjusted by the average of the percentage in the high end and differences in the low end of the range. The Job Classifications, grades, and steps within each grade are shown in

Appendix B.

Section 3. Merit Based Step Increase

All employees will be placed on the same evaluation schedule with either annual or semi-annual evaluations. Advancement to a higher Step in each Grade will be contingent upon an overall satisfactory or exemplary performance evaluation. Special merit increases of one (1) or two (2) steps for outstanding job performance up to the top of the salary range are possible during the performance period. Merit increases must be recommended by the employee's supervisor and approved by the Department Head. Should a supervisor fail to complete an evaluation through no fault of the employee, the employee will automatically receive any regularly scheduled increase. Supervisors are required to take affirmative action to withhold a salary step increase, with this action to be approved by the Department Head. The withholding of a salary step increase may be reviewed by the Personnel Officer if the employee requests. 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. When an employee is given an unsatisfactory performance evaluation and a salary step withheld, the employee and the supervisor shall meet and establish goals and a plan to improve the performance. When an employee meets the goals of the performance improvement plan the employee will then earn a step increase.

Section 4. Working Temporarily In A Higher Classification

A. Right to Additional Compensation

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

B. Conditions Precedent for Additional Compensation

The conditions precedents to entitle employees to the additional compensation are as follows:

1. Time

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

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

b. If the budgeted position classification to which the employee is assigned is vacant due to a temporary absence of a permanent employee, such as in the case of 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.

2. Certificate of Competence

If 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 classification competently, the City Manager in his sole discretion, may execute a certificate of competence to evidence the qualifications.

3. Need

There presently exists a budgeted, full time, vacant position as specified above, and the Department needs require the assignment of another employee to continue said duties.

4. 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 City Manager, 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.

C. 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 5% increase but shall in no event exceed the highest step of the range assigned to the higher classification.

Section 5. 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 leaves voluntarily or separates from the City within two years from the date of completion of a course for which reimbursement is received, the City may withhold the amount of such reimbursement from the employee's final check.

Section 6. Mileage Allowance

Employees shall be required to furnish their own automobiles for City business. Employees will be compensated for the use of their automobile at a rate of three hundred seventy-five dollars (\$375) per month.

Section 7. Communication Device

Unless other arrangements are approved by the City Manager, all DMA

members shall receive a City – issued Blackberry cellular telephone device.

ARTICLE III - FRINGE BENEFITS

Section 1. Medical & Dental Insurance

A. Medical Insurance

CITY CURRENT CONTRIBUTION

	<u>2006</u>	<u>2007</u>
Employee	\$320.55	\$360.60
Employee + 1	\$641.10	\$721.20
Employee + 2 or more	\$833.43	\$937.56

The City will pay an insurance premium that is equivalent to the rate for Kaiser-Southern California as shown above or as may be adjusted during the term of this Agreement. 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 for Southern California – Los Angeles area, per month, in deferred compensation to those employees who do not purchase health insurance, but can show proof of medical insurance coverage on an annual basis.

B. Dental Insurance

CITY CURRENT CONTRIBUTION

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

The City will pay an insurance premium that is equivalent to the rate for the standard HMO dental plan as shown above or as adjusted during the term of this

Agreement. 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 standard Dental HMO rate for Southern California – Los Angeles area, per month, in deferred compensation to those employees who do not purchase dental insurance, but can show proof of dental insurance coverage on an annual basis.

Section 2. Life Insurance

The City shall provide \$50,000 Life and Accidental Death and Dismemberment Insurance for all employees represented by the Union. However, at age 65, coverage is at 65%, at age 70, coverage is at 40%, at age 75, coverage is at 25%, and at age 80, coverage is at 15%.

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 and 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 Association 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 Association 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:

<u>EMPLOYEE SHARE</u>		<u>CITY'S SHARE FOR EMPLOYEE RATE</u>
Start to 6 months	8%	0%
Six mos. to one (1) yr.	4%	4%
One (1) yr. +	0%	8%

B. Additional Retirement Benefits

The following are benefits provided to employees and their eligible dependents/beneficiaries under the 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 Remarriage**
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. **The "2.7% at Age 55" Retirement Formula** - Calculation of retirement benefit;
6. **The 1959 Survivor Benefit at Level 4** - Higher level of benefits than the Basic or other levels of the benefit;
7. **Military Service Credit** - Credit of maximum of four years of service;
8. **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) years or more of City service, and remain

so retired, shall receive a medical insurance benefit not to exceed \$150 per month, plus the \$16.00 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.

Section 6. Deferred Compensation

The City currently offers four deferred compensation plans to employees and said plans offer a savings plan only. Enrollment in such plans is on an ongoing 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 Association to discuss plans that will focus on issues such as, the non-use of sick leave, safe driving record, and 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:

- A. Employees shall receive a family membership (spouse and dependent children) that will be provided at no cost and includes 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.

Section 9. Errors and Omissions Insurance Policy

The City acknowledges that State law requires 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 program for employees at a maximum cost of \$5 per month per employee for a pre-tax medical and 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 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. Each fiscal year, the City shall observe the following named holidays:

New Year's Day	January 1st
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 4th
Labor Day	First Monday of September
Thanksgiving Day	Fourth Thursday of November
Christmas Eve	December 24th
Christmas Day	December 25th

Each fiscal year, all employees will get 130 hours of paid Holiday Leave. 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). Any employee that works without regard to holidays (i.e., police communications, records, jailers, only) – holidays are observed on the actual day of the holiday, including the Closure days between Christmas and New Year's Day. Any employee that works with regard to holidays – holidays that fall on Friday or Saturday become floaters. Holidays that fall on Sunday are observed on Monday. If two-day holidays fall on Sunday/Monday, then holidays are observed Monday/Tuesday.

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: (1) take the holiday off at another date to be scheduled by the department head as work schedules permit, or (2) be paid for that holiday at his/her straight time rate of pay, in addition to the pay he/she 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. The City will make the payout at the normal pay period closest to the anniversary of the employee's date of hire.

C. Pursuant to a previous MOU Amendment, employees may elect to receive up to 50% of the deferred vacation 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 anniversary of the employee's completion of probation.

Section 3. Sick Leave

A. Entitlement

Employees shall earn one hundred twenty (120) hours of sick leave per year prorated by pay period.

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 contained in Appendix A).

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. Employees who become ill or injured while working on the job must request approval of their supervisor 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 Section1, 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 his/her 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 that 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 Personnel Officer shall conduct the counseling session 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 Personnel Officer shall issue the summary 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.

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 termination 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).

1) Sick Leave Payoff

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

15 - 19 years of service - 50% reimbursement of eligible unused sick leave.

20 years or more of service - 75% reimbursement of eligible unused sick leave.

Option 1: At termination: Payoff per above formula.

Option 2: At termination: 25% of payoff per above formula.
1 year after termination: 25% of payoff per above

formula.

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

3 years after termination: 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. 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

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. 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. 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.

A. 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 Employment</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 that 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. 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.

- B.** 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

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

B. Out of State

The employee shall receive forty (40) hours leave, not chargeable to any other leave, when employee travels out of state due to the death of an immediate family member. 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. Applicable laws shall govern compensation, reemployment, seniority and other rights and privileges. In order to verify the right to such leave, the employee shall cause a copy of his/her orders to and from military duty to be filed with the 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 eighty (80) hours of paid leave per fiscal year for annual military training. Employees are entitled to receive up to an additional thirty (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 eighty (80) 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 one hundred sixty (160) hours.

B. Beginning July 1, 2003, employees may request a payout of up to eighty (80) 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 at 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 Commission Meeting, City Parks Commission 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 in 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 Association and the involved employee(s) and will not be subject to the grievance procedure.

ARTICLE V - DISCIPLINE & PROBLEM RESOLUTION

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 eligibility 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. Incompetence.
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 any oath or affirmation that 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 Action

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 and 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.

SECTION 2. PROBLEM RESOLUTION

A. General Policy

It is the policy of the City to encourage employees to resolve work-related problems at the earliest possible opportunity; and for management employees to assist employees in the timely solution of problems whenever possible. For almost any work-related problem, employees are urged to talk with their immediate supervisor first to try to resolve the problem before taking further action. This section is for the purpose of specifying procedures for solving problems, providing guidelines for disciplinary and dismissal actions and detailing methods by which employees may appeal actions that they believe are unjust or unwarranted.

B. Non-Disciplinary Problems

1. Compensation Problems

Employees who have any problems with their pay or benefits, should report it to their departmental office immediately upon discovery. A problem regarding a paycheck should be reported no later than ten (10) calendar days after receipt of the paycheck. If the action requires Personnel Office adjustments, the department representative will contact the Personnel Office to resolve the problem.

2. Workers' Compensation Problems

Employees who feel they are not receiving the workers' compensation benefits for which they qualify, should contact the Personnel Department, which will contact the City's workers' compensation administrator. Many questions can be cleared up with a telephone call.

3. Insurance, Benefits or Retirement Problems

Employees who have a problem regarding any of the City's insurance or benefits or want information regarding retirement, should contact the Personnel Office.

4. Other Non-Disciplinary Work Related Problems

Any problem not otherwise covered in this section that an employee is unable to resolve through informal means may be submitted for resolution through the grievance procedure.

5. Interpretation of Memorandum of Understanding Provisions

Employees who have a problem that relates to a provision in or an interpretation of this Memorandum of Understanding, should contact the Association. If the problem is not resolved through informal discussions, the Association may file a grievance.

C. 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 that 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.

Section 3. 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.

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 five (5) 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

1. 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.
2. Within no more than five (5) 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.
3. Grievances involving a dispute between the City and the Association may be initiated in this Step by either party in said written form within five (5) 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 Association. 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.
4. Grievances submitted in Step 3 shall be answered by the Personnel Officer in writing within five (5) working days of said meeting(s).

STEP 4

If the dispute remains unresolved after Step 3, the aggrieved party can request final binding Arbitration under the rules of the American Arbitration Association. Each party will pay their own legal costs. The City and the employee will share the costs of the American Arbitration Association equally.

C. 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 the Association concerning the interpretation or application of any existing memorandum of understanding between the City and the Association.

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 promises and warrants, that upon acceptance of the aforementioned recommendations of the City's Representative's 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 and 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 personnel 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:

- 1.** 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.
- 2.** 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 this 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 used 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.

APPENDIX B. GRADES, STEPS AND JOB TITLES

**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 Association 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.

LETTER OF UNDERSTANDING REGARDING SEVERANCE

With respect to Article I, Section 7, Severance of this MOU the following definitions shall apply:

1. Termination for Cause.

An employee may be terminated for cause in the event that the employee is;

1. convicted of any illegal act involving personal gain to the employee;
2. convicted of any felony, irrespective of the charge;
3. convicted of any misdemeanor involving charges of moral turpitude, fraud or any act of misappropriation of public funds while working for the City, or;
4. found by the City Council, upon the recommendation of the City Manager, to have:
 - a. been in gross neglect or dereliction of his/her duties, including willful or repeated violation of Article V, Section 1.A. of this MOU;
 - b. misappropriated any assets of the City,
 - c. failed to accurately state his/her representations or warranties.

2. Written Notice.

A written document delivered to the employee by the Department Head or City Manager or his/her designee describing the reason(s) for the employee's termination and the date that the employee will be terminated.

- 3. Notice period.** In the case of termination without cause, the notice period is intended as a time during which the employee can look for other employment while remaining on the City payroll. The employee will be available and will cooperate in helping to transition his/her work assignments during this period, however, the majority of the notice period will be utilized for job search. With mutual agreement between the employee and the City, some or all of the notice period may be converted into severance pay based on the employees salary. For instance, if the employee earns a salary of \$1,000 per week and it is mutually agreed to convert two (2) weeks of notice into a cash payment, a total of \$2,000 would be added to the employees severance benefit and he/she would leave the City payroll two weeks earlier than required by this MOU. If the employee accepts another job during the notice period and presents the City with a valid offer of employment, the time remaining in the notice period from the employees hire date with the new organization will be converted to a severance payment as described in this paragraph.

LETTER OF UNDERSTANDING
REGARDING RESTRUCTURE OF DMA

It is understood and agreed that the position of Field Operations Manager will be transferred to the Top Management Group and the Public Works Superintendents and Water Manager positions will be transferred from the Professional Mid-Management Group (“PMMA”) to the DMA, with the latter pending agreement with the PMMA.

LETTER OF UNDERSTANDING
REGARDING NEGOTIATIONS

It is understood and agreed that the DMA will endeavor to send its opening proposal to the City Manager and Personnel Director by March 1, 2008. The City will endeavor to provide its initial response to the DMA by March 21, 2008. The City and the DMA will endeavor to begin negotiations by April 1, 2008.

CITY OF SOUTH GATE

BY: _____
Maria Davila, Mayor

BY: _____
Gary Milliman, City Manager

BY: _____
Lolita Brown Fletcher,
Personnel Director

BY: _____
Julia James, Finance Director

ATTEST:

APPROVED AS TO FORM:

Carmen Avalos, City Clerk

Raul Salinas, City Attorney

AND

**SOUTH GATE
DIVISION MANAGEMENT ASSOCIATION**

BY: _____
Dave Torres, President

BY: _____
Veronica Lopez, Secretary

BY: _____
Vivian Garcia, Board Member

DATED THIS ____ DAY OF OCTOBER, 2006